

**RESOLUTION NO. 1398**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF DAYTON, WASHINGTON, DECLARING THE INTENT OF THE CITY COUNCIL TO ADOPT LEGISLATION TO AUTHORIZE A SALE AND USE TAX FOR AFFORDABLE AND SUPPORTIVE HOUSING IN ACCORDANCE WITH SUBSTITUTE HOUSE BILL 1406**

**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 or County to impose a local sales and use tax for the acquisition, construction, or rehabilitation of affordable housing or facilities providing supportive housing, and for the operations and maintenance costs of affordable or supportive housing, for cities of 100,000 or less, or, if eligible, for providing rental assistance to tenants; and,

**WHEREAS**, the tax will be credited against state sales tax 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 revenues must be used to assist persons whose income is at or below sixty percent of the City median income; and,

**WHEREAS**, the City has adopted Ordinance 1952 establishing an Affordable Housing Commission to address affordable housing issues and create feasible solutions to the existing concerns; and,

**WHEREAS**, the Affordable Housing Commission will analyze the opportunities within SHB 1406 and offer recommendations to the City Council on how to utilize the tax revenues generated; and,

**WHEREAS**, in order for the City to impose the tax, the City must adopt a resolution of intent to authorize the maximum capacity of the tax by January 28, 2020; and,

**WHEREAS**, the City must adopt legislation to authorize the collection of the maximum tax capacity by July 27, 2020; and,

**WHEREAS**, the caps assigned are established within SHB 1406, and are calculated based upon the taxable retail sales during the fiscal year of 2019; and,

**WHEREAS**, it is estimated that by adopting the applicable legislation to collect the maximum 0.0146% rate, over \$100,000.00 will be collected over a 20-year period, with an annual cap of approximately \$5,000.00; and,

**WHEREAS**, the City Council now desires to declare its intent to impose a local sales

and use tax as authorized by SHB 1406 as set forth herein.

**NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF DAYTON,  
WASHINGTON, DO RESOLVE AS FOLLOWS:**

**Section 1. Resolution of Intent.** The City Council of the City of Dayton, Washington, hereby declares its intent to adopt legislation to authorize the maximum capacity of the sales and use tax authorized by SHB 1406 by July 27, 2020.

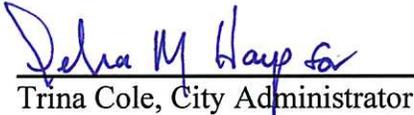
**Section 2. Effective Date.** This resolution shall become effective immediately upon passage and adoption by the City Council as provided by law.

**PASSED AND ADOPTED BY THE CITY COUNCIL OF DAYTON, WASHINGTON AT  
A REGULAR MEETING ON THE 13<sup>th</sup> DAY OF NOVEMBER, 2019.**

City of Dayton:

  
Zac Weatherford, Mayor

Attested/Authenticated:

  
Trina Cole, City Administrator