



LAKWOOD CITY COUNCIL STUDY SESSION AGENDA

Monday, January 11, 2016

7:00 P.M.

City of Lakewood

City Council Chambers

6000 Main Street SW

Lakewood, WA 98499

Page No.

CALL TO ORDER

ITEMS FOR DISCUSSION:

- (3) 1. Review of Title 18A Land Use and Development code amendments to improve structure and organization. – (Memorandum)
- (6) 2. Review of Chapter 3.64 Tax Incentive Urban Use Center Development code amendments. – (Memorandum)
- (31) 3. Review of 2016 City Council liaisons to citizens' advisory boards, committees and commissions and City Council representation on external committees and boards. – (Memorandum)

REPORTS BY THE CITY MANAGER

ITEMS TENTATIVELY SCHEDULED FOR THE JANUARY 19, 2016 REGULAR CITY COUNCIL MEETING:

- 1. Adopting amendments to Chapter 3.64 of the Lakewood Municipal Code relative to Tax Incentive Urban Use Center Development. – (Ordinance – Regular Agenda)
- 2. Adopting the Six Year 2016–2021 Transportation Improvement Program amendments. – (Resolution – Regular Agenda)
- 3. Expressing support for the February 9, 2016 Clover Park School District levy. (Resolution – Regular Agenda)

The City Council Chambers is accessible to persons with disabilities. Equipment is available for the hearing impaired. Persons requesting special accommodations or language interpreters should contact the City Clerk's Office, 589-2489, as soon as possible in advance of the Council meeting so that an attempt to provide the special accommodations can be made.

<http://www.cityoflakewood.us>

The Council Chambers will be closed 15 minutes after adjournment of the meeting.

4. Authorizing the execution of an agreement with KPG, Inc. for surveying services to construct improvements to Steilacoom Boulevard from Puyallup Street to Phillips Road. – (Motion – Regular Agenda)

COUNCIL COMMENTS

ADJOURNMENT

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To: Mayor and City Councilmembers

From: David Bugher, Assistant City Manager, Development Services

Through: John J. Caulfield, City Manager *John J. Caulfield*

Date: January 11, 2016 (Study Session)

Subject: Review of Title 18A Amendments to Improve Structure and Organization

Summary

This memorandum provides a preview of a proposed ordinance that will be presented to the City Council and Planning Commission this spring and summer. No action is required at this time. At the study session, staff will provide a brief overview of a series of proposed code amendments.

Project Description/Background

The Community & Economic Development Department, Public Works, and the Legal Department have initiated an effort to amend land-use related portions of the Lakewood Municipal Code. Changes to 18A include new low-impact development regulations, which will be addressed partially in 18A and partially in 12A. This packet of amendments is intended to be non-controversial and fall within the category of housekeeping items. Overall, the amendments proposed are intended to improve the following:

- The use and readability of the code;
- Clarity of code provisions;
- Alignment of regulations to reflect current administrative practices and Council policy direction; and
- Incorporation of mandates and changes in state and/or federal law.

Proposed amendments fall into the following general categories:

Administrative – Inaccurate code references, outmoded provisions, typographical errors and similar non-substantive changes are proposed to be either removed or modified. City staff also proposes to reorganize chapters, and restructure section numbering in an effort to improve readability.

Clarification/Interpretation - These amendments are intended to adjust existing code provisions to better reflect the intent of a process, procedure or regulation as well as to conform Code language to current practice. Again, no substantive changes are anticipated.

Mandate - City staff proposes to incorporate low impact development (LID) regulation into Titles 12A and 18A. This is yet another mandate required of the State Department of Ecology.

New Laws - Other new laws include amending the City's sign code regulations to comply with a recent federal Supreme Court decision (Reed v. Town of Gilbert) and revising telecommunications provisions designed to comply with Section 332(c)(7) of the Telecommunications Act.

Policy Implications

The proposed changes seek to improve the administration of the zoning code and recalibrate some code provisions that over the years have been more generously interpreted. The amendments are intended to make adjustments that better reflect City policy.

Timeline/Next Steps¹

- 1) Staff intends to return to the Planning Commission with a draft ordinance reflecting annotated code changes by March 2016.
- 2) Thereafter, the Planning Commission will conduct a public hearing and forward recommendations to the City Council.
- 3) During the public hearing phase, staff will notify the State Department of Commerce of the proposed changes. The City is required to provide the state with a 60 day comment period prior to taking final action on the proposed ordinance.
- 4) Public and state agency comments and the Commission's recommendations will be passed along to the City Council. It is assumed that the City Council will conduct its own public hearing prior to adopting any ordinance amendment. Council action is anticipated to take place June/July 2016.

Environmental Review

A categorical exemption or a Determination of Non-Significance is anticipated to be issued due to the administrative nature of the proposed changes. .

¹ Staff would like to complete this assignment in the first half of 2016.

Proposed revisions to Title 18A of the Lakewood Municipal Code

Current Code	Proposed Code
18A.01 Introduction	18A.XX Introduction, Purpose, General Provisions -includes former 18A.01, 02 and 90
18A.02 Administration	18A.XX Discretionary Permits
18A.10 Discretionary Permits	18A.XX Sign Code -new U.S. Supreme Court case suggests updating Sign Codes
18A.12 Location of Sexually Oriented Businesses	18A.XX Wireless Cell Towers -WCIA is requiring action from cities
18A.20 Use Types and Levels	18A.XX Use Types and Levels
18A.30 Zoning Districts	18A.XX Zoning Districts -includes updating Code related to Farmers' Markets and Food Trucks (either here or under Use-specific Standards)
18A.40 Overlay Districts	18A.XX Overlay Districts
18A.50 Development Standards	18A.XX Development Standards -includes low-impact development standards
18A.70 Use-specific Standards	18A.XX Use-specific Standards -includes updating Code related to Farmers' Markets and Food Trucks (either here or under Zoning Districts)
18A.90 Definitions and Abbreviations	



To: Mayor and City Councilmembers

From: David Bugher, Assistant City Manager, Development Services

Through: John J. Caulfield, City Manager *John J. Caulfield*

Date: January 11, 2016 (Study Session)

Subject: Multi-Family Tax Exemption (MFTE) Code Amendment, LMC Chapter 3.64

Background: The City has received a request from Michael Robinson to redevelop property located at 4110 108th Street SW. The proposal is to demolish two small cottages and replace them with 11 townhouse-style units. It is staff's understanding that at least one of the existing cottages is currently occupied. Mr. Robinson also proposes to take advantage of the multi-family tax exemption (MFTE) program allowed under state law (RCW, Chapter 84.14), and Lakewood Municipal Code (LMC, Chapter 3.64).

A review of the project under the project eligibility requirements found in RCW, Chapter 84.14, the proposal, generally, meets the state's minimum requirements. If the property proposed to be rehabilitated is not vacant, as in this case, an applicant must provide each existing tenant housing of comparable size, quality, and price and a reasonable opportunity to relocate (RCW 84.14.030 (5)).

However, under the City's project eligibility requirements found in Chapter 3.64, Section 3.64.020 the project is not eligible for consideration. Why? Because the City's MFTE program currently prohibits displacement of existing residential tenants of structures that are proposed for redevelopment. Existing dwelling units must have been unoccupied for a minimum of 12 months prior to submission of an application and must have one or more violations of the City's minimum housing code.

The City's tenant displacement provisions were established when the City Council adopted LMC, Chapter 3.64 in 2002. Originally, when the City introduced its MFTE program it was modeled after the MFTE regulations found in the City of Tacoma. Tacoma had tenant displacement provisions, and, thus, so did the City of Lakewood. In sum, Lakewood's tenant displacement provisions are artifacts which need to be removed.

Proposal: Delete the tenant displacement requirement from City code since it is already covered through the RCW. The proposal is a simple code amendment that would be brought back at your next regular meeting.

Impact: The change may result in the City receiving more MFTE applications (and building more housing units).

Alternatives: None.

