

Funding for Affordable Housing

Sales and Use Taxes (1406 and 1590 Funds)

Growth Management Policy Board, June 18, 2026



Puget Sound Regional Council

Background/Context



PSRC's Regional Housing Strategy emphasizes:

- Supply
- Stability
- Subsidy



About 1406 and 1590 Funds

Affordable Housing Tax (1406)

- Enacted in 2019
- 0.0146% credit against state sales tax
- Provides housing or services to households earning below 60% of Area Median Income
- 59 participating jurisdictions

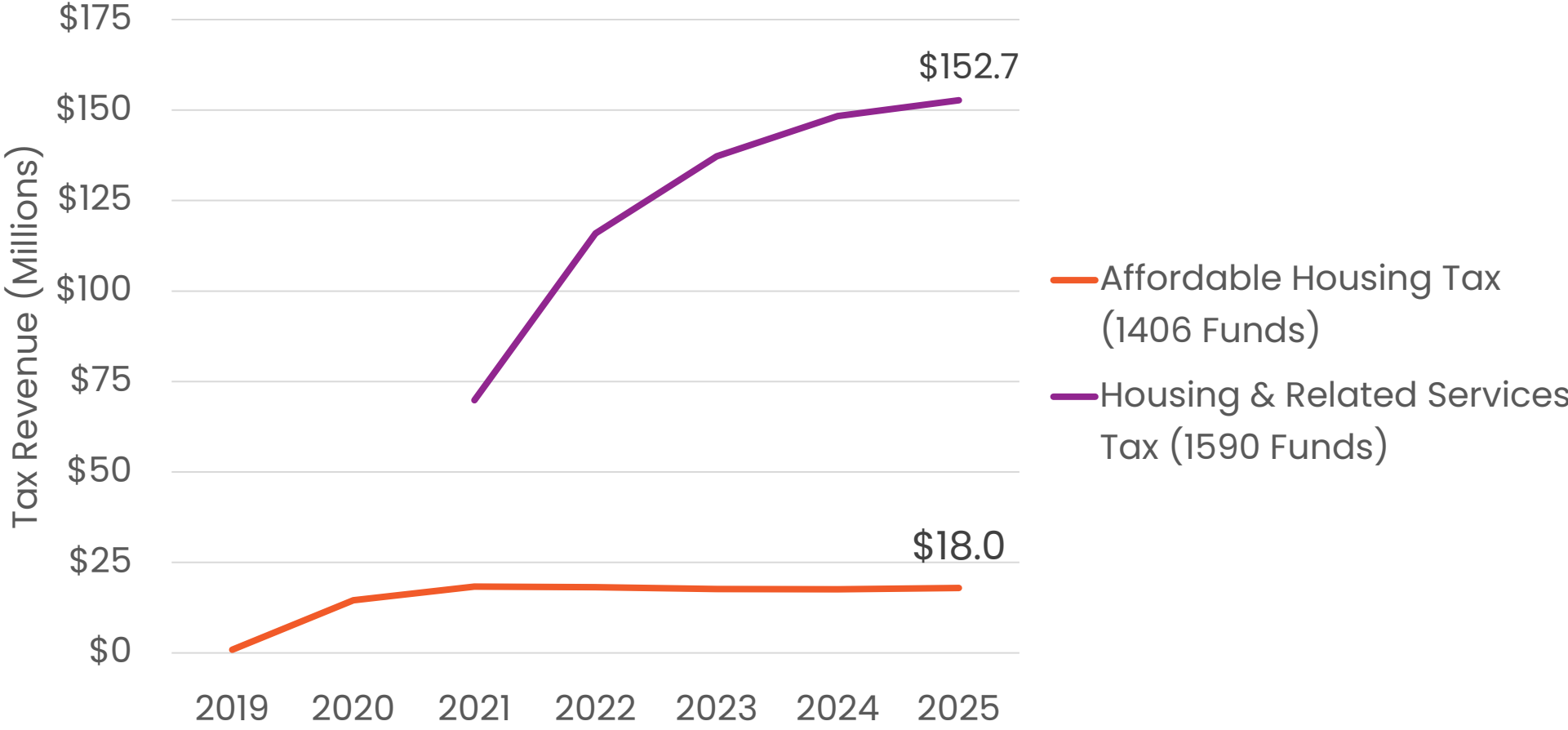
Housing & Related Services Tax (1590)

- Enacted in 2020
- 0.1% increase in local sales tax
- At least 60% of revenue used for capital expenditures
- Remainder used for supportive services
- 18 participating jurisdictions



How much \$\$ are we talking?

