RESOLUTION NO. R2019-103

An Emergency Resolution of the Pierce County Council Relating to Local Sales or Use Taxes; Stating the County's Intent to Authorize the Maximum Capacity of the Tax Authorized Under the Provisions of Substitute House Bill 1406 for Affordable and Supportive Housing; and Establishing a Sunset Date.

Whereas, the County lacks affordable, high-quality homes for all of its residents; and

Whereas, in 2019, Washington State enacted Substitute House Bill 1406 ("SHB1406"), a revenue-sharing program with local governments for affordable housing which is intended to encourage investments in affordable and/or supportive housing; and

Whereas, the effective date of SHB 1406 is July 28, 2019; and

Whereas, through a credit against state retail sales or use taxes, the program allows the County to authorize and collect a local sales or use tax, estimated to be between $2.6 million annually, for affordable housing or facilities providing supportive housing, and for operation and maintenance costs of affordable or supportive housing, with no increase in sales or use tax for the consumer; and

Whereas, the credit against state retail sales or use taxes can be in place for a maximum of 20 years and can be used for acquiring, rehabilitating, or constructing affordable housing, and for operation and maintenance costs of new affordable or supportive housing facilities; and

Whereas, funding must be spent on projects that serve persons whose income is at or below 60 percent of area median income; and

Whereas, the state legislation requires that the County adopt an ordinance authorizing the tax within 12 months of the effective date of SHB 1406, or by July 28, 2020; and

Whereas, due to the urgent response required to help address the changing housing market in the County, which is increasing displacement pressure among residents and creating a widespread need for high-quality, affordable housing opportunities for all, it is advisable to approve the credit against state retail sales or use tax though an emergency ordinance to allow the County to authorize the tax beginning at the earliest possible date; and
Whereas, delays in approving the affordable and supportive housing authorized
tax would result in a reduction in future tax credits to the County; and

Whereas, SHB 1406 requires the County to adopt a resolution declaring the
County's intent to impose the tax authorized under the provisions of SHB 1406 for
affordable and supportive housing as part of the procedure for imposing said tax; Now
Therefore,

BE IT RESOLVED by the Council of Pierce County:

Section 1. Pierce County intends to authorize the maximum capacity of the tax
authorized under the provisions of Substitute House Bill 1406 for affordable and
supportive housing.

Section 2. Adoption of this Resolution is necessary for the immediate
preservation of the public peace, health, safety and support of the County government
and its existing institutions for the reasons outlined in the recitals accompanying this
resolution.

Section 3. The tax imposed under this Section sunsets 20 years after the date
on which the tax is first imposed.

ADMITTED this 30th day of July, 2019.

ATTEST:

PIERCe COUNTY COUNCIL
Pierce County, Washington

Denise D. Johnson
Clerk of the Council

Douglas G. Richardson
Council Chair