Attachments:

Chapter 84.14 RCW

LMC, Chapter 3.64, Tax Incentive Urban Use Center Development

Correspondence, Michael Robinson dated November 6, 2015

Chapter 84.14 RCW

NEW AND REHABILITATED MULTIPLE-UNIT DWELLINGS IN URBAN CENTERS

Sections

- 84.14.005 Findings.
- 84.14.007 Purpose.
- 84.14.010 Definitions.
- 84.14.020 Exemption—Duration—Valuation.
- 84.14.030 Application—Requirements.
- 84.14.040 Designation of residential targeted area—Criteria—Local designation—Hearing—Standards, guidelines.
- 84.14.050 Application—Procedures.
- 84.14.060 Approval—Required findings.
- 84.14.070 Processing—Approval—Denial—Appeal.
- 84.14.080 Fees.
- 84.14.090 Filing requirements for owner upon completion—Determination by city or county—Notice of intention by city or county not to file—Extension of deadline—Appeal.
- 84.14.100 Report—Filing.
- 84.14.110 Cancellation of exemption—Notice by owner of change in use—Additional tax—Penalty—Interest—Lien—Notice of cancellation—Appeal—Correction of tax rolls.
- 84.14.900 Severability—1995 c 375.

84.14.005

Findings.

The legislature finds:

- (1) That in many of Washington's urban centers there is insufficient availability of desirable and convenient residential units, including affordable housing units, to meet the needs of a growing number of the public who would live in these urban centers if these desirable, convenient, attractive, affordable, and livable places to live were available;
- (2) That the development of additional and desirable residential units, including affordable housing units, in these urban centers that will attract and maintain a significant increase in the number of permanent residents in these areas will help to alleviate the detrimental conditions and social liability that tend to exist in the absence of a viable mixed income residential population and will help to achieve the planning goals mandated by the growth management act under RCW 36.70A.020; and
- (3) That planning solutions to solve the problems of urban sprawl often lack incentive and implementation techniques needed to encourage residential redevelopment in those urban centers lacking a sufficient variety of residential opportunities, and it is in the public interest and will benefit, provide, and promote the public health, safety, and welfare to stimulate new or enhanced residential opportunities, including affordable housing opportunities, within urban centers through a tax incentive as provided by this chapter.

[2007 c 430 § 1; 1995 c 375 § 1.]

84.14.007

Purpose.

It is the purpose of this chapter to encourage increased residential opportunities, including affordable housing opportunities, in cities that are required to plan or choose to plan under the growth management act within urban centers where the governing authority of the affected city has found there is insufficient housing opportunities, including affordable housing opportunities. It is further the purpose of this chapter to stimulate the construction of new multifamily housing and the rehabilitation of existing vacant and underutilized buildings for multifamily housing in urban centers having insufficient housing opportunities that will increase and improve residential opportunities, including affordable housing opportunities, within these urban centers. To achieve these purposes, this chapter provides for special valuations in residentially deficient urban centers for eligible improvements associated with multiunit housing, which includes affordable housing. It is an additional purpose of this chapter to allow unincorporated areas of rural counties that are within urban growth areas to stimulate housing opportunities and for certain counties to stimulate housing opportunities near college campuses to promote dense, transit-oriented, walkable college communities.

[2014 c 96 § 2; 2012 c 194 § 1; 2007 c 430 § 2; 1995 c 375 § 2.]

84.14.010

Definitions.

The definitions in this section apply throughout this chapter unless the context clearly requires otherwise.

- (1) "Affordable housing" means residential housing that is rented by a person or household whose monthly housing costs, including utilities other than telephone, do not exceed thirty percent of the household's monthly income. For the purposes of housing intended for owner occupancy, "affordable housing" means residential housing that is within the means of low or moderate-income households.
- (2) "Campus facilities master plan" means the area that is defined by the University of Washington as necessary for the future growth and development of its campus facilities for branch campuses authorized under RCW 28B.45.020.
- (3) "City" means either (a) a city or town with a population of at least fifteen thousand, (b) the largest city or town, if there is no city or town with a population of at least fifteen thousand, located in a county planning under the growth management act, or (c) a city or town with a population of at least five thousand located in a county subject to the provisions of RCW 36.70A.215.
- (4) "County" means a county with an unincorporated population of at least three hundred fifty thousand.
- (5) "Governing authority" means the local legislative authority of a city or a county having jurisdiction over the property for which an exemption may be applied for under this chapter.
- (6) "Growth management act" means chapter 36.70A RCW.
- (7) "High cost area" means a county where the third quarter median house price for the previous year as reported by the Washington center for real estate research at Washington State University is equal to or greater than one hundred thirty percent of the statewide median house price published during the same time period.

- (8) "Household" means a single person, family, or unrelated persons living together.
- (9) "Low-income household" means a single person, family, or unrelated persons living together whose adjusted income is at or below eighty percent of the median family income adjusted for family size, for the county where the project is located, as reported by the United States department of housing and urban development. For cities located in high-cost areas, "low-income household" means a household that has an income at or below one hundred percent of the median family income adjusted for family size, for the county where the project is located.
- (10) "Moderate-income household" means a single person, family, or unrelated persons living together whose adjusted income is more than eighty percent but is at or below one hundred fifteen percent of the median family income adjusted for family size, for the county where the project is located, as reported by the United States department of housing and urban development. For cities located in high-cost areas, "moderate-income household" means a household that has an income that is more than one hundred percent, but at or below one hundred fifty percent, of the median family income adjusted for family size, for the county where the project is located.
- (11) "Multiple-unit housing" means a building having four or more dwelling units not designed or used as transient accommodations and not including hotels and motels. Multifamily units may result from new construction or rehabilitated or conversion of vacant, underutilized, or substandard buildings to multifamily housing.
- (12) "Owner" means the property owner of record.
- (13) "Permanent residential occupancy" means multiunit housing that provides either rental or owner occupancy on a nontransient basis. This includes owner-occupied or rental accommodation that is leased for a period of at least one month. This excludes hotels and motels that predominately offer rental accommodation on a daily or weekly basis.
- (14) "Rehabilitation improvements" means modifications to existing structures, that are vacant for twelve months or longer, that are made to achieve a condition of substantial compliance with existing building codes or modification to existing occupied structures which increase the number of multifamily housing units.
- (15) "Residential targeted area" means an area within an urban center or urban growth area that has been designated by the governing authority as a residential targeted area in accordance with this chapter. With respect to designations after July 1, 2007, "residential targeted area" may not include a campus facilities master plan.
- (16) "Rural county" means a county with a population between fifty thousand and seventy-one thousand and bordering Puget Sound.
- (17) "Substantial compliance" means compliance with local building or housing code requirements that are typically required for rehabilitation as opposed to new construction.
- (18) "Urban center" means a compact identifiable district where urban residents may obtain a variety of products and services. An urban center must contain:
- (a) Several existing or previous, or both, business establishments that may include but are not limited to shops, offices, banks, restaurants, governmental agencies;
 - (b) Adequate public facilities including streets, sidewalks, lighting, transit, domestic water, and sanitary sewer systems; and
 - (c) A mixture of uses and activities that may include housing, recreation, and cultural activities in association with either commercial or office, or both, use.
- [2014 c 96 § 3. Prior: 2012 c 194 § 2; prior: 2007 c 430 § 3; 2007 c 185 § 1; 2002 c 146 § 1; 2000 c 242 § 1; 1997 c 429 § 40; 1995 c 375 § 3.]

NOTES:

Effective date—2007 c 185: "This act is necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions, and takes effect July 1, 2007." [2007 c 185 § 3.]

Severability—1997 c 429: See note following RCW 36.70A.3201.

84.14.020

Exemption—Duration—Valuation.

(1)(a) The value of new housing construction, conversion, and rehabilitation improvements qualifying under this chapter is exempt from ad valorem property taxation, as follows:

(i) For properties for which applications for certificates of tax exemption eligibility are submitted under chapter 84.14 RCW before July 22, 2007, the value is exempt for ten successive years beginning January 1 of the year immediately following the calendar year of issuance of the certificate; and

(ii) For properties for which applications for certificates of tax exemption eligibility are submitted under chapter 84.14 RCW on or after July 22, 2007, the value is exempt:

(A) For eight successive years beginning January 1st of the year immediately following the calendar year of issuance of the certificate; or

(B) For twelve successive years beginning January 1st of the year immediately following the calendar year of issuance of the certificate, if the property otherwise qualifies for the exemption under chapter 84.14 RCW and meets the conditions in this subsection (1)(a)(ii)(B). For the property to qualify for the twelve-year exemption under this subsection, the applicant must commit to renting or selling at least twenty percent of the multifamily housing units as affordable housing units to low and moderate-income households, and the property must satisfy that commitment and any additional affordability and income eligibility conditions adopted by the local government under this chapter. In the case of projects intended exclusively for owner occupancy, the minimum requirement of this subsection (1)(a)(ii)(B) may be satisfied solely through housing affordable to moderate-income households.

