

Urban Experience Committee
Agenda for 1:15 p.m. Monday July 11th, 2022

The Spokane City Council's Urban Experience Committee meeting will be held at **1:15 p.m. July 11th, 2022** streaming live online and airing on City Cable 5 at <https://my.spokanecity.org/citycable5/live/> or by calling 1-408-418-9388 and entering the access code #2491 952 4023; meeting password 0320.

The meeting will be conducted in a standing committee format. Because a quorum of the City Council may be present, the standing committee meeting will be conducted as a committee of the whole council. The Urban Experience Committee meeting is regularly held every 2nd Monday of each month at 1:15 p.m. unless otherwise posted.

The meeting will be open to the public both virtually and in person, with the possibility of moving or reconvening into executive session only with members of the City Council and appropriate staff. No legislative action will be taken. No public testimony will be taken, and discussion will be limited to appropriate officials and staff.

AGENDA

- I. **Call to Order**
- II. **Approval of [Minutes from June 13th , 2022](#)**
- III. **Discussion Items**
 1. [Spokane 311 update](#) - Mayor Woodward/Heather Sweet (10 minutes)
 2. Civil Rights Office update - Jerrall Haynes (10 minutes)
 3. Civil Service Overview/Update - Kelsey Pearson (15 minutes)
 4. [Good Neighbor Agreement](#) - Councilmember Stratton (5 minutes)
 5. [Spokane Neighborhood Leadership Academy Pilot Debrief](#) - Carly Cortright/ Kelsey Solberg/Jeff Stevens/Rachelle Strawther (20 minutes)
 6. [Multi-Family Tax Exemption Ordinance Recommended Update](#) - Spencer Gardner/Steve MacDonald/Teri Stripes (20 minutes)
 7. [Transporation Grant Opportunity - Safe Streets and Roads for All](#) - Inga Note/Colin Quinn-Hurst (10 minutes)
 8. [Shelter Property Purchase Resolution](#) - Council President Beggs (5 minutes)
- IV. **Consent Items**
 1. [2021073 Riverside - Grant to Sherman Sidewalk](#) (Public Works/Engineering)
 2. [Extend HOC COVID Contract through Dec 31st,2022](#) (CHHS)
 3. [2021 Residential Grind & Overlay \(North\) Project](#) (Public Works/Engineering)
 4. [Three \(3\) Multi-Famil Tax Exemption \(MFTE\) Conditional Agreement\(s\)](#) (Planning and Economic Development)
 - a. [Koz on West 4th](#)
 - b. [Jensen Byrd Riverside](#)
 - c. [Brick on Wall Apartments](#)
 5. [Special Counsel Contract Amendment](#) (Legal)

V. Executive Session

Executive Session may be held or reconvened during any Urban Experience Committee meeting.

VI. Adjournment

Next Urban Experience Committee meeting

The next meeting will be held at the regular date and time of 1:15 p.m. August 88th, 2022

STANDING COMMITTEE MINUTES
City of Spokane
Urban Experience
June 13, 2022

Call to Order: 1:18 p.m.

Recording of the meeting may be viewed here: <https://vimeo.com/720040437>

Attendance

Committee Members Present:

Committee Chair Stratton, Committee Vice Chair Zappone, Council President Beggs, Council Members Kinnear, Cathcart, Wilkerson (arrived at 1:19 p.m.) and Bingle.

Staff/Others Present:

Brian McClatchey, City Council; Hannahlee Allers, City Council; Kara Odegard, City Council; Shae Blackwell, City Council; Nicolette Ocheltree, City Council; Anna Martin, City Council; Deb Elzinga, Community Frameworks; Dr. Matthew Hollon, Rockwood Multicare/UW School of Medicine; Spencer Gardner, City of Spokane, Teri Stripes, City of Spokane; Randy McGlenn; Josh Castle, Low Income Housing Institute (virtual); Alex Phillips-White, Low Income Housing Institute (virtual); Jason Lien, SRTC (virtual); Amanda Beck, City of Spokane (virtual); Meagan Vincello, City Council (virtual); Cendy Ortiz, City of Spokane (virtual); Matt Boston, City Council (virtual)

Approval of Minutes

- Action taken
Motion to approve minutes of the May 9, 2022, UE Committee meeting by CM Bingle, seconded by CM Zappone. Approved 7-0.

