

SHB 1406

Staff Report
10-28-2019



SHB 1406 Review

- State legislation that allows local jurisdictions to impose a local sales tax credited against the state sales tax
- Funds may only be used to support affordable housing
- Because this is a credit against sales tax the state already collects, there is no impact to consumers



Dollars Available

- Shoreline is eligible to claim the tax credit at the rate of .0073%
- This is estimated to bring in about \$81,000/yr and \$1.6 M over 20 years



Allowed Uses

- Acquiring, rehabilitating, or constructing affordable housing
- Operations and maintenance costs of new units of affordable or supportive housing
- Rental Assistance
- All uses must serve those at 60% AMI or below



Required Action 1

Resolution 448 declaring the City Council's intent to authorize the maximum capacity of sales and use tax for affordable and supportive housing



Required Action 2

Ordinance 869 authorizing the Sales Tax Credit for Affordable and Supportive Housing as Authorized by SHB 1406



Questions/Discussion

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