(b) The exemptions provided in (a)(i) and (ii) of this subsection do not include the value of land or nonhousing-related improvements not qualifying under this chapter.

(2) When a local government adopts guidelines pursuant to RCW 84.14.030(2) and includes conditions that must be satisfied with respect to individual dwelling units, rather than with respect to the multiple-unit housing as a whole or some minimum portion thereof, the exemption may, at the local government's discretion, be limited to the value of the qualifying improvements allocable to those dwelling units that meet the local guidelines.

(3) In the case of rehabilitation of existing buildings, the exemption does not include the value of improvements constructed prior to the submission of the application required under this chapter. The incentive provided by this chapter is in addition to any other incentives, tax credits, grants, or other incentives provided by law.

(4) This chapter does not apply to increases in assessed valuation made by the assessor on nonqualifying portions of building and value of land nor to increases made by lawful order of a county board of equalization, the department of revenue, or a county, to a class of property throughout the county or specific area of the county to achieve the uniformity of assessment or appraisal required by law.

(5) At the conclusion of the exemption period, the new or rehabilitated housing cost shall be considered as new construction for the purposes of chapter 84.55 RCW.

[2007 c 430 § 4; 2002 c 146 § 2; 1999 c 132 § 1; 1995 c 375 § 5.]

84.14.030

Application—Requirements.

An owner of property making application under this chapter must meet the following requirements:

- (1) The new or rehabilitated multiple-unit housing must be located in a residential targeted area as designated by the city or county;
- (2) The multiple-unit housing must meet guidelines as adopted by the governing authority that may include height, density, public benefit features, number and size of proposed development, parking, income limits for occupancy, limits on rents or sale prices, and other adopted requirements indicated necessary by the city or county. The required amenities should be relative to the size of the project and tax benefit to be obtained;
- (3) The new, converted, or rehabilitated multiple-unit housing must provide for a minimum of fifty percent of the space for permanent residential occupancy. In the case of existing occupied multifamily development, the multifamily housing must also provide for a minimum of four additional multifamily units. Existing multifamily vacant housing that has been vacant for twelve months or more does not have to provide additional multifamily units;
- (4) New construction multifamily housing and rehabilitation improvements must be completed within three years from the date of approval of the application;
- (5) Property proposed to be rehabilitated must fail to comply with one or more standards of the applicable state or local building or housing codes on or after July 23, 1995. If the property proposed to be rehabilitated is not vacant, an applicant must provide each existing tenant housing of comparable size, quality, and price and a reasonable opportunity to relocate; and
- (6) The applicant must enter into a contract with the city or county approved by the governing authority, or an administrative official or commission authorized by the governing authority, under which the applicant has agreed to the implementation of the development on terms and conditions satisfactory to the governing authority.

[2012 c 194 § 3; 2007 c 430 § 5; 2005 c 80 § 1; 1997 c 429 § 42; 1995 c 375 § 6.]

NOTES:

Severability—1997 c 429: See note following RCW 36.70A.3201.

84.14.040

Designation of residential targeted area—Criteria—Local designation—Hearing—Standards, guidelines.

- (1) The following criteria must be met before an area may be designated as a residential targeted area:
 - (a) The area must be within an urban center, as determined by the governing authority;
 - (b) The area must lack, as determined by the governing authority, sufficient available, desirable, and convenient residential housing, including affordable housing, to meet the needs of the public who would be likely to live in the urban center, if the affordable, desirable, attractive, and livable places to live were available;
 - (c) The providing of additional housing opportunity, including affordable housing, in the area, as determined by the governing authority, will assist in achieving one or more of the stated purposes of this chapter; and
 - (d) If the residential targeted area is designated by a county, the area must be located in an unincorporated area of the county that is within an urban growth area under RCW 36.70A.110

and the area must be: (i) In a rural county, served by a sewer system and designated by a county prior to January 1, 2013; or (ii) in a county that includes a campus of an institution of higher education, as defined in RCW 28B.92.030, where at least one thousand two hundred students live on campus during the academic year.

(2) For the purpose of designating a residential targeted area or areas, the governing authority may adopt a resolution of intention to so designate an area as generally described in the resolution. The resolution must state the time and place of a hearing to be held by the governing authority to consider the designation of the area and may include such other information pertaining to the designation of the area as the governing authority determines to be appropriate to apprise the public of the action intended.

(3) The governing authority must give notice of a hearing held under this chapter by publication of the notice once each week for two consecutive weeks, not less than seven days, nor more than thirty days before the date of the hearing in a paper having a general circulation in the city or county where the proposed residential targeted area is located. The notice must state the time, date, place, and purpose of the hearing and generally identify the area proposed to be designated as a residential targeted area.

(4) Following the hearing, or a continuance of the hearing, the governing authority may designate all or a portion of the area described in the resolution of intent as a residential targeted area if it finds, in its sole discretion, that the criteria in subsections (1) through (3) of this section have been met.

(5) After designation of a residential targeted area, the governing authority must adopt and implement standards and guidelines to be utilized in considering applications and making the determinations required under RCW 84.14.060. The standards and guidelines must establish basic requirements for both new construction and rehabilitation, which must include:

(a) Application process and procedures;

(b) Requirements that address demolition of existing structures and site utilization; and

(c) Building requirements that may include elements addressing parking, height, density, environmental impact, and compatibility with the existing surrounding property and such other amenities as will attract and keep permanent residents and that will properly enhance the livability of the residential targeted area in which they are to be located.

(6) The governing authority may adopt and implement, either as conditions to eight-year exemptions or as conditions to an extended exemption period under RCW 84.14.020(1)(a)(ii)(B), or both, more stringent income eligibility, rent, or sale price limits, including limits that apply to a higher percentage of units, than the minimum conditions for an extended exemption period under RCW 84.14.020(1)(a)(ii)(B). For any multiunit housing located in an unincorporated area of a county, a property owner seeking tax incentives under this chapter must commit to renting or selling at least twenty percent of the multifamily housing units as affordable housing units to low and moderate-income households. In the case of multiunit housing intended exclusively for owner occupancy, the minimum requirement of this subsection (6) may be satisfied solely through housing affordable to moderate-income households.

[2014 c 96 § 4; 2012 c 194 § 4; 2007 c 430 § 6; 1995 c 375 § 7.]

NOTES:

Tax preference performance statement—2014 c 96: "This section is the tax preference performance statement for the tax preference contained in RCW 84.14.040 and 84.14.060. This performance statement is only intended to be used for subsequent evaluation of the tax

preference. It is not intended to create a private right of action by any party or be used to determine eligibility for preferential tax treatment.

(1) The legislature categorizes this tax preference as one intended to induce certain designated behavior by taxpayers, as indicated in RCW 82.32.808(2)(a).

(2) It is the legislature's specific public policy objective to stimulate the construction of new multifamily housing in urban growth areas located in unincorporated areas of rural counties where housing options, including affordable housing options, are severely limited. It is the legislature's intent to provide the value of new housing construction, conversion, and rehabilitation improvements qualifying under chapter 84.14 RCW an exemption from ad valorem property taxation for eight to twelve years, as provided for in RCW 84.14.020, in order to provide incentives to developers to construct new multifamily housing thereby increasing the number of affordable housing units for low to moderate-income residents in certain rural counties.

(3) If a review finds that at least twenty percent of the new housing is developed and occupied by households making at or below eighty percent of the area median income, at the time of occupancy, adjusted for family size for the county where the project is located or where the housing is intended exclusively for owner occupancy, the household may earn up to one hundred fifteen percent of the area median income, at the time of sale, adjusted for family size for the county where the project is located, then the legislature intends to extend the expiration date of the tax preference.