Agenda Items

Discussion items

1. Downtown Spokane Partnership Update – Emilie Cameron
 - Presenters
Emilie Cameron, Downtown Spokane Partnership; Liz Hooker, Downtown Spokane Partnership
 - Action taken
Presentation and discussion only, no action taken
2. Extreme Heat Presentation
 - Presenters
Dr. Matthew Hollon, Rockwood Multicare/UW School of Medicine; Kara Odegard, City Council

- Action taken
Presentation and discussion only, no action taken
- 3. Low Income Housing Institute Presentation
 - Presenters
Deb Elzinga, Community Frameworks; Josh Castle, Low Income Housing Institute; Alex Phillips-White, Low Income Housing Institute
 - Action taken
Presentation and discussion only, no action taken
- 4. Department of Commerce Grant for MLK Community Center
 - Presenters
Cendy Ortiz, City of Spokane
 - Action taken
Presentation and discussion only, no action taken
- 5. DivisionConnects Phase 2 Update
 - Presenters
Amanda Beck, City of Spokane; Jason Lien, Spokane Regional Transportation Council
 - Action taken
Presentation and discussion only, no action taken

Consent items

1. Multi-Family Tax Exemption (MFTE) Conditional Agreements
 - a) Hatch St. Apts
 - b) Two- Iron Bridge Residence Phase I & phase II
 - c) Upriver Multifamily
 - d) North Hill Millennium
2. Purchase of 9 Vehicles and Equipment
3. Purchase of Backhoe
4. Lease of Forklift
5. Historic Preservation Grant Application (Federal Pass-Through Funds)
6. SBO – Salary Savings to Contractual Services
7. Amendment to Administrative Staffing Contract

Executive session

None.

Adjournment

The meeting adjourned at 3:04 p.m.

Prepared by:
Hannahlee Allers

Approved by:

Council Member Karen Stratton
Urban Experience Committee Chair

Committee Agenda Sheet

URBAN EXPERIENCE COMMITTEE

Submitting Department	My Spokane 311
Contact Name & Phone	Heather Sweet / 509-625-6946
Contact Email	hsweet@spokanecity.org
Council Sponsor(s)	
Select Agenda Item Type	<input type="checkbox"/> Consent <input checked="" type="checkbox"/> Discussion Time Requested: 10 minutes
Agenda Item Name	My Spokane 311 Update
Summary (Background)	Provide My Spokane 311 update and share mid-year performance outcomes and focus areas.
Proposed Council Action & Date:	N/A
Fiscal Impact: Total Cost: Approved in current year budget? <input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> N/A Funding Source <input type="checkbox"/> One-time <input type="checkbox"/> Recurring Specify funding source: Expense Occurrence <input type="checkbox"/> One-time <input type="checkbox"/> Recurring Other budget impacts: (revenue generating, match requirements, etc.)	
Operations Impacts	
What impacts would the proposal have on historically excluded communities? N/A	

How will data be collected, analyzed, and reported concerning the effect of the program/policy by racial, ethnic, gender identity, national origin, income level, disability, sexual orientation, or other existing disparities?

N/A

How will data be collected regarding the effectiveness of this program, policy or product to ensure it is the right solution?

N/A

Describe how this proposal aligns with current City Policies, including the Comprehensive Plan, Sustainability Action Plan, Capital Improvement Program, Neighborhood Master Plans, Council Resolutions, and others?

N/A

Committee Agenda Sheet

[URBAN EXPERIENCE COMMITTEE]

