

Potential *Countywide* Sources for Affordable Housing

Source of Funds	Description	Populations Served	Action to Implement	Order of Magnitude ¹
Sales Tax Credit	County would impose a local sales tax, credited against the state sales tax, for affordable or supportive housing. No impact to tax payers.	TBD	State Legislature would have pass law granting authority. (HB 2437 was introduced in 2018 by Rep. Robinson. Up to .25%)	0.1% = \$69 million 0.25% = \$170 million
.1% Sales Tax	Voter approved sales tax. Cities can access if County does not place measure on the ballot by October 2018. At least 60% for constructing affordable housing, mental and behavioral health facilities, or for operating and maintenance of either. Remainder for operation, delivery or evaluation of mental the behavioral health treatment programs and services, or for housing-related services	Affordable housing must be for residents earning less than 60% AMI who fall into one of these groups: unaccompanied homeless youth and young adults; people with disabilities; or domestic violence survivors.	Jurisdiction would place on ballot. In 2018, there was a bill to make the tax Councilmanic, but it did not pass	0.1% = \$69 million
Property Tax Levy	City or County Property Tax levy	TBD	Jurisdiction would place on ballot.	Countywide \$0.01 = \$5.35 million
Real Estate Excise Tax (REET) Flexibility	Cities and County collect the second .25% on real estate sales (REET 2). Until June 30, 2019, State law allows these funds to be used for acquisition, construction, improvement, or rehabilitation of facilities to provide housing for the homeless.	TBD	State Legislature action to extend flexibility to spend on homeless housing past June 2019.	\$100,000 or 25% of collections, not to exceed \$1million/year
REET 4	Cities and County would collect up to .50% real estate sales and use for the acquisition, construction, and operation of affordable housing. Currently available only to San Juan County.	Currently in RCW 82.46.075, people with very low, low, and moderate incomes, and those with special needs.	State Legislature pass law.	King County only .25% = \$7,937,290

1. All sales tax, property tax and REET estimates based on the King County Office of Economic and Financial Analysis May 2018 forecast.

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Inclusionary Housing (IH) In-Lieu Fee	Developer pays fee in lieu of including affordable housing in development. Jurisdiction uses revenue for affordable housing off site.	Determined by jurisdiction	Jurisdiction action	Varies Seattle anticipated \$80 million for 2018/2019
Proceeds from Land Sales	Jurisdiction uses proceeds from selling surplus property for affordable housing.	Determined by jurisdiction	Jurisdiction action	Varies based on value of property
Demolition Fee	Jurisdiction impose a fee on the demolition of a residential building to support affordable housing.	TBD	State Legislature would have to pass a law granting authority. (HB 2397 was introduced in 2016 by Rep. McBride.)	Varies
Condo Conversion Fee	Cities impose a fee on condominium conversions to support development of affordable housing.	TBD	State Legislature would have to pass a law granting authority. (HB 2395 was introduced in 2016 by Rep. McBride.)	Varies