(4) In order to obtain the data necessary to perform the review in subsection (3) of this section, the joint legislative audit and review committee may refer to data provided by counties in which beneficiaries are utilizing the preference, the office of financial management, the department of commerce, the United States department of housing and urban development, and other data sources as needed by the joint legislative audit and review committee." [2014 c 96 § 1.]

84.14.050

Application—Procedures.

An owner of property seeking tax incentives under this chapter must complete the following procedures:

(1) In the case of rehabilitation or where demolition or new construction is required, the owner must secure from the governing authority or duly authorized representative, before commencement of rehabilitation improvements or new construction, verification of property noncompliance with applicable building and housing codes;

(2) In the case of new and rehabilitated multifamily housing, the owner must apply to the city or county on forms adopted by the governing authority. The application must contain the following:

(a) Information setting forth the grounds supporting the requested exemption including information indicated on the application form or in the guidelines;

(b) A description of the project and site plan, including the floor plan of units and other information requested;

(c) A statement that the applicant is aware of the potential tax liability involved when the property ceases to be eligible for the incentive provided under this chapter;

(3) The applicant must verify the application by oath or affirmation; and

(4) The application must be accompanied by the application fee, if any, required under RCW 84.14.080. The governing authority may permit the applicant to revise an application before final action by the governing authority.

[2012 c 194 § 5; 2007 c 430 § 7; 1999 c 132 § 2; 1997 c 429 § 43; 1995 c 375 § 8.]

NOTES:

Severability—1997 c 429: See note following RCW 36.70A.3201.

84.14.060

Approval—Required findings.

(1) The duly authorized administrative official or committee of the city or county may approve the application if it finds that:

(a) A minimum of four new units are being constructed or in the case of occupied rehabilitation or conversion a minimum of four additional multifamily units are being developed;

(b) If applicable, the proposed multiunit housing project meets the affordable housing requirements as described in RCW 84.14.020;

(c) The proposed project is or will be, at the time of completion, in conformance with all local plans and regulations that apply at the time the application is approved;

(d) The owner has complied with all standards and guidelines adopted by the city or county under this chapter; and

(e) The site is located in a residential targeted area of an urban center or urban growth area that has been designated by the governing authority in accordance with procedures and guidelines indicated in RCW 84.14.040.

(2) An application may not be approved after July 1, 2007, if any part of the proposed project site is within a campus facilities master plan, except as provided in RCW 84.14.040(1)(d).

(3) An application may not be approved for a residential targeted area in a rural county on or after January 1, 2020.

[2014 c 96 § 5; 2012 c 194 § 6. Prior: 2007 c 430 § 8; 2007 c 185 § 2; 1995 c 375 § 9.]

NOTES:

Tax preference performance statement—2014 c 96: See note following RCW 84.14.040.

Effective date—2007 c 185: See note following RCW 84.14.010.

84.14.070

Processing—Approval—Denial—Appeal.

(1) The governing authority or an administrative official or commission authorized by the governing authority must approve or deny an application filed under this chapter within ninety days after receipt of the application.

(2) If the application is approved, the city or county must issue the owner of the property a conditional certificate of acceptance of tax exemption. The certificate must contain a statement by a duly authorized administrative official of the governing authority that the property has complied with the required findings indicated in RCW 84.14.060.

(3) If the application is denied by the authorized administrative official or commission authorized by the governing authority, the deciding administrative official or commission must state in writing the reasons for denial and send the notice to the applicant at the applicant's last known address within ten days of the denial.

(4) Upon denial by a duly authorized administrative official or commission, an applicant may appeal the denial to the governing authority within thirty days after receipt of the denial. The appeal before the governing authority must be based upon the record made before the administrative official with the burden of proof on the applicant to show that there was no

substantial evidence to support the administrative official's decision. The decision of the governing body in denying or approving the application is final.

[2012 c 194 § 7; 1995 c 375 § 10.]

84.14.080

Fees.

The governing authority may establish an application fee. This fee may not exceed an amount determined to be required to cover the cost to be incurred by the governing authority and the assessor in administering this chapter. The application fee must be paid at the time the application for limited exemption is filed. If the application is approved, the governing authority shall pay the application fee to the county assessor for deposit in the county current expense fund, after first deducting that portion of the fee attributable to its own administrative costs in processing the application. If the application is denied, the governing authority may retain that portion of the application fee attributable to its own administrative costs and refund the balance to the applicant.

[1995 c 375 § 11.]

84.14.090

Filing requirements for owner upon completion—Determination by city or county—Notice of intention by city or county not to file—Extension of deadline—Appeal.

(1) Upon completion of rehabilitation or new construction for which an application for a limited tax exemption under this chapter has been approved and after issuance of the certificate of occupancy, the owner must file with the city or county the following:

- (a) A statement of the amount of rehabilitation or construction expenditures made with respect to each housing unit and the composite expenditures made in the rehabilitation or construction of the entire property;
- (b) A description of the work that has been completed and a statement that the rehabilitation improvements or new construction on the owner's property qualify the property for limited exemption under this chapter;
- (c) If applicable, a statement that the project meets the affordable housing requirements as described in RCW 84.14.020; and
- (d) A statement that the work has been completed within three years of the issuance of the conditional certificate of tax exemption.

(2) Within thirty days after receipt of the statements required under subsection (1) of this section, the authorized representative of the city or county must determine whether the work completed, and the affordability of the units, is consistent with the application and the contract approved by the city or county and is qualified for a limited tax exemption under this chapter. The city or county must also determine which specific improvements completed meet the requirements and required findings.

(3) If the rehabilitation, conversion, or construction is completed within three years of the date the application for a limited tax exemption is filed under this chapter, or within an authorized extension of this time limit, and the authorized representative of the city or county determines that improvements were constructed consistent with the application and other applicable requirements, including if applicable, affordable housing requirements, and the owner's property is qualified for a limited tax exemption under this chapter, the city or county must file the certificate of tax exemption with the county assessor within ten days of the expiration of the thirty-day period provided under subsection (2) of this section.

- (4) The authorized representative of the city or county must notify the applicant that a certificate of tax exemption is not going to be filed if the authorized representative determines that:
- (a) The rehabilitation or new construction was not completed within three years of the application date, or within any authorized extension of the time limit;
 - (b) The improvements were not constructed consistent with the application or other applicable requirements;
 - (c) If applicable, the affordable housing requirements as described in RCW 84.14.020 were not met; or
 - (d) The owner's property is otherwise not qualified for limited exemption under this chapter.
- (5) If the authorized representative of the city or county finds that construction or rehabilitation of multiple-unit housing was not completed within the required time period due to circumstances beyond the control of the owner and that the owner has been acting and could reasonably be expected to act in good faith and with due diligence, the governing authority or the city or county official authorized by the governing authority may extend the deadline for completion of construction or rehabilitation for a period not to exceed twenty-four consecutive months.
- (6) The governing authority may provide by ordinance for an appeal of a decision by the deciding officer or authority that an owner is not entitled to a certificate of tax exemption to the governing authority, a hearing examiner, or other city or county officer authorized by the governing authority to hear the appeal in accordance with such reasonable procedures and time periods as provided by ordinance of the governing authority. The owner may appeal a decision by the deciding officer or authority that is not subject to local appeal or a decision by the local appeal authority that the owner is not entitled to a certificate of tax exemption in superior court under RCW 34.05.510 through 34.05.598, if the appeal is filed within thirty days of notification by the city or county to the owner of the decision being challenged.
- [2012 c 194 § 8; 2007 c 430 § 9; 1995 c 375 § 12.]

84.14.100

Report—Filing.