Submitting Department	City Council
Contact Name & Phone	Jeff Gunn 509-434-8245
Contact Email	jgunn@spokanecity.org
Council Sponsor(s)	CM Cathcart, CM Stratton, CM Zappone
Select Agenda Item Type	<input type="checkbox"/> Consent <input checked="" type="checkbox"/> Discussion Time Requested: 5 minutes
Agenda Item Name	Good Neighbor Agreement Resolution
Summary (Background)	<p>A resolution requiring all future City of Spokane funded homeless service provider contracts include a "Good Neighbor Agreement."</p> <p>The Good Neighbor Agreement was developed to provide a strategy to address neighborhood concerns that often arise when new resources to support those experiencing homelessness are developed or expanded within our Spokane community.</p> <p>The purpose of this agreement is to identify ways for the City of Spokane, community stakeholders, and homeless services providers to work together to address potential impacts of homeless shelters as well as be good neighbors in support of clients/residents/guests of the shelter/facility and to formalize the goodwill and positive working relationships between stakeholders for the benefits of all neighbors.</p>
Proposed Council Action & Date:	Vote to approve on July 11 th , 2022
Fiscal Impact: Total Cost: Approved in current year budget? <input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> N/A Funding Source <input type="checkbox"/> One-time <input type="checkbox"/> Recurring Specify funding source: Expense Occurrence <input type="checkbox"/> One-time <input type="checkbox"/> Recurring Other budget impacts: (revenue generating, match requirements, etc.)	
Operations Impacts	
What impacts would the proposal have on historically excluded communities? N/A	

How will data be collected, analyzed, and reported concerning the effect of the program/policy by racial, ethnic, gender identity, national origin, income level, disability, sexual orientation, or other existing disparities?

N/A

How will data be collected regarding the effectiveness of this program, policy or product to ensure it is the right solution?

N/A

Describe how this proposal aligns with current City Policies, including the Comprehensive Plan, Sustainability Action Plan, Capital Improvement Program, Neighborhood Master Plans, Council Resolutions, and others?

N/A

RESOLUTION NO. 2022-_____

A Resolution Requiring that all future City of Spokane funded homeless service provider contracts include a “Good Neighbor Agreement.”

WHEREAS, The City of Spokane finds that each resident is entitled to a basic level of dignity, respect and wellness, regardless of whether they are housed or unhoused; and

WHEREAS, The City of Spokane provides funding to homeless service providers to ensure there will be no lapses or gaps in services; and

WHEREAS, concerns often arise from residents and businesses within a close proximity of homeless service providers; and

WHEREAS, to address these concerns, a Good Neighbor Agreement was developed to provide a strategy to address these concerns which often arise when resources to support those experiencing homelessness are developed or expanded within our Spokane community; and

WHEREAS, the purpose of this agreement is to identify ways for the City of Spokane, community stakeholders, and homeless services providers to work together to address potential impacts of homeless shelters as well as be good neighbors in support of clients/residents/guests of the shelter/facility and to formalize the goodwill and positive working relationships between stakeholders for the benefits of all neighbors; and

WHEREAS, the signatory parties to this agreement should include the homeless service provider, the area specific neighborhood council, the City of Spokane, and the Spokane Police Department and may also include other affinity organizations in the area; and

WHEREAS, parties to this agreement are committed to maintaining safety and healthy, positive living conditions in the area; and for this reason, they enter the agreement; and

WHEREAS, the Good Neighbor Agreement recognizes that all people have certain basic rights that include: the right to be and feel safe, the right to safe, quiet, and reasonably quiet enjoyment of their properties as well as public spaces, and the right to access available public resources, services and facilities to meet their needs; and

WHEREAS, goals and expectations of each party are detailed in the Good Neighbor Agreement to better ensure these rights are protected; and

NOW, THEREFORE, BE IT RESOLVED that the City shall sign and uphold any and all responsibilities identified in the Good Neighbor Agreement (attached as Exhibit A, or a customized variation approved by a majority of the City Council) and require any

homeless services providers to sign and uphold any and all responsibilities upon entering into any future contract with the City of Spokane.

Passed by the City Council this ____ day of _____, 2022.

City Clerk

Approved as to form:

Assistant City Attorney

City of Spokane Good Neighbor Agreement

(Exhibit A)

Background: This Good Neighbor Agreement (“Agreement”) was developed to provide a strategy to address neighborhood concerns that often arise when new resources to support those experiencing homelessness are developed or expanded within our Spokane community.

Parties to the Agreement: Parties to this agreement include the specific Neighborhood Council that represents the neighborhood the shelter is in as well as Business Associations located within eight blocks of a homeless service provider or shelter within the City of Spokane. Also included in the agreement is the City of Spokane and the Spokane Police Department. Representatives to any meetings regarding implementation of the Agreement are to include business owners, property owners, residents, Neighborhood Council Chair, service provider staff, district specific Spokane City Council Members and the Spokane Police Department Neighborhood Resource Officer for the specific location.

