

RESOLUTION NO. R-2019-_____

A RESOLUTION expressing the City Council's intent to adopt legislation authorizing the imposition of the maximum capacity available from the City's annual taxable retail sales and use tax, as provided for in Substitute House Bill 1406 effective July 28, 2019, to be used for the provision of affordable housing opportunities within the City.

WHEREAS, The residents of the City of Yakima are subject to a retail sales and use tax of 8.2% for retail goods and services purchased within the City; and

WHEREAS, the City of Yakima does not impose any of the "qualifying local taxes" identified in Section 1(1)(e) of Substitute House Bill 1406; and

WHEREAS, Substitute House Bill 1406 provides the opportunity to a city to legislatively authorize, fix and impose a sales and use tax in the maximum amount of up to 0.0146% of the taxable retail sales occurring in the City; the maximum amount available to the City is determined by a number of factors that include whether the City is within a County that also elects to impose a similar tax; and

WHEREAS, the City has been advised by Yakima County staff that Yakima County is uncertain whether it would choose to impose the tax opportunity within the County; and

WHEREAS, the tax imposed under Substitute House Bill 1406 must be deducted from the amount of tax otherwise required to be collected or paid to the Department of Revenue, as authorized under RCW 82.08 and RCW 82.12, and retained by the City; and

WHEREAS, the tax revenue that the City is authorized to retain under the operation of Substitute House Bill 1406 may only be used for acquiring, rehabilitating or constructing affordable housing, including new units of affordable housing within existing structures or facilities providing supportive housing services, or for providing rental assistance to tenants; and

WHEREAS, the housing and services provided pursuant to the use of the taxes retained under the operation of Substitute House Bill 1406 may only be provided to persons with incomes at or below 60% of the median income of the City; and

WHEREAS, the Yakima City Council is keenly aware of the need in the community for opportunities to provide affordable housing assistance to the residents of the City who are experiencing low income, as well as the fact that there is a shortage of good quality affordable housing within the community; and

WHEREAS, the City Council finds that it is in the best interests of the City to take advantage of this opportunity to retain the maximum amount of the sales and use tax revenue collected within the City to enhance the affordable housing opportunities to low income residents of the City, Now, Therefore,

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF YAKIMA:

The City of Yakima shall initiate legislation to authorize the opportunity provided by Substitute House Bill 1406 to retain the maximum capacity of up to 0.0146% of the retail sales

and use tax collected within the City from the Department of Revenue for the purposes of acquiring, rehabilitating or constructing affordable housing, including new units of affordable housing within existing structures or facilities providing supportive housing services, or for providing rental assistance to tenants, only for the benefit of persons with incomes at or below 60% of the median income of the City; the legislation necessary to authorize the retention of these revenues shall be adopted no later than one year after July 28, 2019.

ADOPTED BY THE CITY COUNCIL this 5th day of August, 2019.

ATTEST:

Kathy Coffey, Mayor

Sonya Claar Tee