- (1) Thirty days after the anniversary of the date of the certificate of tax exemption and each year for the tax exemption period, the owner of the rehabilitated or newly constructed property must file with a designated authorized representative of the city or county an annual report indicating the following:
- (a) A statement of occupancy and vacancy of the rehabilitated or newly constructed property during the twelve months ending with the anniversary date;
 - (b) A certification by the owner that the property has not changed use and, if applicable, that the property has been in compliance with the affordable housing requirements as described in RCW 84.14.020 since the date of the certificate approved by the city or county;
 - (c) A description of changes or improvements constructed after issuance of the certificate of tax exemption; and
 - (d) Any additional information requested by the city or county in regards to the units receiving a tax exemption.
- (2) All cities or counties, which issue certificates of tax exemption for multiunit housing that conform to the requirements of this chapter, must report annually by December 31st of each year, beginning in 2007, to the department of commerce. The report must include the following information:
- (a) The number of tax exemption certificates granted;

- (b) The total number and type of units produced or to be produced;
- (c) The number and type of units produced or to be produced meeting affordable housing requirements;
- (d) The actual development cost of each unit produced;
- (e) The total monthly rent or total sale amount of each unit produced;
- (f) The income of each renter household at the time of initial occupancy and the income of each initial purchaser of owner-occupied units at the time of purchase for each of the units receiving a tax exemption and a summary of these figures for the city or county; and
- (g) The value of the tax exemption for each project receiving a tax exemption and the total value of tax exemptions granted.

[2012 c 194 § 9; 2007 c 430 § 10; 1995 c 375 § 13.]

84.14.110

Cancellation of exemption—Notice by owner of change in use—Additional tax—Penalty—Interest—Lien—Notice of cancellation—Appeal—Correction of tax rolls.

(1) If improvements have been exempted under this chapter, the improvements continue to be exempted for the applicable period under RCW 84.14.020, so long as they are not converted to another use and continue to satisfy all applicable conditions. If the owner intends to convert the multifamily development to another use, or if applicable, if the owner intends to discontinue compliance with the affordable housing requirements as described in RCW 84.14.020 or any other condition to exemption, the owner must notify the assessor within sixty days of the change in use or intended discontinuance. If, after a certificate of tax exemption has been filed with the county assessor, the authorized representative of the governing authority discovers that a portion of the property is changed or will be changed to a use that is other than residential or that housing or amenities no longer meet the requirements, including, if applicable, affordable housing requirements, as previously approved or agreed upon by contract between the city or county and the owner and that the multifamily housing, or a portion of the housing, no longer qualifies for the exemption, the tax exemption must be canceled and the following must occur:

- (a) Additional real property tax must be imposed upon the value of the nonqualifying improvements in the amount that would normally be imposed, plus a penalty must be imposed amounting to twenty percent. This additional tax is calculated based upon the difference between the property tax paid and the property tax that would have been paid if it had included the value of the nonqualifying improvements dated back to the date that the improvements were converted to a nonmultifamily use;
- (b) The tax must include interest upon the amounts of the additional tax at the same statutory rate charged on delinquent property taxes from the dates on which the additional tax could have been paid without penalty if the improvements had been assessed at a value without regard to this chapter; and
- (c) The additional tax owed together with interest and penalty must become a lien on the land and attach at the time the property or portion of the property is removed from multifamily use or the amenities no longer meet applicable requirements, and has priority to and must be fully paid and satisfied before a recognizance, mortgage, judgment, debt, obligation, or responsibility to or with which the land may become charged or liable. The lien may be foreclosed upon expiration of the same period after delinquency and in the same manner provided by law for foreclosure of liens for delinquent real property taxes. An additional tax unpaid on its due date is delinquent.

From the date of delinquency until paid, interest must be charged at the same rate applied by law to delinquent ad valorem property taxes.

(2) Upon a determination that a tax exemption is to be canceled for a reason stated in this section, the governing authority or authorized representative must notify the record owner of the property as shown by the tax rolls by mail, return receipt requested, of the determination to cancel the exemption. The owner may appeal the determination to the governing authority or authorized representative, within thirty days by filing a notice of appeal with the clerk of the governing authority, which notice must specify the factual and legal basis on which the determination of cancellation is alleged to be erroneous. The governing authority or a hearing examiner or other official authorized by the governing authority may hear the appeal. At the hearing, all affected parties may be heard and all competent evidence received. After the hearing, the deciding body or officer must either affirm, modify, or repeal the decision of cancellation of exemption based on the evidence received. An aggrieved party may appeal the decision of the deciding body or officer to the superior court under RCW 34.05.510 through 34.05.598.

(3) Upon determination by the governing authority or authorized representative to terminate an exemption, the county officials having possession of the assessment and tax rolls must correct the rolls in the manner provided for omitted property under RCW 84.40.080. The county assessor must make such a valuation of the property and improvements as is necessary to permit the correction of the rolls. The value of the new housing construction, conversion, and rehabilitation improvements added to the rolls is considered as new construction for the purposes of chapter 84.55 RCW. The owner may appeal the valuation to the county board of equalization under chapter 84.48 RCW and according to the provisions of RCW 84.40.038. If there has been a failure to comply with this chapter, the property must be listed as an omitted assessment for assessment years beginning January 1 of the calendar year in which the noncompliance first occurred, but the listing as an omitted assessment may not be for a period more than three calendar years preceding the year in which the failure to comply was discovered.

[2012 c 194 § 10; 2007 c 430 § 11; 2002 c 146 § 3; 2001 c 185 § 1; 1995 c 375 § 14.]

NOTES:

Application—2001 c 185 §§ 1-12: "Sections 1 through 12 of this act apply for [to] taxes levied in 2001 for collection in 2002 and thereafter." [2001 c 185 § 18.]

84.14.900

Severability—1995 c 375.

If any provision of this act or its application to any person or circumstance is held invalid, the remainder of the act or the application of the provision to other persons or circumstances is not affected.

03.64.000 - Tax Incentive Urban Use Center Development

Chapter 3.64 Tax Incentive Urban Use Center Development

Sections:

3.64.010 Definition.

3.64.020 Residential Target Area Designation and Standards.

3.64.030 Tax Exemptions for Multi-family Housing in Residential Target Areas.

03.64.010 - Definitions

- A. "Administrator" means the City Manager or authorized designee.
- B. "Affordable housing" means residential housing that is rented by a person or household whose housing costs, including utilities other than telephone, do not exceed thirty percent of the household's monthly income. For the purposes of housing intended for owner occupancy, "affordable housing" means residential housing that is within the means of low or moderate-income households.
- C. "Low-income household" means a single person, family or unrelated persons living together whose adjusted income is at or below eighty percent of the median family income adjusted for family size, for the county where the project is located, as reported by the United States Department of Housing and Urban Development. For cities located in high cost areas, "low-income household" means a household that has an income at or below one hundred percent of the median family income adjusted for family size, for the county where the project is located.
- D. "Moderate-income household" means a single person, family, or unrelated persons living together whose adjusted income is more than eighty percent but is at or below one hundred fifteen percent of the median family income adjusted for family size, for the county where the project is located, as reported by the United States Department of Housing and Urban Development. For cities located in high-cost areas, "moderate-income household" means a household that has an income that is more than one hundred percent, but at or below one hundred fifty percent of the median family income adjusted for family size, for the county where the project is located.
- E. "High cost area" means a county where the third quarter median house price for the previous year, as reported by the Washington Center for Real Estate Research at Washington State University, is equal to or greater than one hundred thirty percent of the statewide median house price published during the same time period.
- F. "Multi-family housing" means a building having four or more dwelling units designed for permanent residential occupancy resulting from new construction, rehabilitation or conversion of vacant, underutilized or substandard buildings. Multi-family housing units as designated herein shall not be designed or used for transient accommodations and do not include hotels and motels.
- G. "Owner" means the property owner of record.
- H. "Permanent residential occupancy" means multi-family housing that provides either rental or owner occupancy for a period of at least one month. This excludes hotels and motels that predominately offer rental accommodation on a daily or weekly basis.
- I. "Rehabilitation improvements" means modifications to existing structures that are vacant for 12 months or longer, or modifications to existing occupied structures which convert non-residential space to residential space and/or increase the number of multi-family housing units.
- J. "Residential Target Area" means an area within the Tax Incentive Urban Use Center that has been designated by the City Council as lacking sufficient, available, desirable and convenient residential housing to meet the needs of the public.
- K. "Tax Incentive Urban Use Center" means a compact, identifiable district where urban residents may obtain a variety of products and services. A Tax Incentive Urban Use Center must contain:

1. Several existing or previous existing, or a combination of existing and previously existing, business establishments that may include but are not limited to shops, offices, banks, restaurants, governmental agencies;
2. Adequate public facilities, including streets, sidewalks, lighting, transit, domestic water, and sanitary sewer systems; and
3. A mixture of uses and activities that may include housing, recreation, and cultural activities in association with either commercial and/or office use.