Boundaries of the Agreement: Eight blocks from any homeless shelter within the City of Spokane.

Legal Status of the Agreement: Parties to this agreement are committed to maintaining safety and healthy, positive living conditions in the area; for this reason, they enter the agreement. All participants understand this agreement is **not** legally enforceable in court, nor is it intended to be.

Purpose, Assumptions, and Goals: The purpose of this agreement is to identify ways for the City of Spokane and community stakeholders and providers to communicate more effectively and work together to address potential impacts of homeless shelters as well as be good neighbors in support of clients/residents/guests of the shelter/facility and to formalize the goodwill and positive working relationships between stakeholders for the benefits of all neighbors.

Inherent in this agreement is the assumption that all parties have certain basic rights; these include:

- All people have the right to be and to feel safe and welcome.
- All people have the right to safe, reasonably quiet enjoyment of their properties and public spaces.
- All people have the right to access available public resources, services and facilities to meet their needs.

Goals:

- Initiate and maintain open communications and mutual understanding among all parties.
- Encourage all parties to be proactive and ready to respond to concerns that may arise.
- Develop procedures or protocols for resolving concerns and problems.
- Enhance neighborhood safety while promoting access to services.
- Ensure the safety and cleanliness of the neighborhood and minimize nuisance complaints.

Expectations: Each party will be encouraged to agree and adhere to certain behaviors and procedures. The expectations will differ depending on the party and are as follows:

Service Provider:

- Encourage clients/residents to be good neighbors by abiding by the facility/shelter code of conduct or trespassing through neighboring properties or rights of way.
- Encourage clients/residents to reduce litter and provide opportunities for litter patrol.
- Assign staff or residents to pick up litter on sidewalk/curb immediately surrounding shelter property on a regular schedule.
- Provide regular trash disposal.
- Ensure that client/resident belongings are never left on sidewalks immediately surround shelter property.
- Implement policies to deter loitering, camping, or illicit activities anywhere outside in the neighborhood
- Designate smoking and outdoor space(s) on the property, which are fenced or otherwise protected and shielded from neighboring properties
- Designate parking on facility/shelter property.
- Hold clients/residents responsible for their actions. (Code of Conduct may be attached).
- Outreach to all individuals experiencing homelessness who are referred to the designated point of contact for the shelter/facility by signatories to this agreement.
- Assign a live staff person to respond to law enforcement or neighborhood concerns within 24 hours.
- Address any issues brought forward by law enforcement or neighbors within 24 hours. If additional time is necessary, communicate to the concerned party the amount of time required and what steps are being taken, understanding that providers cannot share private client information covered under HIPAA laws.
- If children reside within 1000 feet of the location or if children's activities are present within 1000 feet, the provider will screen for registered sex offenders (except for shelters designated as "low-barrier" per SMC 18.05.030).
- Regularly participate in neighborhood council meetings.

Neighborhood Council:

- Neighborhood Council designates a representative (i.e., chair or other liaison) to serve as a point of contact for residents of the neighborhood when they have questions and concerns that arise from the shelter/facility.
- Elevate neighbor concerns within 24 hours to the appropriate party such as Spokane Police Department, Office of Neighborhood Services, Code Enforcement, and the Spokane City Council.
- Educate neighborhood on the existence of this agreement and the best ways to positively resolve concerns.

- Invite and welcome service providers and shelter residents to attend neighborhood council meetings and offer opportunities for regular updates on the successes of the facility.
- Engaging in ongoing problem solving with parties to this agreement to maintain clear lines of communication and an orientation to problem solving.
- Neighborhood Council is encouraged to have a meeting or community gathering once a year at shelter to help foster a connection.

