

CITY COUNCIL AGENDA ITEM
CITY OF SHORELINE, WASHINGTON

AGENDA TITLE:	Adoption of Ordinance No. 771 – Amendment of Property Tax Exemption Program to Encourage Affordable Housing Application Deadline
DEPARTMENT:	City Manager’s Office
PRESENTED BY:	Dan Eernisse, Economic Development Manager
ACTION:	<input checked="" type="checkbox"/> Ordinance <input type="checkbox"/> Resolution <input type="checkbox"/> Motion <input type="checkbox"/> Public Hearing <input type="checkbox"/> Discussion

PROBLEM/ISSUE STATEMENT:

Ordinance No. 771 amends the City's Property Tax Exemption Program (PTE) by changing the deadline for application to the PTE Program from prior to the issuance of the project's first building permit to prior to the issuance of the project's first occupancy permit, either temporary or final. The change allows additional time to encourage participation in the PTE program and will hopefully result in more affordable housing in the Shoreline housing stock. Council considered proposed Ordinance No. 771 during its [January 30, 2016 meeting](#). A copy of the staff report for that meeting is available at: <http://cosweb.ci.shoreline.wa.us/uploads/attachments/cck/council/staffreports/2017/staffreport013017-8b.pdf>

After discussion on January 30, the City Council instructed staff to bring the ordinance back for adoption on the consent agenda at tonight's meeting.

RESOURCE/FINANCIAL IMPACT:

The PTE program provides an exemption to the owner for the *ad valorem* property tax of the value of new or rehabilitated multiple unit housing for the duration of the exemption period (12 Years); the property owner is not exempted from the property tax on the land. In addition, staff time is required to process applications, file annual reports to the State and King County, and to monitor compliance with affordable housing requirements.

RECOMMENDATION

Staff recommends that Council adopt Ordinance No. 771 by consent.

Approved By: City Manager **DT** City Attorney **MK**

ATTACHMENTS

Attachment A – Ordinance No. 771

ORDINANCE NO. 771

AN ORDINANCE OF THE CITY OF SHORELINE, WASHINGTON AMENDING SHORELINE MUNICIPAL CODE CHAPTER 3.27, THE PROPERTY TAX EXEMPTION PROGRAM TO AMEND THE DEADLINE FOR APPLYING FOR THE PROGRAM.

WHEREAS, the City of Shoreline is a non-charter optional municipal code city as provided in Title 35A RCW, incorporated under the laws of the state of Washington; and

WHEREAS, the City has established a Property Tax Exemption (PTE) Program in Shoreline Municipal Code (SMC), Chapter 3.27, as provided in RCW 84.14; and

WHEREAS, SMC 3.27.050 sets for the application procedures for a property owner seeking to benefit from the PTE Program; and

WHEREAS, SMC 3.27.050(B) requires that an application must be filed prior to issuance of the project's first building permit; and

WHEREAS, allowing for an application to be filed prior to a project's certificate of occupancy could provide an incentive for the development of affordable housing within the designated PTE Program areas; and

WHEREAS, on January 30, 2017, the City Council held a study session on the proposed amendment; and

WHEREAS, the City Council has considered the entire public record, public comments, written and oral, and

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

Section 1. Amendment. Chapter 3.27 of the Shoreline Municipal Code, Property Tax Exemption Program, is amended as follows:

SMC 3.27.050 Application procedures for conditional certificate.

A. A property owner who wishes to propose a project for a tax exemption shall file an application with the department of planning and community development upon a form provided by that department.

B. The application for exemption must be filed prior to issuance of the project's ~~first building permit~~ first certificate of occupancy, temporary or final.

C. The application shall include:

1. Information setting forth the grounds for the exemption;
2. A description of the project and a site plan, including the floor plan of units;
3. A statement that the applicant is aware of the potential tax liability when the project ceases to be eligible under this chapter;
4. Information describing how the applicant shall comply with the affordability requirements of this chapter;
5. In the case of rehabilitation or where demolition or new construction is required, verification from the department of the property's noncompliance with applicable building and housing codes; and
6. Verification by oath or affirmation of the information submitted by the applicant.

D. Fees. At the time of application under this section, the applicant shall pay a minimum fee deposit of three times the current hourly rate for processing land use permits as provided in Chapter 3.01 SMC, Fee Schedules. Total city fees will be calculated using the adopted hourly rates for land use permits in effect during processing of the tax exemption and any excess will be refunded to the applicant upon approval or denial of the application.

Section 2. Corrections by City Clerk or Code Reviser. Upon approval of the City Attorney, the City Clerk and/or the Code Reviser are authorized to make necessary corrections to this ordinance, including the corrections of scrivener or clerical errors; references to other local, state, or federal laws, codes, rules, or regulations; or ordinance numbering and section/subsection numbering and references.

Section 3. Severability. Should any section, subsection, paragraph, sentence, clause, or phrase of this ordinance or its application to any person or situation be declared unconstitutional or invalid for any reason, such decision shall not affect the validity of the remaining portions of this ordinance or its application to any person or situation.

Section 4. Publication and Effective Date. A summary of this Ordinance consisting of the title shall be published in the official newspaper. This Ordinance shall take effect five days after publication.

PASSED BY THE CITY COUNCIL ON _____, _____, 2017.

Mayor Christopher Roberts

ATTEST:

APPROVED AS TO FORM:

Jessica Simulcik-Smith
City Clerk

Margaret King
City Attorney

Date of Publication: , 2017
Effective Date: , 2017