(Ord. 452 § 1 (part), 2007; Ord. 286 § 1 (part), 2002.)

03.64.020 - Residential Target Area Designation and Standards

A. Designation. The boundaries of the Tax Incentive Urban Use Centers shall be by Ordinance. The map depicting these boundaries shall be on file in the City Clerk's Office.

B. Public Hearing. For the purposes of designating a Residential Target Area or areas, the City Council must adopt a resolution of intention to so designate an area or areas described in the resolution. The resolution must state the time and place of a hearing to be held by the City Council to consider the designation of any such area and may include such other information pertaining to the designation as the City Council determines to be appropriate to apprise the public of the action intended. Notice of such a hearing shall be made by publication once each week for two consecutive weeks, not less than seven days nor more than thirty (30) days before the date of the hearing in a paper having general circulation in the city where the proposed Residential Target Area is located. The notice must state the time, date, place and purpose of the hearing and generally identify the area proposed to be designated as a Residential Target Area.

C. Criteria. Following the public hearing, the City Council may, in its sole discretion, designate one or more Residential Target Areas. Each designated Residential Target Area must meet the following criteria, as determined by the City Council:

1. The target area is located within a designated Tax Incentive Urban Use Center;
2. The target area lacks sufficient available, desirable, and convenient residential housing, including affordable housing, to meet the needs of the public who would likely live in the Urban Use Center if desirable, attractive and livable places were available; and
3. The providing of additional housing opportunity, including affordable housing, in the target area will assist in achieving at least one the following purposes:
 - a. Encourage increased residential opportunities within the target area; or
 - b. Stimulate the construction of new multi-family housing and the rehabilitation of existing vacant and under-utilized buildings for multi-family housing.
4. In designating a Residential Target Area, the City Council may consider other factors, including, but not limited to: whether additional housing in the target area will attract and maintain a significant increase in the number of permanent residents; whether an increased residential population will help alleviate detrimental conditions and social liability in the target area; and whether an increased residential population in the Residential Target Area will help to achieve the planning goals mandated by the Growth Management Act under RCW 36.70A.020. The City Council may, by ordinance, amend or rescind the designation of a Residential Target Area at any time pursuant to the same procedure as set forth in this chapter for designation of such areas.

D. Residential Target Area Standards and Guidelines. For each designated Residential Target Area the City Council must adopt and implement standards and guidelines to be utilized in considering applications and making the determinations required under RCW 84.14.060 basic requirements for both new construction and rehabilitation, including the application process and procedures. The City Council must also adopt guidelines including the following:

1. Requirements that address demolition of existing structures and site utilization; and
2. Building requirements that may include elements addressing parking, height, density, environmental impact, public benefit features, compatibility with the surrounding property, and such other amenities as will attract and keep permanent residents and will properly enhance the livability of the Residential Target Area. The required amenities shall be relative to the size of the proposed project and the tax benefit to be obtained.

E. Designated Residential Target Areas. The proposed boundaries of the Residential Target Areas must be within the boundaries of a Tax Incentive Urban Use Center. A map and accompanying legal descriptions shall be on file in the City Clerk's Office; provided that the Residential Target Areas shall also include the Urban Use Center(s) designated as noted above and as may hereafter be amended.

(Ord. 588 § 1, 2014; Ord. 588 § 1, 2014; Ord. 452 § 1 (part), 2007; Ord. 383 § 1, 2005 ("Exhibit A" Revised map on file in the City Clerk's Office); Ord. 286 § 1 (part), 2002.)

03.64.030 - Tax Exemptions for Multi-Family Housing in Residential Target Areas

- A. Intent. Limited eight or twelve year exemptions from ad valorem property taxation for multi-family housing in Tax Incentive Urban Use Center(s) are intended to:
 1. Encourage increased residential opportunities within mixed-use centers designated by the City Council as Residential Target Areas.
 2. Stimulate new construction or rehabilitation of existing vacant and underutilized buildings for multi-family housing in Residential Target Areas to increase and improve housing opportunities;
 3. Assist in directing future population growth to designated Tax Incentive Urban Use Centers, thereby reducing development pressure on single-family residential neighborhoods; and
 4. Achieve development densities which are more conducive to transit use in designated Tax Incentive Urban Use Centers.
 5. Encourage development of additional and desirable affordable housing units.
- B. Duration of Exemption. The value of improvements qualifying under this chapter will be exempt from ad valorem property taxation for eight or twelve successive years beginning January 1 of the year immediately following the calendar year after issuance of the Final Certificate of Tax Exemption.
 1. For properties which applications for certificates of tax exemption eligibility are submitted under this section, the value is exempt for eight successive years beginning January 1st of the year immediately following the calendar year of issuance of the certificate.
 2. For twelve successive years beginning January 1st of the year immediately following the calendar year of issuance of the certificate if the property otherwise qualifies for the exemption under Chapter 84.14 RCW and meets the conditions in this subsection, the applicant must commit to renting or selling at least twenty percent of the multifamily housing units as affordable housing units to low and moderate income households and the property must satisfy that commitment and any additional affordability and income eligibility conditions adopted by the local government under this chapter. In the case of projects intended exclusively for owner occupancy, the minimum requirement of this subsection (

1)(a)(ii)(B) may be satisfied solely through housing affordable to moderate-income households.

- C. **Limits on Exemption.** The exemption does not apply to the value of land or to the value of improvements not qualifying under this chapter, 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. **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 a Residential Target Area, as designated in Section 3.64.020.
 2. **Tenant Displacement Prohibited.** The project must not displace existing residential tenants of structures that are proposed for redevelopment. Existing dwelling units proposed for rehabilitation must have been unoccupied for a minimum of 12 months prior to submission of an application and must have one or more violations of the City's minimum housing code. Applications for new construction cannot be submitted for vacant property upon which an occupied residential rental structure previously stood, unless a minimum of 12 months has elapsed from the time of most recent occupancy.
 3. **Size.** The project must include at least four units of multi-family housing within a residential structure or as part of a mixed-use development. A minimum of four new units must be constructed or at least four additional multi-family units must be added to existing occupied multi-family housing. Existing multi-family housing that has been vacant for twelve (12) months or more does not have to provide additional units so long as the project provides at least four units of new, converted, or rehabilitated multi-family housing.
 4. **Permanent Residential Housing.** At least fifty (50) percent of the space designated for multi-family housing must be provided for permanent residential occupancy, as defined in Section 3.64.010.
 5. **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.
 6. **Compliance with Guidelines and Standards.** The project must be designed to comply with the City's comprehensive plan, building, housing, and zoning codes, and any other applicable regulations in effect at the time the application is approved. Rehabilitation and conversion improvements must comply with the City's minimum housing code. New construction must comply with the International Building Code. The project must also comply with any other standards and guidelines adopted by the City Council for the Residential Target Area in which the project will be developed.
- E. **Application Procedure.** A property owner who wishes to propose a project for a tax exemption shall complete the following procedures:
1. File with the City of Lakewood, as directed in the procedures for participation in the City's Tax Incentive Urban Use Center Development Program, the required application along with the required fees. The initial application fee shall be set by the Master Fee Schedule. . An additional fee to cover the Pierce County Assessor's administrative costs shall be paid to the City. The application fee is non-refundable.
 2. A complete application shall include:
 - a. A completed City of Lakewood application form setting forth the grounds for the exemption;
 - b. Preliminary floor and site plans of the proposed project;

