

ORIGINAL

ORDINANCE NO. 664

AN ORDINANCE ESTABLISHING A 12-YEAR EXEMPTION FROM REAL PROPERTY TAXATION FOR AFFORDABLE MULTIFAMILY HOUSING IN THE AURORA SQUARE TARGET AREA AND ADOPTING; AND AMENDING SHORELINE MUNICIPAL CODE SECTION 3.27.030

WHEREAS, Chapter 84.14 of the Revised Code of Washington provides for exemptions from ad valorem property taxation for qualifying multi-family housing located in designated target areas within urban centers and authorizes the City to adopt necessary procedures to implement the State legislation; and

WHEREAS, in order to establish a tax exemption program, the City must designate one or more target areas within which tax exemption projects may be considered; and

WHEREAS, Ordinance No. 624 established a portion of the Aurora Square CRA as a Residential Target Area to allow a 5-year exemption from ad valorem property taxation for multi-family housing; and

WHEREAS, the City conducted a public hearing to consider expansion of the tax exemption period within the Aurora Square and Westminster Way Target Area up to 12 years for housing projects that meet certain affordable housing criteria pursuant to RCW 84.14.020(1)(a)(ii)(B) ; and

WHEREAS, Council finds that provision of additional housing opportunities, including affordable housing, will assist in promoting further economic development and growth management goals by bringing new residents to utilize urban services and encourage additional residential and mixed use opportunities in the Aurora Square and Westminster target area; now therefore

THE CITY COUNCIL OF THE CITY OF SHORELINE, WASHINGTON, DO ORDAIN AS FOLLOWS:

Section 1. Amendment. Section 3.27.030 *Standards and guidelines* is amended to read as follows:

3.27.030 Standards and Guidelines

- A. Project Eligibility. A proposed project must meet the following requirements for consideration for a property tax exemption:
 - 1. Location. The project must be located within one of the targeted residential areas designated in section 3.
 - 2. Size. The project must provide for a minimum of fifty percent of the space for permanent residential occupancy. At least four additional

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residential units must be added to existing occupied multi-family housing. Existing multi-family housing that has been vacant for 12 months does not have to provide additional units so long as the project provides at least fifty percent of the space for permanent residential occupancy and rehabilitated units failed to comply with one or more standards of the applicable state or local building or housing codes. Transient housing units (rental of less than one month) are not eligible for exemption.

3. Proposed Completion Date. New construction multi-family housing and rehabilitation improvements must be scheduled to be completed within three years from the date of approval of the application.
4. Compliance with Guidelines and Standards. The project must be designed to comply with the City's comprehensive plan, building, and zoning codes and any other applicable regulations in effect at the time the application is approved.

B. Exemption - Duration.

1. Market-rate Exemption. The value of improvements qualifying under this chapter for a Market-rate Multiple Family Tax Exemption will be exempt from ad valorem property taxation for five successive years beginning January 1 of the year immediately following the calendar year after issuance of the Final Certificate of Tax Exemption.

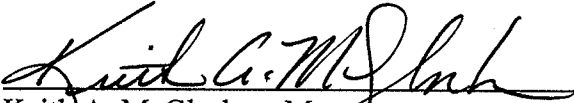
2. Affordable-rate Exemption. Projects qualifying in the Aurora Avenue N. Corridor target area within the Aurora Square Community Renewal Area that rent or sell at least twenty percent (20%) of the residential units as affordable housing units as defined by Chapter 84.14 RCW will be exempt from ad valorem property taxation for twelve successive years beginning January 1 of the year immediately following the calendar year after issuance of the Final Certificate of Tax Exemption; provided, however, that for this target area, the household income may in no case exceed 70% of the area median household income adjusted for family size for studio and one bedroom units, and may in no case exceed 80% of the area median household income adjusted for family size for two or more bedroom units. No more than 500 units will be approved under this subsection, aggregating affordable-rate units of all Projects in this target area.

C. Limits on Exemption. The exemption does not apply to the value of land or nonhousing-related improvement, nor does the exemption apply to increases in assessed valuation of land and non-qualifying improvements. In the case of rehabilitation of existing buildings, the exemption does not include the value of improvements constructed prior to submission of the completed application required under this chapter.

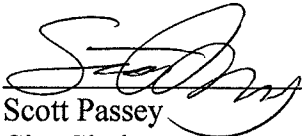
D. Contract. The applicant must enter into a contract with the city approved by the City Manager or designee under which the applicant has agreed to the implementation of the development on terms and conditions satisfactory to the City Manager or designee.

Section 3. Effective Date. A summary of this ordinance consisting of the title shall be published in the official newspaper and the ordinance shall take effect five days after publication.

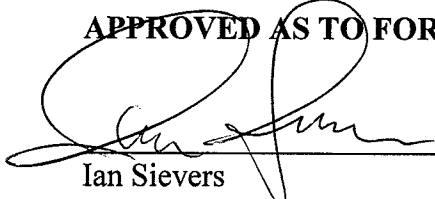
ADOPTED BY THE CITY COUNCIL ON JULY 8, 2013.


Keith A. McGlashan, Mayor

ATTEST:


Scott Passey
City Clerk

APPROVED AS TO FORM:


Ian Sievers
City Attorney

Publication Date: July 11, 2013
Effective Date: July 16, 2013