

CITY COUNCIL AGENDA ITEM
CITY OF SHORELINE, WASHINGTON

AGENDA TITLE:	Approval of Resolution No. 346 Setting a Public Hearing Date for Council to Consider Expanding the Property Tax Exemption Program within the Aurora Square Community Renewal Area
DEPARTMENT:	Economic Development
PRESENTED BY:	Dan Eernisse, Economic Development Manager
ACTION:	<input type="checkbox"/> Ordinance <input checked="" type="checkbox"/> Resolution <input type="checkbox"/> Motion <input type="checkbox"/> Discussion

PROBLEM/ISSUE STATEMENT:

On June 10 Council directed Staff to schedule a public hearing for July 8 on the adoption of a 12-year Property Tax Exemption (PTE) area. The new PTE area is to provide an incentive for investment within the Aurora Square Community Renewal Area (CRA). RCW 84.14.040(2) directs Council to pass a resolution of intention to state the time and place of a public hearing on the establishment of a PTE area and include other information appropriate to apprise the public of the intended action.

Staff has prepared Resolution No. 346 that:

- announces Council's intention to hold a public hearing on July 8, 2013;
- proposes consideration of limitation of the properties eligible for the 12-year affordable-housing PTE to CRA properties that are currently eligible for the 5-year market-rate PTE program (only the Washington State Department of Transportation property is excluded);
- proposes affordability qualifications that are the same as those in Ordinance No. 520 for the North City Business District; and,
- proposes consideration of limits to the number of eligible units.

RESOURCE/FINANCIAL IMPACT:

A project that qualifies for the 12-year PTE is exempt from property tax on newly constructed improvements for 12 years after receiving its certificate of occupancy.

RECOMMENDATION

Staff recommends that Council pass Resolution No. 346.

Approved By: City Manager JU City Attorney IS

RESOLUTION NO. 346

**A RESOLUTION OF THE CITY OF SHORELINE, WASHINGTON
THAT THE COUNCIL INTENDS TO CONSIDER EXPANDING
THE PROPERTY TAX EXEMPT TARGET AREA WITHIN THE
AURORA SQUARE COMMUNITY RENEWAL AREA TO
ENCOURAGE AFFORDABLE HOUSING PURSUANT TO THE
COMMUNITY RENEWAL PLAN; AND SETTING A HEARING
DATE ON EXTENDED TAX EXEMPTION PERIOD AND
CONDITIONS OF ELIGIBILITY**

WHEREAS, the City Council passed Resolution No. 333 designating an approximately 70-acre parcel of property known generally as Aurora Square as a Community Renewal Area (CRA) pursuant to the Community Renewal Act, Chapter 35.81 RCW ; and

WHEREAS, Chapter 84.14 RCW provides that areas designated as target areas must be within urban centers, must lack sufficient available, desirable, and convenient residential housing to meet the needs of the public who would be likely to live in the urban centers, if the desirable, attractive, and livable places to live were available; and the providing of additional housing opportunities in the areas will assist in achieving one of the stated purposes in RCW 84.14; 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 rather than the standard eight-year program in order to balance the incentive for development with the potential for increased revenue; and

WHEREAS, the City intends to expand the tax exemption period within the Aurora Square 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) ; now, therefore

**BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF
SHORELINE, WASHINGTON AS FOLLOWS:**

Section 1. Public Hearing.

A. The City Council will hold a public hearing on July 8, 2013 at 7:15p.m. at the City Council Chambers, City Hall, 17500 Midvale Ave. N., Shoreline, WA to consider the following changes to multi-unit project eligibility requirements for the residential targeted area within the Aurora Square CRA depicted in Exhibit 1 attached hereto and incorporated herein:

1. Adding a property tax exemption duration of up to 12 years for projects meeting affordability criteria.
2. Adopting affordability criteria that not less than 20% of the housing units be rented or sold to low-income households, with studios and 1 bedroom units rented or sold to households at or below 70% of the median family income for

King County, and 2 bedroom units rented or sold to households at or below 80% of median family income for King County.

3. Limiting the number of housing units that may qualify for tax exemption longer than 5 years.

Section 2. Hearing Notice. The City Clerk shall publish notice of the public hearing in compliance with RCW 8.84.040(3).