- c. A statement acknowledging the potential tax liability when the project ceases to be eligible under this chapter; and
 - d. Verification by oath or affirmation of the information submitted.
 - e. For rehabilitation projects, the applicant shall also submit an affidavit that existing dwelling units have been unoccupied for a period of twelve (12) months prior to filing the application and shall secure from the City verification of property noncompliance with the City's minimum housing code.
 - f. If applicable, a statement that the project meets the affordable housing requirements as described in RCW 84.14.020.
- F. Application Review and Issuance of Conditional Certificate. The Administrator may certify as eligible an application which is determined to comply with the requirements of this chapter. A decision to approve or deny an application shall be made within ninety (90) days of receipt of a complete application.
- 1. Approval. If an application is approved, the applicant shall enter into a contract with the City, subject to approval by resolution of the City Council, regarding the terms and conditions of the project. Upon City Council approval of the contract, the Administrator shall issue a Conditional Certificate of Acceptance of Tax Exemption. The Conditional Certificate expires three years from the date of approval unless an extension is granted as provided in this chapter.
 - 2. Denial. The Administrator shall state in writing the reasons for denial and shall send notice to the applicant at the applicant's last known address within ten (10) days of the denial. An applicant may appeal a denial to the City Council within fourteen (14) days of receipt of notice. On appeal to the City Council, the Administrator's decision will be upheld unless the applicant can show that there is no substantial evidence on the record to support the Administrator's decision. The City Council's decision on appeal will be final.
- G. Extension of Conditional Certificate. The Conditional Certificate may be extended by the Administrator for a period not to exceed twenty-four (24) consecutive months. The applicant must submit a written request stating the grounds for the extension, accompanied by a processing fee as specified in the Master Fee Schedule. An extension may be granted if the Administrator determines that:
- 1. The anticipated failure to complete construction or rehabilitation within the required time period is due to circumstances beyond the control of the owner;
 - 2. The owner has been acting and could reasonably be expected to continue to act in good faith and with due diligence; and
 - 3. All the conditions of the original contract between the applicant and the City will be satisfied upon completion of the project.
- H. Application for Final Certificate. Upon completion of the improvements agreed upon in the contract between the applicant and the City and upon issuance of a temporary or permanent certificate of occupancy, the applicant may request a Final Certificate of Tax Exemption. The applicant must file with the City Manager or authorized designee the following:
- 1. A statement of expenditures made with respect to each multi-family housing unit and the total expenditures made with respect to the entire property;
 - 2. A description of the completed work and a statement of qualification for the exemption; and
 - 3. A statement that the work was completed within the required three-year period or any authorized extension.

Within thirty (30) days of receipt of all materials required for a Final Certificate, the Administrator shall determine which specific improvements satisfy the requirements of this chapter including, if applicable, the affordability of the units.

- I. Issuance of Final Certificate. If the Administrator determines that the project has been completed in accordance with the contract between the applicant and the City and has been completed within the authorized time period, the City shall, within ten (10) days, file a Final Certificate of Tax Exemption with the Pierce County Assessor.
 1. Denial and Appeal. The Administrator shall notify the applicant in writing that a Final Certificate will not be filed if the Administrator determines that:
 - a. The improvements were not completed within the authorized time period;
 - b. The improvements were not completed in accordance with the contract between the applicant and the City; or
 - c. The owner's property is otherwise not qualified under this chapter.
 - d. or if applicable the affordable housing requirements as described in RCW 84.14.020 were not met.
 2. Within ten (10) days of receipt of the Administrator's denial of a Final Certificate, the applicant may file an appeal with the City's Hearing Examiner, as provided in Chapter 1.36 of the Lakewood Municipal Code (LMC). The applicant may appeal the Hearing Examiner's decision in Pierce County Superior Court under RCW 34.05.510 through 34.05.598, if the appeal is filed within thirty (30) days of notification by the City to the owner of the decision being challenged.
- J. Annual Compliance Review. Within thirty (30) days after the first anniversary of the date of filing the Final Certificate of Tax Exemption and each year thereafter, for the tax exemption period, the property owner shall file a notarized declaration with the City Manager or designated agent indicating the following:
 1. A statement of occupancy and vacancy of the multi-family units during the previous year;
 2. A certification by the owner that the property has been in compliance with the affordable housing requirements as described in RCW 84.14.020 since the date of the certificate approved by the City and that the property continues to be in compliance with the contract with the City; and
 3. A description of any subsequent improvements or changes to the property.

City staff shall also conduct on-site verification of the declaration. Failure to submit the annual declaration may result in the tax exemption being canceled.
- K. Cancellation of Tax Exemption. If the Administrator determines the owner is not complying with the terms of the contract, the tax exemption will be canceled. This cancellation may occur in conjunction with the annual review or at any other time when non-compliance has been determined. If the owner intends to convert the multi-family housing to another use, the owner must notify the Administrator and the Pierce County Assessor within sixty (60) days of the change in use.
 1. Effect of Cancellation. If a tax exemption is canceled due to a change in use or other noncompliance, the Pierce County Assessor may impose an additional tax on the property, together with interest and penalty, and a priority lien may be placed on the land, pursuant to State legislative provisions.
 2. Notice and Appeal. Upon determining that a tax exemption is to be canceled, the Administrator shall notify the property owner by certified mail. The property owner may

appeal the determination by filing a notice of appeal with the City Clerk within thirty (30) days, specifying the factual and legal basis for the appeal. The Hearing Examiner will conduct a hearing at which all affected parties may be heard and all competent evidence received. The Hearing Examiner will affirm, modify or repeal the decision to cancel the exemption based on the evidence received. An aggrieved party may appeal the Hearing Examiner's decision to the Pierce County Superior Court, in accordance with RCW sections 34.05.510 through 34.05.598.

L. Annual Report by City:

The City shall report annually by December 31st of each year to the Department of Community, Trade and Economic Development. The report must include the following information:

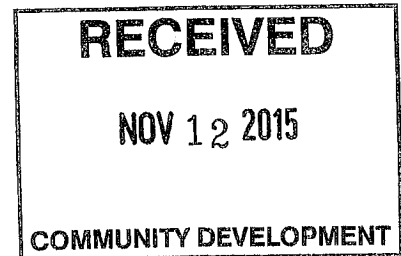
- a. The number of tax exemption certificates granted;
- b. The total number and type of units produced or to be produced;
- c. The number and type of units produced or to be produced meeting affordable housing requirements;
- d. The actual development cost of each unit produced;
- e. The total monthly rent or total sale amount of each unit produced;
- f. The income of each renter household at the time of initial occupancy and the income of each initial purchaser of owner-occupied units at the time of purchase for each of the units receiving a tax exemption and a summary of these figures for the City; and
- g. The value of the tax exemption for each project receiving a tax exemption and the total value of tax exemptions granted.

(Ord. 452 § 1 (part), 2007; Ord. 383 § 2, 2005; Ord. 286 § 1 (part), 2002.)

6000 Main Street SW
Lakewood, WA 98499-5027

November 6th, 2015

M. David Bugher
Assistant City Manager for Development/ Community Development Director
6000 Main Street SW
Lakewood, WA 98499-5027



Re: MFTE & Parcel #0219014087

Dear Mr. Bugher:

Recently I met with city officials for a pre-application meeting in regards to redevelopment of our property at 4110 108th St SW. Currently the property consists of 2 small cottages, our proposal is to build 11 townhome style residences and hold them as market rate rental units. I have been looking forward to this opportunity since my wife and I purchased the property in 2011. The pre-app meeting went well and all in attendance agreed this will be an exciting improvement for the area.

We purchased the property several years ago in derelict condition; it was severely over grown with vegetation, uninhabited for years and littered with debris (see two enclosed exhibits). The property is next door to our 10 unit apartment building Rainier Terrace which we have owned since 2003. Our intent in purchasing 4110 was to gain control of a blighted parcel and through redevelopment improve the neighborhood and thereby improve the perceived value of the property we already owned.

As we were recovering from the recession at the time, marketplace confidence was low and financing options were limited. The strategy we employed was to clean, clear and otherwise restore the property in the short term. This allowed us to rent the cottages and generate enough cash flow to go into a temporary holding pattern. It provided us a way to hold for a better day economically and spend appropriate time developing our long term plan.

As we move forward in deciding to implement this new project we find there appears, at least in a broad sense, a conflict in how the MFTE application requirements are written. The application states in paragraph 2, "....Existing dwelling units must have been unoccupied for a minimum of 12 months prior to submission of an application..."

As I stated above, the property had been vacant and neglected for much more than 12 months before our purchase. It only became occupied under our temporary hold strategy. Surely, the intent of the MFTE is not negated by this action.

In the City of Tacoma we developed 12 townhomes units and qualified for their 10 year tax abatement. We purchased that property from an owner occupant so we are familiar with the application process. Those units went into service in the winter of 2008, in just a short time we will revert to paying property tax at the full assessed amount.