1406 and 1590 funds generated over \$170M in 2025 alone



Source: Washington Department of Revenue



Use of 1406 Funds



Large cities and counties support new development.

Smaller jurisdictions pool funds at sub-regional level or provide rental assistance programs.



Use of 1406 Funds

Projects funded in 2025:

- [Ardea at Totem Lake](#), senior housing in Kirkland
- [Mile Hill Shelter](#), operated by Kitsap Rescue Mission
- [Patsy Surh Place](#) in Tacoma, for seniors 50% AMI and below
- [Parkview Services group home](#) in Graham
- [Victorian Place II](#), a rehabilitation project in Des Moines

[Department of Commerce](#), 2025 Affordable and Supportive Housing Sales and Use Tax Report

Pictured: Victorian Place II, Des Moines



Use of 1590 Funds

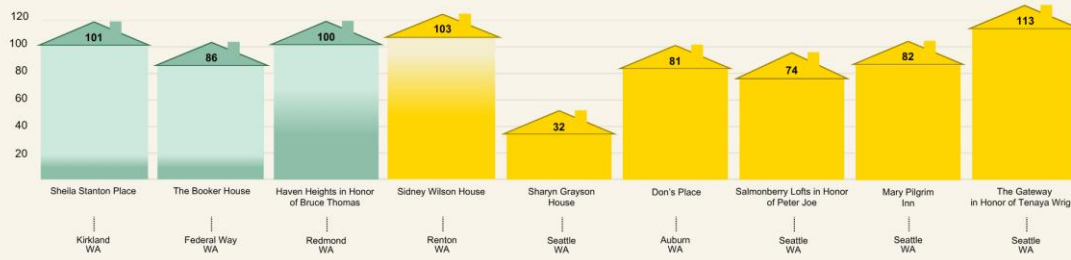
Bremerton Housing Authority Acquires New 24-Unit Complex to Provide Stability for Families Facing Homelessness



KING COUNTY HEALTH THROUGH HOUSING

King County
DCHS
Department of Community
and Human Services

Total housing units and units occupied per site, at King County owned HTH buildings, organized by housing status.
Seattle King County HMIS data as of April 1, 2026.



HOUSING STATUS

- Lease Up:** Residents begin moving into the building in a staggered fashion.
- Occupancy:** Building is considered fully operational.

- Construction and acquisition of housing
- Deeply affordable (<30% AMI) housing
- Wraparound services (PSH operations)
- Other transitional, emergency, and shelter projects

Pictured: Wheaton Landing, Bremerton;
King County Health Through Housing dashboard



Use of 1590 Funds



Examples include:

- Bellevue's [Housing Stability Program](#)
- [Wheaton Landing](#), family-sized units in Bremerton
- King County's [Health Through Housing](#) Initiative
- Pierce County's [Maureen Howard Affordable Housing Fund](#)
- [Willowcrest II](#) in Renton
- Snohomish County's [New Start Centers](#)

Pictured: Aviva Crossing, Tacoma;
Willowcrest, Renton



Takeaways

Local funding makes a difference by:

- Catalyzing additional investment
- Filling funding gaps for deep affordability
- Addressing local priorities
- Supporting operations and maintenance



Takeaways



Cities may consider balancing local projects/priorities with regional collaboration.

Pooling funds at the sub-regional level can help address costs and site availability at scale.



Next Steps



Local Approaches to Housing and Supportive Services



TOOLBOX Session:

[Local Approaches to Housing and Supportive Services](#)

Friday, June 26

10-11:30am

[Register](#)



Thank you

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