

COUNCILMEMBERS

Position No.

1. Tod Gunther
2. John Kelly
3. Tony Belot
4. John Williams
5. Gregg Bradshaw
6. Greg Hogan
7. Scott Drennen



ORTING CITY COUNCIL

Special Meeting Agenda
Orting Public Works Building
902 Rocky Road, Orting, WA
January 27th, 2020
7PM.


Mayor Joshua Penner, Chair

1. CALL MEETING TO ORDER

- A. Pledge of Allegiance
- B. Roll Call

2. AGENDA ITEM

- A. Resolution No. 2020-04 – Resolution Declaring Intent to Adopt Legislation Consistent with Substitute House Bill 1406, Regarding Sales and Use Tax for Affordable and Supportive Housing.

 **Mark Bethune/City Attorney**

Motion: To adopt Resolution No. 2020-04, Declaring the Intent of The City of Orting To Adopt Legislation To Authorize A Sales And Use Tax For Affordable And Supportive Housing In Accordance With Substitute House Bill 1406.

3. ADJOURNMENT- Motion: To Adjourn.



**City Of Orting
Council Agenda Summary Sheet**

	Agenda Bill #	Recommending Committee	Study Session Dates	Special Meeting Date
Subject: Resolution Declaring Intent to Adopt Sales and Use Tax for Affordable Housing	AB20-14			
				1.27.20
	Department:	Administration		
	Date Submitted:	1/23/20		
Cost of Item:	<u>\$NA</u>			
Amount Budgeted:	<u>\$NA</u>			
Unexpended Balance:	<u>\$NA</u>			
Bars #:				
Timeline:				
Submitted By:	Mark Bethune, City Administrator; Charlotte Archer, City Attorney			

Fiscal Note:

Attachments: Resolution No. 2020-04

SUMMARY STATEMENT: During the 2019 Regular Session, the Washington State Legislature enacted Substitute House Bill 1406, which was signed by the Governor, effective July 28, 2019. The Bill allows local jurisdictions (cities and counties) to impose a local state-shared sales and use tax to fund affordable or supportive housing. The consumer does not pay this tax, and the effective sales tax rate remains the same. Instead, this tax is *credited* against the 6.5% state sales tax. The tax expires twenty years from the date it was imposed.

Funds from this tax must be used for the following:

- acquisition, rehabilitation or construction of affordable housing
- funding the operations and maintenance costs of new units of affordable or supportive housing, or
- provide rental assistance to tenants

To impose the tax, the City must adopt both of the following:

- a resolution of intent to adopt legislation by Jan. 28, 2020
- an ordinance to authorize the tax by July 28, 2020

This Resolution would complete the first step by declaring an intent by the City Council of Orting to adopt legislation to authorize the maximum capacity of the sales and use tax authorized by SHB 1406 by July 2020.

RECOMMENDED ACTION: Motion: To adopt Resolution No. 2020-04, Declaring the Intent of The City of Orting To Adopt Legislation To Authorize A Sales And Use Tax For Affordable And Supportive Housing In Accordance With Substitute House Bill 1406.

**CITY OF ORTING
WASHINGTON**

RESOLUTION NO. 2020-04

**A RESOLUTION OF THE CITY OF ORTING,
WASHINGTON, DECLARING THE INTENT OF THE CITY
OF ORTING TO ADOPT LEGISLATION TO AUTHORIZE
A SALES AND USE TAX FOR AFFORDABLE AND
SUPPORTIVE HOUSING IN ACCORDANCE WITH
SUBSTITUTE HOUSE BILL 1406 (CHAPTER 338, LAWS OF
2019), AND OTHER MATTERS RELATED THERETO.**

WHEREAS, in the 2019 Regular Session, the Washington State Legislature approved, and the Governor signed, Substitute House Bill 1406 (Chapter 338, Laws of 2019) (“SHB 1406”); and

WHEREAS, SHB 1406 authorizes the governing body of a city of 100,000 residents or less to impose a local sales and use tax for the acquisition, construction or rehabilitation of affordable housing or facilities providing supportive housing, and/or for the operations and maintenance costs of affordable or supportive housing, and/or for providing rental assistance to eligible tenants; and

WHEREAS, the tax will be credited against state sales taxes collected within the City and, therefore, will not result in higher sales and use taxes within the City and will represent an additional source of funding to address housing needs in the City; and

WHEREAS, the tax must be used to assist persons whose income is at or below sixty percent of the City median income; and

WHEREAS, the City has experienced rising housing costs proportionate to the increasing housing costs in the region that have unduly burdened low income households in the City, and has determined that imposing the sales and use tax to address this need will benefit its citizens; and

WHEREAS, in order for a city to impose the tax, within six months of the effective date of SHB 1406, or January 28, 2020, the governing body must adopt a resolution of intent to authorize the maximum capacity of the tax, and within twelve months of the effective date of SHB 1406, or July 28, 2020, must adopt legislation to authorize the maximum capacity of the tax; and

WHEREAS, this resolution constitutes the resolution of intent required by SHB 1406; and

WHEREAS, the City Council now desires to declare its intent to impose a locale sales and use tax as authorized by SHB 1406 as set forth herein;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF ORTING AS FOLLOWS:

Section 1. Recitals. The foregoing recitals are incorporated herein by this reference.

Section 2. Resolution of Intent. The City Council declares its intent to adopt legislation to authorize the maximum capacity of the sales and use tax authorized by SHB 1406 within one year of the effective date of SHB 1406.

Section 3. Further Authority; Ratification. The Mayor or his designee is hereby authorized and directed to undertake all action necessary to carry out the terms of, and complete the actions contemplated by, this resolution. All acts taken pursuant to the authority of this resolution but prior to its effective date are hereby ratified.

Section 4. Corrections. The City Clerk and the codifiers of this resolution are authorized to make necessary clerical corrections to this resolution including, but not limited to, the correction of scrivener's errors, references, numbering, section/subsection numbers and any references thereto.

Section 5. Effective date. This Resolution shall become effective immediately upon adoption and signature as provided by law.

**RESOLVED BY THE CITY COUNCIL AT A SPECIAL MEETING THEREOF
ON THE _____ DAY OF _____ 2020.**

CITY OF ORTING

Joshua Penner, Mayor

ATTEST/AUTHENTICATED:

Jane Montgomery, City Clerk, CMC

Approved as to form:

Charlotte A. Archer
Inslee, Best, Doezie & Ryder, P.S.
City Attorney