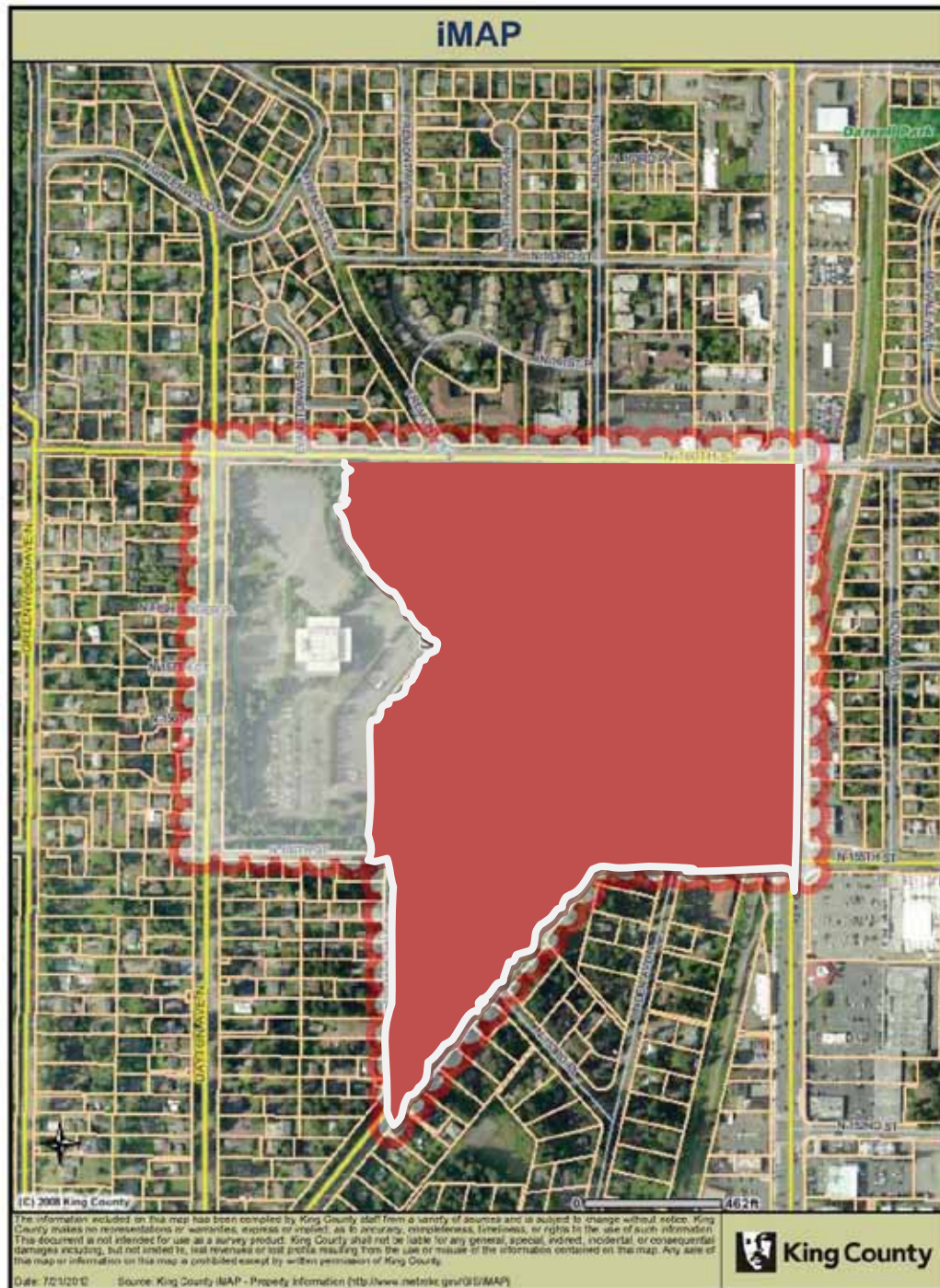
ADOPTED BY THE CITY COUNCIL ON June 17, 2013.

Keith A. McGlashan, Mayor

ATTEST:

Scott Passey
City Clerk

EXHIBIT 1



Residential Targeted Area



Aurora Square CRA

