



City Council

Approval of a Resolution Authorizing Amendment One to an Interlocal Agreement with the Regional Housing Council Regarding Use of Senate House Bill 1406 Funds

Agenda Date: 4/13/2021
Agenda Item Number: 4.D
File Number: 21-0346

Type: resolution **Version:** 1 **Status:** Passed

Title

Approval of a Resolution Authorizing Amendment One to an Interlocal Agreement with the Regional Housing Council Regarding Use of Senate House Bill 1406 Funds

Recommended Action

Committee Recommendation:

Not referred to a council committee. This action is supported by the Regional Housing Council (RHC).

City Manager Recommendation:

Move to approve the Resolution authorizing amendment one to an Interlocal Agreement with the RHC regarding use of Senate House Bill (SHB) 1406 Funds.

Report

Issue:

Whether to approve a Resolution authorizing amendment one to an Interlocal Agreement with the RHC regarding use of SHB 1406 Funds.

Staff Contact:

Keith Stahley, Assistant City Manager 360.753.8227

Presenter(s):

None - Consent Calendar Item.

Background and Analysis:

The RHC reviewed and approved the proposed amendments to the Regional Housing Council Interlocal Agreement at their March 18, 2021 meeting. This amendment will allow the SHB 1406 Funds collected by the City to be used by the Regional Housing Council as part of its pooled funds. SHB 1406 dollars can be used for a variety of homeless programs and projects.

SHB 1406 allows local jurisdictions (cities and counties) to impose a local state-shared sale 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.

Depending on the population of the local jurisdiction, 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

Thurston County will receive these funds from the City and act as the fiscal agent for their collection and dispersal.

Neighborhood/Community Interests:

Homelessness and housing are issues of regional concern.

Options:

1. Approve Resolution Approving Amendment One to the RHC Interlocal Agreement Regarding Use of SHB 1406 Funds.
2. Do not approve Resolution Approving Amendment One to the RHC Interlocal Agreement Regarding Use of SHB 1406 Funds.
3. Provide the City Manager with feedback and direction regarding other possible next steps in this process.

Financial Impact:

The City of Olympia receives approximately \$330,000 in SHB 1406 dollars per year. These funds will not be available to the City of Olympia to allocate.

Attachments:

Resolution
Amended Agreement