

ORDINANCE NO. 879

**AN ORDINANCE OF THE CITY OF SHORELINE, WASHINGTON
AMENDING SHORELINE MUNICIPAL CODE SECTION 3.27
PROPERTY TAX EXEMPTION.**

WHEREAS, in December 2011, with the adoption of Ordinance No. 624, the City Council established a portion of the Aurora Square (Shoreline Place) Community Renewal Area as a residential target area for the multi-family tax exemption provided for in chapter 84.14 RCW; and

WHEREAS in July 2013, with the adoption of Ordinance No. 664, the City Council established 500 units as the maximum number of units that could benefit from the tax exemption and also imposed a housing affordability requirement; and

WHEREAS, the purpose of the maximum number was to address City Council concerns that the tax exemption program could adversely impact property tax revenues for the City; and

WHEREAS, since the maximum was established in 2013, development projects have encumbered 330 units in this residential target area, leaving only 170 units available as an incentive for affordable housing development; and

WHEREAS, the tax exemption program has been an efficient tool for the creation of affordable housing as it serves as an important incentive for multi-family project investors; and

WHEREAS, in September 2019, the City Council authorized the execution of the Shoreline Place Development Agreement to redevelop a large portion of this obsolete 1960s shopping center into a mixed-use development which includes approximate 1,358 residential units; and

WHEREAS, limiting the number of units that could benefit from the tax exemption is contrary to the goals and policies contained in the Aurora Square (Shoreline Place) Community Renewal Area Plan (2012) which seeks to guide economic renewal of the area and provides no incentive for providing affordable housing in the Community Renewal Area; and

WHEREAS, the City has studied the multifamily tax exemption and finds the taxes and fees from projects incentivized by this limited exemption are a net positive budgetary impact and understands that accelerating the redevelopment of the Community Renewal Area will support the City's fiscal sustainability;

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

Section 1. Amendment to Chapter 3.27 Property Tax Exemption, Section 3.27.040 Eligibility standards and guidelines. SMC 3.27.040 is amended as set forth below:

SMC 3.27.040(D) Residential Targeted Areas – Specific Requirements

~~1. No more than 500 total units will be approved under this chapter for areas of the Aurora Square Community Renewal Area (CRA) located within the Aurora Avenue North Corridor. Units will be allocated based on the date the project's application for a conditional certificate is considered complete.~~

2. 1. Units within the 145th and 185th Street Station Subareas must meet the median income requirements of the 20 percent affordability option as set forth in SMC 20.40.235.

3. 2. The designation of residential targeted areas with the 145th and 185th Street Station Subareas shall automatically expire on December 31, 2021. Complete applications for exemption filed prior to this date will be considered vested under this chapter.

Section 2. 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 3. 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.

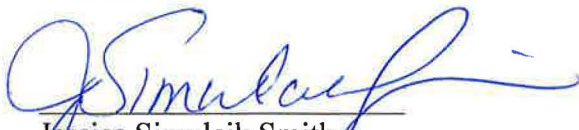
Section 4. Publication and Effective Date. A summary of this Ordinance consisting of the title shall be published in the official newspaper and shall take effect five days after publication.

PASSED BY THE CITY COUNCIL ON FEBRUARY 10, 2020.



Mayor Will Hall

ATTEST:



Jessica Simulcik Smith
City Clerk

APPROVED AS TO FORM:



Margaret King
City Attorney

Date of Publication: February 13, 2020

Effective Date: February 18, 2020