



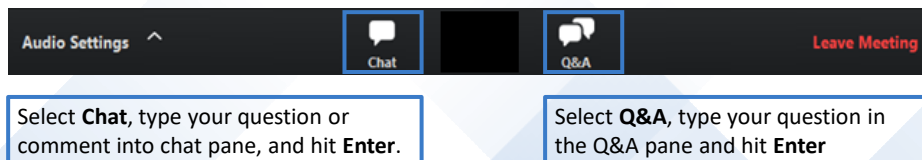
Home Fund – A New Tool for Creating Affordable Housing

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Zoom webinar technical tips

- Plug your device into a power source
- Connect your device directly into your internet connection instead of using wireless to avoid audio and video quality issues and interruptions
- You can **submit questions for the speaker** via the **Q&A feature**
- Please use the **Zoom chat feature** for any **technical issues** or questions



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Disclaimer

Disclaimer: The information contained in this presentation is for general educational purposes only and is not intended to be legal advice. Please consult legal counsel for advice about specific questions.



**Home Fund – A
New Tool for
Creating Affordable
Housing**



Housing realities in our region

- Residents are facing a significant affordable housing crisis, leading to nearly 40% of households paying more than the accepted 30% of monthly income for their housing
- Lack of rental housing for low income and those vulnerable people requiring safe housing with support services is especially acute
- State and federal funds typically require local match funds to gain access and local governments have limited finance tools to use
- Rents and housing costs have dramatically skyrocketed in recent years while wages for low and moderate income have barely increased - leading to major inequities
- The COVID pandemic has only increased housing instability

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Increasing Funding at the Local Level: HB 1590

- Local city councils and/or county commissions can pass a local housing tax, authorized by the state legislature (HB 1590) 2020/ HB1070 (2021)
- This 1/10th of 1% sales tax increase will only cost the average citizen \$16 a year: 1 penny on \$100
- Housing for 60% AMI and below and Behavioral Health \$
- Funds will leverage at least 5 times other funds for affordable housing construction and acquisition

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Communities that have passed and are considering this revenue tool

Passed by public vote

- Anacortes
- Ellensburg
- Olympia
- Pt. Angeles

Passed councilmanically

- King County (and several cities independently)
- Jefferson County
- Bellingham and Whatcom County
- Tacoma
- Spokane
- Vancouver
- Wenatchee/E Wenatchee

Considering: Mason, Thurston, Pierce, Kitsap, San Juan, Skagit, Snohomish, Clallam, Walla Walla, Yakima

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Revenue Generated*

If your community has the mental health tax – it is the same. Here are a few examples:

- Olympia - \$2.3million
- Jefferson County - \$600,000
- Whatcom County - \$5million
- Spokane - \$5.7million
- Ellensburg - \$600,000

*Based on 2019 sales tax revenue a: <https://dor.wa.gov/about/statistics-reports/retail-sales-cities-and-counties>

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Available Tools



Local Housing Revenue
A NEW OPTION FOR SAN JUAN COUNTY

No matter where we are from, what we look like or how much money we have, we all need a safe, affordable place to live.

The Problem

- Across Washington, communities are facing a significant affordable housing crisis. Well over half of low-income households pay more than the accepted 30% of their income on housing.
- Lack of housing for our most vulnerable neighbors requiring support services is especially acute.
- State and federal funds typically require local match funds to gain access and local governments have limited finance tools.
- Many low-income housing providers have struggles with people waiting years to gain access.
- COVID-19 has only increased housing instability and lack of affordable housing is a public health emergency that will be with us beyond this pandemic.
- The lack of affordable housing impacts people of all races and backgrounds, but Black, Indigenous, and other people of color, people with disabilities and LGBTQ+ people are hardest hit and experience homelessness at the highest rates.

The Answer is Housing

- City and/or County council/commissioners can pass a local housing tax, authorized by the state legislature in 2020.
- This revenue tool will help acquire land or existing buildings and/or construct affordable housing and provide housing-related services for people whose income is 80% or less of the county median income.
- Revenues will conservatively leverage at least 3 times other funds for affordable housing construction and acquisition.
- Up to 40% of the revenues can support mental and behavioral health services.
- This 1/10th of 1% sales tax increase will only cost the average resident \$16 a year and will provide a steady stream of revenue to San Juan County, about \$900,000 annually.

WASHINGTON LOW INCOME Housing Alliance
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JEFFERSON COUNTY STATE OF WASHINGTON

AN ORDINANCE IMPOSING AN ADDITIONAL SALES AND USE TAX OF ONE-TENTH OF ONE PERCENT FOR HOUSING AND RELATED SERVICES AS AUTHORIZED BY RCW 82.14.530; ADDING A NEW CHAPTER 3.33 TO JEFFERSON COUNTY CODE; PROVIDING SEVERABILITY; AND ESTABLISHING AN EFFECTIVE DATE

WHEREAS, in the 2020 Regular Session, the Washington State Legislature approved, and the Governor signed, House Bill 1590 (Chapter 222, Laws of 2020), which amended RCW 82.14.530 Sales and Use Tax For Housing And Related Services; and

WHEREAS, as amended, RCW 82.14.530 authorizes the governing body of a city or county to impose a local sales and use tax for affordable housing and related services; and

WHEREAS, pursuant to RCW 82.14.530(2)(a), at least 60% of the revenue must be used for:

- constructing affordable housing or facilities providing housing-related services, where the housing or facilities providing services are provided to people whose income is 60% or less of the county median income and who are within specified population groups listed in RCW 82.14.530(2)(b);
- constructing mental and behavioral health-related facilities; or
- funding the operations and maintenance costs of new units of affordable housing, of facilities where housing-related programs are provided, or of newly constructed evaluation and treatment centers; and

82.14.530(6)(b), no more than 10% of the revenue may be used to supplant existing local funds and



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