Residential and Business Neighbors:

- If an individual believes they see illegal behavior, they should call Spokane Police Department.
- Maintain lines of open and respectful communication with parties to this agreement.
- Immediately and respectfully communicate concerns of unneighborly behavior when they may relate to known clients/shelter guests.
- Direct in an efficient and timely way questions/comments received by staff and customers to the shelter provider.
- Immediately report to the shelter provider/facility any issues which arise relating to the physical or structural aspects of shared or adjacent spaces.
- Ensure immediate or timely direct communication with the shelter provider prior to contacting law enforcement unless in an emergency.
- When interacting with shelter, volunteers and clients, neighbors will speak with professionalism and respect, even in and especially in moments of concern. Angry, threatening, inappropriate or offensive verbal berating of staff over the phone, in email, text or in person is not acceptable.

City of Spokane:

- Implementation and enforcement of this agreement by all parties.
- Maintain open lines of communication with all parties in the agreement.
- Ensure law enforcement is addressing any concerns that are raised by neighbors regarding the service provider.
- Ensure there are policies to prevent illegal camping around shelters.
- Provide education and direction as needed.
- Set meetings as needed to reevaluate the agreement.
- Have a district specific Council Member (or legislative staff) attend any future meetings regarding the agreement.
- Provide annual “welcome” mailing to nearby neighbors with updated shelter and City contact information with communication process.

Spokane Police Department:

- Maintain open communication with all parties in the agreement.
 - Note all emergencies should be directed to 911, not the specific Neighborhood Resource Officer.

- Promptly enforce the municipal code and ensure the safety of all.
- Reasonably respond to calls when contacted for support.
- Regularly attend neighborhood council meetings or any future meetings regarding the agreement to educate about Spokane Police Department's role in addressing homelessness.
- Maintain patrol radius around low-barrier shelter spaces as needed to ensure minimal to no impacts from shelter guests and to deter individuals from preying upon vulnerable shelter guests.
- Make Neighborhood Resource Officers available to shelters.

Signatories of Parties: (Sign and Date)

_____	_____	_____
_____	_____	_____
_____	_____	_____

Attachments:

1. List of contacts
2. Map to show boundaries
3. Code of Conduct for shelter residents

Committee Agenda Sheet

Urban Experience Committee

Submitting Department	Office of Neighborhood Services
Contact Name & Phone	Carly Cortright 625-263
Contact Email	ccortright@spokanecity.org
Council Sponsor(s)	CP Beggs
Select Agenda Item Type	<input type="checkbox"/> Consent <input checked="" type="checkbox"/> Discussion Time Requested: 15
Agenda Item Name	Spokane Neighborhood Leadership Academy Pilot Debrief
Summary (Background)	The Spokane Neighborhood Leadership Academy (SNLA) pilot session was held Jan-June 2022. We learned some important lessons from the pilot session and will be making some adjustments for next year's session, also to occur Jan-June. Gonzaga University and ONS would like to present our main takeaways to City Council and answer any questions regarding the program.
Proposed Council Action & Date:	None – informational only
Fiscal Impact: Total Cost: <u>\$10,000</u> Approved in current year budget? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A Funding Source <input type="checkbox"/> One-time <input checked="" type="checkbox"/> Recurring Specify funding source: ONS Budget 0550 Contractual Services Expense Occurrence <input type="checkbox"/> One-time <input checked="" type="checkbox"/> Recurring Other budget impacts: (revenue generating, match requirements, etc.)	
Operations Impacts	
What impacts would the proposal have on historically excluded communities? One of the goals of SNLA was to promote more inclusivity in the neighborhood councils. The first class included several representatives from these communities, which we intend to continue promoting to.	
How will data be collected, analyzed, and reported concerning the effect of the program/policy by racial, ethnic, gender identity, national origin, income level, disability, sexual orientation, or other existing disparities? The SNLA application inquired as to race and gender, and we certainly would be open to tracking additional categories as well in an effort to promote a diverse class as possible.	
How will data be collected regarding the effectiveness of this program, policy or product to ensure it is the right solution? To be selected as a student in SNLA, we are asking for a two-year commitment to their neighborhood council in a leadership role. ONS will following up with those neighborhoods to see how that is going.	

We also intend to keep in regular touch with each cohort to offer continued support and find out from them how things are going.

Describe how this proposal aligns with current City Policies, including the Comprehensive Plan, Sustainability Action Plan, Capital Improvement Program, Neighborhood Master Plans, Council Resolutions, and others?

