

## HOW NEW TAXES CAN BE USED FOR AFFORDABLE HOUSING UNDER STATE LAW

### PROPERTY TAXES

Could generate up to \$3,180,750/yr at \$0.50/\$1,000 AV

Would generate \$2,290,160/yr at \$0.36/\$1,000 AV

RCW 82.52.105 – Affordable housing levies authorized – Declaration of emergency and plan required

Majority of voters may approve ballot proposition authorizing county or city to impose additional property tax levies of up to \$0.50/\$1,000 AV each year for up to 10 consecutive years to:

- finance affordable housing for very low-income households
- after the governing body declares the existence of an emergency re: availability of housing affordable to very low-income households in the district
- and the governing body adopts an affordable housing finance plan

Very low-income household means single person, family, or unrelated persons living together whose income is  $\leq 50\%$  of median income determined by HUD for the county.

### SALES TAXES

Could generate up to \$2,156,790/yr

ESHB 2263, effective 10/9/2015, new section to RCW 82.14 – Local Option Sales and Use Tax for Housing and Related Services:

- Counties have first option to propose up to 0.01% to voters at special or general election.
- If county has not imposed full 0.01% within 2 years of effective date (by 10/9/2017), city may submit proposition to city voters at special or general election for whole or remainder of the .01% sales tax.

Minimum 60% of the moneys must be used for:

- (1) Constructing affordable housing, including new units within an existing structure, and facilities providing housing-related services; OR
- (2) Constructing mental and behavior health-related facilities; OR
- (3) Ops and maintenance costs of new affordable housing units and facilities where housing-related programs are provided, or newly constructed evaluation and treatment centers.

Affordable housing and facilities providing housing-related programs may be provided only to persons whose income is  $\leq 60\%$  county median income AND with mental illness, veterans, senior citizens, homeless or at-risk families with children, homeless youth or young adults, with disabilities, OR domestic violence survivors.

Remainder of tax revenues must be used for operation, delivery, or evaluation of mental and behavior health treatment programs and services or housing-related services.

County or city imposing the tax has authority to issue GO or revenue bonds pledging up to 50% of these new sales tax moneys for repayment in order to finance construction of affordable housing, facilities where housing-related programs are provided, or evaluation and treatment centers.

Up to 10% of these new sales tax moneys may be used to offset reductions in state or federal funds for the purposes described.