My request is for your staff to review this situation as I've described and determine that we can together, working within the statute, find a way forward with this project by qualifying for the MFTE.

Sincerely,

A handwritten signature in black ink, appearing to read 'M. Robinson', with a long horizontal flourish extending to the right.

Michael Robinson
Property Owner
2209 N Pearl St, Ste 200
Tacoma, WA 98406

Enclosures: 2

4108 108th 8/2011



4187 +
4112
108TH ST SW
Aug 2011



Thus
Building
had to be
removed.
WAS UNSAFE
A Fall of debris



To: Mayor and City Councilmembers

From: Alice M. Bush, City Clerk

Through: John J. Caulfield, City Manager

A handwritten signature in cursive script that reads 'John J. Caulfield'.

Date: January 11, 2016

Subject: 2016 City Council Liaisons to Citizens' Advisory Boards, Committees and Commissions and City Council Representation on External Committees and Boards

Annually, the City Council has reviewed its Council liaison assignments to its citizens' advisory boards, committees and commissions. Attached is last year's 2015 list of Council liaison assignments should the Council wish to make any adjustments for 2016. Also, attached is a list of external committees and boards that Councilmembers are currently serving and their terms.

2015 COUNCIL LIAISONS TO CITIZENS ADVISORY BOARDS, COMMITTEES, & COMMISSIONS (CABC)

1/5/15

					Citizens Advisory Boards, Committees & Commissions	
Committee/Board	Council Liaison	Legislation	Meeting Time	Meeting Location	Residency requirement	Qualification preferences
Community Services Advisory Board	M. Barth	Ord 594	TBA	City Hall	No	
Lakewood Arts Commission	M. Barth	Ord 421	1 st Mon 4:30 pm	City Hall	No	
Lakewood's Promise Advisory Board	M. Moss	Ord 619	2 nd Thurs 7:30 a.m.	City Hall	No	
Landmarks Heritage & Advisory Board	J. Simpson	Ord 578	Every other month 4 th Thurs 6:00 p.m.	City Hall	No	History, architecture, preservation, anthropology, archaeology disciplines
Lodging Tax Advisory Board	D. Anderson	Ord 133	TBA	City Hall	No	Businesses authorized to collect and businesses authorized to receive hotel/motel taxes.
Mayor's Select Comm.	N/A	Ord 200	TBA	City Hall	No	
Parks & Rec Advisory Board	D. Anderson	Ord 240	4 th Tues 5:30 pm	City Hall	No	
Planning Commission	P. Bocchi	Ord 594	1 st & 3 rd Wed 6:30 pm	City Hall	Yes, unless Council finds non-resident to be beneficial	
Public Safety Advisory Committee	M. Barth	Ord 413	1 st Wed 5:15 pm	Police HQ	No	
Youth Council	M. Brandstetter	Res 2002-16	1 st Mon or 3 rd Mon 6:00 pm	1 st -City Hall; 3 rd CPD	No	

2015 COUNCIL/CITY REPRESENTATION TO EXTERNAL COMMITTEES AND BOARDS

Committee/Board	Council Member	Member	Appointed by	Term of Office	Term Expires	Meeting time	Meeting location	Contact
Greater Tacoma Convention Center Public Facilities Board	M. Brandstetter P. Bocchi (alternate)		Council	1/1/2016 4 yr	12/31/2019		GT Convention Ctr	Joni Dalin
South Sound 911 Policy Board	M. Brandstetter		Council	Ongoing		4th Wed. 9:00 am.	Lakewood City Hall	
PC Joint Determining Authority (review open space applications)	P. Bocchi M. Brandstetter		Council	Ongoing		TBA	Pierce County County-City Bldg, Tacoma	Chad Williams 798-3683
Pierce County Regional Council	Jason Whalen P. Bocchi J. Simpson (alt.)		Council	Open		3 rd Th. 6:30 pm	Pierce Co. Annex	
Pierce Transit Board	D. Anderson		Council	1/1/2016 3 yr	12/31/2018	2 nd Mon 4:00 p.m.	Pierce Transit Training Ctr	Deanne Jacobson
Pierce County Flood Control Zone District Advisory Committee	M. Brandstetter		PC Council	7/2/2014	7/2/2018			Kris Lund 206-709-9040
Puget Sound Regional Council General Assembly	Mayor and All Council						PSRC Board elected by General Assembly constituents	
SHB 2060 Afford Hsg Bd	N/A	ACM Dev Svcs	Council				Pierce County	
SHB 2163 (Ending Homelessness) Board	N/A	ACM Dev Svcs	Council				Pierce County	
Sound Transit Board	M. Moss		Council	4 yr	12/31/2017	2 nd & 4 th Th 1:00 – 4:00	Sound Transit/Seattle	
T-P Economic Dev. Board	*J. Whalen			*1/1/2014	*12/31/2016	*TBA	TBA	
Pierce County Conservation Futures Citizens Advisory Board	N/A	Susan Potter	Mayor	10/22/2013	10/1/2017		Pierce County	Kimberly Freeman 798-4009
South Sound Military Community Partnership EOC Elected Officials	Mayor		Mayor	Ongoing	Ongoing	Varies	Varies	

*effective 1/1/2014

OTHER AFFILIATED COMMITTEES AND BOARDS

Committee/Board	Council Representative	Meeting Time	Meeting Location	Notes
Civil Service Commission	N/A	1 st Thurs, 9:30 am	City Hall	Appt'd by Cty Mgr
Lkwd Historical Society	N/A	3 rd Tues, 7:00 pm	TBA	
Lkwd Sister Cities Assoc.	Councilmember Brandstetter	2 nd Thurs 6:00 pm	City Hall	
CPSD Board	All Councilmembers Rotate	2 nd Mon. 7:00 pm	CPSD Student Svc Ctr	
Human Services Collaboration	All Councilmembers Rotate	2 nd Wed. 9:30 am	City Hall	
Neighborhood Assocs.	All Councilmembers Rotate	Varies	Varies	
Lakewood United	Optional	Every Th. 7:00 am.	Burs Restaurant	

Alice Bush

From: Cindy Anderson <cander5@co.pierce.wa.us>
Sent: Tuesday, January 05, 2016 12:36 PM
To: Alice Bush; Amy Stevenson-Ness (astevenson-ness@ci.pacific.wa.us); Brenda Arline (brenda@ci.puyallup.wa.us); Carol Etgen (cityclerk@cityoffife.org); Clerk of Carbonado (clerk@carbonado.org); Danielle Daskam (ddaskam@auburnwa.gov); Debra Dearing (roycityhall@comcast.net); Doris Sorum (dsorum@cityoftacoma.org); Emelia Genetia (Emy) (egenetia@cityofup.com); Erin Larsen (elarsen@ci.dupont.wa.us); Harwood Edvalson (cityclerk@ci.bonney-lake.wa.us); Jane Montgomery; Joanne Starr (jstarr@cityofbuckley.com); Kathy Linnemeyer (townclerk@eatonville-wa.gov); Katie Bolam; Lisa Keely; Marla Nevill / Judy Tremblay (south_prairie@yahoo.com); Molly Towslee (TowsleeM@cityofgigharbor.net); Paul Loveless (paul.loveless@ci.steilacoom.wa.us); Rachel Pitzel (rpitzel@cityoforting.org); Susan Johnson (sjohnson@cityoffircrest.net); Teri Berry (terrib@ci.sumner.wa.us); Trisha Summers (clerk@townofwilkeson.com)
Subject: PCRC Member Update
Importance: High



As a reminder, it is time to update (if necessary) the PCRC representatives and alternates for your jurisdictions. If you have any questions, please contact me.

Also, for your calendars, please mark February 25, 2016 as the date for the PCRC General Assembly to be held this year in DuPont. It is held in conjunction with the University of Washington-Tacoma Urban Studies Forum. You will be receiving additional information and invitation letters within the next week.

Thank you,

Cindy Anderson | Long Range Planning Clerk | Pierce County Planning and Land Services | (253) 798-2630 | 2401 South 35th Street, Room 175, Tacoma WA 98409-7490 | cander5@co.pierce.wa.us | [Pierce County Website](#)

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