

MINUTES

**Economic Development Committee Meeting
Thursday August 1, 2019
5:00 p.m. – 5:50 p.m.
North Conference Room**

Council Members

Chair Jeremy Nutting
Co-Chair Vic Pennington
Mayor Matt Pina

City Staff

Michael Matthias – City Manager
Susan Cezar – Chief Strategic Officer
Beth Anne Wroe – Finance Director
Tim George – City Attorney
Matt Hutchins – Asst. City Attorney
Nicole Nordholm – Management Analyst
Jodi Grager – Community Development Assistant

Guests: Councilmembers Luisa Bangs and Traci Buxton

1. Call to Order

Chair Jeremy Nutting called the meeting to order at 5:00 p.m.

2. Approval of the May 23rd, 2019 meeting minutes

Minutes approved as submitted.

3. House Bill 1406

City Manager Michael Matthias introduced this item by summarizing the City's commitment to providing affordable housing. HB 1406 creates a sales tax revenue sharing program that allows cities to access a portion of state sales tax revenue to make local investments in affordable housing. HB 1406 is a 20 year commitment. Councilmember Luisa Bangs and staff member Nicole Nordholm have joined the South King Housing and Homelessness Partnership (SKHHP) which is a regional effort led by Auburn Mayor Nancy Backus. Ms. Nordholm explained that by retaining a portion of sales tax that would normally be sent to the State, the nine cities of the coalition could collectively contribute just over a million dollars. Additionally, Ms. Nordholm stated that a Resolution of Intent by January of 2020 is needed to move forward. The committee discussion included:

- This is a good option because no additional taxes would be imposed. Other options regarding providing additional affordable housing could include levies or sales tax, both of these would result in additional taxes.
- Can the fund accrue over the years or is there a requirement for annual spending?
- If each city contributes the funds gained from sales tax to SKHHP how will the fund be accessed? Des Moines' contribution should be around \$30,000 per year.
- Some of our previous affordable housing projects have been partially funded by the State, will State funding be eliminated?
- The City should have a coalition exit strategy due to unforeseen circumstances.

The Committee agreed to support a Resolution of Intent, with the details to be

defined at a later date.

The next meeting is scheduled for October 24, 2019.

Adjourned at 5:32 p.m.

Respectfully submitted by,

Jodi Grager, Community Development Assistant