



Date:

August 14, 2019

Sales and Use Tax for Housing and Related Services

The Stevenson City Council has passed Resolution 2019-336 concerning a sales tax for affordable housing and related purposes. If approved, this proposition would authorize an additional sales and use tax of one-tenth of one percent (0.1 %) to be collected within the City on all taxable retail sales in accordance with RCW 82.14.530. Eligible expenditures for tax proceeds include any and all of the affordable housing and related projects, programs, and services (including mental and behavioral health treatment programs and other housing-related services) as identified in Resolution No. 2019-336 and in RCW 82.14.530.

Should this proposition be:

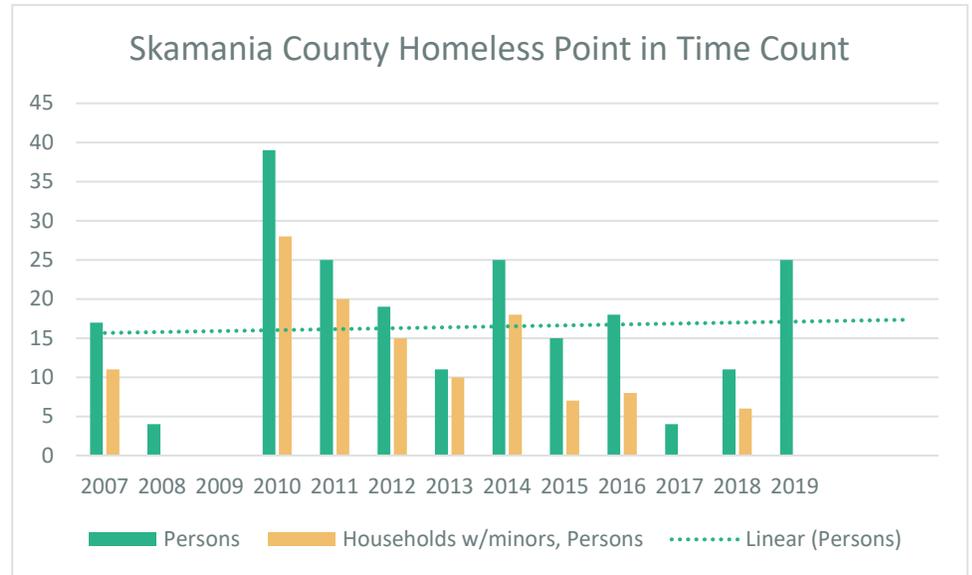
Approved.....

Rejected.....

City of Stevenson Proposition I

Information Sheet-Not intended to support or oppose the Proposition

The sales and use tax collected, if approved, would establish the City of Stevenson Home Fund, which would help address the growing and urgent impact of homelessness on the community, particularly Stevenson’s most vulnerable citizens, as well as the need for a sufficient stock of affordable housing for cost-burdened residents at risk of being homeless.



Housing is defined as affordable if the tenants are paying no more than 30% of their total household income for housing costs. This definition originates from the Brooke Amendment, a section of the Housing and Urban Development Act of 1968 which restricted tenant rent in public housing to 25% of their total income. The level was raised to 30% in 1981 and has been used as the standard for defining affordability ever since. If a household pays more than 30% of their monthly income to housing costs, they are considered “cost-burdened”—the point at which most households have to begin sacrificing other necessities to afford housing. HUD also uses the term “severely cost-burdened” to denote households paying more than 50% of their income to housing.

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Frequently Asked Questions

Q. How much will this cost?

A. The measure would implement a sales and use tax increase of one-tenth of one percent (one cent for every \$10.00 spent), which would raise approximately \$46,000 per year.

Q. Who will pay for this?

A. The Stevenson Home Fund would be supported by consumers (Stevenson residents, visitors, tourists) who make certain purchases and use an array of goods and services in the City of Stevenson.

Q. Will this tax expire?

A. No. The sales and use tax increase would be a permanent funding source for housing, housing-related services, and mental and behavioral health programs.

Q. If the Stevenson Home Fund measure passes, will the funds be used for other City of Stevenson needs?

A. No. Taxes collected for the Stevenson Home Fund would be held in a dedicated account created by an ordinance that is separate from the City's general fund. By state law, the money may be spent only on eligible uses and cannot be diverted to cover other city expenses.

Q. How will the tax revenue be spent?

A. Funds from the Stevenson Home Fund would be targeted at services and facilities designed to serve the most vulnerable persons in our community, whose income is less than 60 percent of the area median income.

A minimum of 60 percent of the funds collected would be used for purposes of:

- Constructing affordable housing and facilities providing housing-related services;
- Constructing mental and behavioral health-related facilities; or
- Funding the operations and maintenance costs of new units of affordable housing and facilities where housing-related programs are provided, or newly constructed evaluation and treatment centers.

The remainder of the funds would be used for the operation, delivery, or evaluation of mental and behavioral health treatment programs and services or housing-related services.