

**CITY COUNCIL AGENDA ITEM**  
CITY OF SHORELINE, WASHINGTON

<b>AGENDA TITLE:</b>	Adopting Ordinance No. 820 - Amending Shoreline Municipal Code Chapter 3.35 Establishing a Park Impact Fees Fund and a Housing Trust Fund
<b>DEPARTMENT:</b>	Administrative Services
<b>PRESENTED BY:</b>	Sara Lane, Administrative Services Director Rick Kirkwood, Budget Supervisor
<b>ACTION:</b>	<input checked="" type="checkbox"/> Ordinance <input type="checkbox"/> Resolution <input type="checkbox"/> Motion <input type="checkbox"/> Discussion <input type="checkbox"/> Public Hearing

**PROBLEM/ISSUE STATEMENT:**

The City has adopted a Park Impact Fee and is planning to adopt an Affordable Housing Fee in Lieu program. Ordinance No. 820 (Attachment A) presents language to amend Shoreline Municipal Code Chapter 3.35 to create two new funds, "Park Impact Fees Fund" (Fund 118) to account for the collection and use of park impact fees and "Housing Trust Fund" (Fund 119) to account for funds collected for the purpose of supporting affordable housing in Shoreline. Council reviewed Ordinance No. 820 on April 9.

**FINANCIAL IMPACT:**

Adoption of proposed Ordinance No. 820 will not have a financial impact.

**RECOMMENDATION**

Staff recommends that the City Council adopt Ordinance No. 820 establishing the Park Impact Fees Fund and Housing Trust Fund.

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

## **INTRODUCTION**

Ordinance No. 820 (Attachment A) presents language to amend Shoreline Municipal Code Chapter 3.35 to create two new funds, “Park Impact Fees Fund” (Fund 118) to account for the collection and use of park impact fees and “Housing Trust Fund” (Fund 119) to account for funds collected for the purpose of supporting affordable housing in Shoreline. On April 9, staff presented proposed Ordinance No. 820 (Attachment A) to the City Council to provide for this amendment. The staff report is available here: <http://cosweb.ci.shoreline.wa.us/uploads/attachments/cck/council/staffreports/2018/staffreport040918-8b.pdf>.

## **BACKGROUND**

As authorized by Revised Code of Washington (RCW) 82.02.050, the City imposed an impact fee on development activity as part of the financing to plan and provide parks and recreation facilities that are adequate to accommodate growth. Impact fees for parks, open space, and recreation facilities, commonly referred to as Park Impact Fees, were adopted through Ordinance No. 786 (staff report available here: <http://cosweb.ci.shoreline.wa.us/uploads/attachments/cck/council/staffreports/2017/staffreport073117-8a.pdf>). Pursuant to RCW 82.02.070 and Shoreline Municipal Code (SMC) 3.70.100 the City must establish separate impact fee account for the parks, open space, and recreation impact fees collected pursuant to SMC 3.70. Proposed Ordinance No. 820 (Attachment A) presents language to amend Shoreline Municipal Code Chapter 3.35 to create a fund to be known as the “Park Impact Fees Fund” (Fund 118) to account for the collection and use of park impact fees.

On March 26, 2018 Council discussed adoption of Ordinance No. 817 to implement an Affordable Housing Fee in Lieu program (staff report available here: <http://cosweb.ci.shoreline.wa.us/uploads/attachments/cck/council/staffreports/2018/staffreport032618-9b.pdf>). Council directed staff to return the Ordinance for adoption on the consent agenda on April 16, 2018. Revenues from this fee will be used to further the goal of providing additional units of affordable housing, at deeper levels of affordability than required in market-rate developments. In order to increase transparency and more easily account for and track the collection and use of these revenues, staff are recommending the creation of a separate special revenue fund for this purpose. The fund will be available to track all revenues for the purpose of affordable housing.

## **FINANCIAL IMPACT**

Adoption of proposed Ordinance No. 820 will not have a financial impact.

## **RECOMMENDATION**

Staff recommends that the City Council adopt Ordinance No. 820 establishing the Park Impact Fees Fund and Housing Trust Fund.

## **ATTACHMENTS**

Attachment A: Ordinance No. 820

**ORDINANCE NO. 820**

**AN ORDINANCE OF THE CITY OF SHORELINE, WASHINGTON  
ADDING NEW SECTIONS TO CHAPTER 3.35 FUNDS OF THE  
SHORELINE MUNICIPAL CODE TO CREATE A PARK IMPACT FEES  
FUND AND A HOUSING TRUST FUND.**

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 planning pursuant to the Growth Management Act, Chapter 36.70A RCW; and

WHEREAS, on July 31, 2017, the Shoreline City Councils adopted Ordinance No. 786 authorizing the imposition of a park impact fee on new growth and development as provided in Chapter 82.02 RCW, effective January 1, 2018; and

WHEREAS, pursuant to RCW 82.02.070, impact fee receipts are to be retained in separate interest-bearing accounts for each type of public facility for which impact fees are collected; and

WHEREAS, the City needs to establish a Park Impact Fees Fund, a special revenue fund, to account for the collection and use of park impact fees in compliance with RCW 82.02.070;

WHEREAS, in 2015 and 2016, the City adopted the 145<sup>th</sup> Street Station Subarea Plan and the 185<sup>th</sup> Street Station Subarea Plan and development regulations to implement these Subarea Plans as provided by the Growth Management Act, chapter 36.70A RCW; and

WHEREAS, two of the zoning districts for these subareas, the MUR-70 and the MUR-45, mandate the provision of affordable housing; and

WHEREAS, via SMC 20.40.235 (B)(2) and 20.40.235(E)(1), the City may allow for a payment in lieu of constructing any fractional portion of the mandatory affordable housing units; and;

WHEREAS, the City needs to establish a Housing Trust Fund, a special revenue fund, to account for the collection and use of affordable housing fee in lieu;

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

**Section 1. Amendment to Shoreline Municipal Code Chapter 3.35 Funds.** Chapter 3.35 Funds is amended to add two new sections as follows:

**3.35.118 Park Impact Fees fund.** There is created a fund to be known as the “Park Impact Fees Fund” to account for the collection and use of park impact fees.

**3.35.135 Housing Trust Fund.** There is created a fund to be known as the “Housing Trust Fund” to account for the collection and use of revenues to be used to support affordable housing.

**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 APRIL 23, 2018**

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Mayor Will Hall

ATTEST:

APPROVED AS TO FORM:

\_\_\_\_\_  
Jessica Simulcik-Smith  
City Clerk

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Margaret King  
City Attorney

Date of Publication: , 2018  
Effective Date: , 2018