N/A

Committee Agenda Sheet

Urban Experience – July 2022

Submitting Department	Planning and Economic Development
Contact Name & Phone	Teri Stripes, ext 6597, Steve MacDonald and Spencer Gardner
Contact Email	Tstripes@spokanecity.org
Council Sponsor(s)	MFTE Update Committee: CP Beggs, CM Bingle and CP Zappone
Select Agenda Item Type	<input type="checkbox"/> Consent <input checked="" type="checkbox"/> Discussion Time Requested: <u>10-20 minutes</u>
Agenda Item Name	Multi-Family Tax Exemption Ordinance Recommended Update
Summary (Background)	<p>We will be bringing forward for Council consideration:</p> <p>An ordinance relating to Multi-Family Property Tax Exemption (MFTE); amending SMC sections 8.02.0695, 8.15.020, 8.15.030, 8.15.040, 8.15.050, 8.15.060, 8.15.070, 8.15.080, 8.15.090, 8.15.100, 8.15.110, 8.15.120, and 8.15.140.</p> <p>The Washington State Legislature adopted E2SSB 5287 during the 2021 legislative session, which requires us incorporate new requirements within in Chapter 8.15 SMC.</p> <p>This ordinance amends various provisions of Chapter 8.15 SMC regarding MFTE in order to incorporate and comply with the changes to the Chapter 84.14 RCW, the MFTE Update Committee's recommendation, and housekeeping changes.</p>
Proposed Council Action & Date:	<p>We will be seeking setting the of a Hearing on July 25</p> <p>Please see the attached MFTE Update Committee and Staff Recommendations document. This document highlights the significant recommended changes to be consider.</p> <p>The attached Ordinance captures the housekeeping changes, those changes required by E2SSB 52787, and the MFTE Update Committee's recommendations.</p> <p>Also attached is the Spokane Targeted Investment Area Map</p>
Fiscal Impact: Total Cost: Approved in current year budget? <input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> N/A Funding Source <input type="checkbox"/> One-time <input type="checkbox"/> Recurring Specify funding source: Expense Occurrence <input type="checkbox"/> One-time <input type="checkbox"/> Recurring Other budget impacts: (revenue generating, match requirements, etc.)	
Operations Impacts	
What impacts would the proposal have on historically excluded communities?	

Economic Development Strategy Update and MFTE Boundaries

The updated strategy focuses the City's investments to our most economically distressed census tracts. The Spokane Targeted Investment Area (STIA) boundary is based on qualified census tracts as defined by the Community Development Financial Institutions Fund (CDFI) of the U.S. Treasury for the New Markets Tax Credit Program (NMTC). Census tracts are qualified if they have: high poverty (20% or more), and/or low Median Family Income (<80% AMI), and/or high unemployment (> 1.5X National rate). The CDFI maps these census tracts for the NMTC program and updates them every few years in between the decennial census. Spokane has 34 Census Tracts that qualify for NMTC benefits.

SMC 08.15 Multi- Family Housing Property Tax Exemption

A. The purposes of this chapter are to:

1. encourage more multi-family housing opportunities, including affordable housing opportunities, within the City;
2. stimulate the construction of new multifamily housing and the rehabilitation of existing vacant and underutilized buildings for multi-family housing;
3. increase the supply of mixed-income multifamily housing opportunities within the City;
4. accomplish the planning goals required under the Growth Management Act, chapter 36.70A RCW, as implemented from time to time by the City's current and future comprehensive plans;
5. promote community development, neighborhood revitalization, and availability of affordable housing;
6. preserve and protect buildings, objects, sites and neighborhoods with historic, cultural, architectural, engineering or geographic significance located within the City; and
7. encourage additional housing in areas that are consistent with planning for public transit systems.

How will data be collected, analyzed, and reported concerning the effect of the program/policy by racial, ethnic, gender identity, national origin, income level, disability, sexual orientation, or other existing disparities?

RCW [84.14.100](#)

Report—Filing—Department of commerce audit or review—Guidance to cities and counties. (*Expires January 1, 2058.*)

(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, or the qualified nonprofit or local government that will assure permanent affordable homeownership for at least 25 percent of the units for properties receiving an exemption under RCW [84.14.021](#), 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 April 1st of each year, beginning in 2007, to the department of commerce. A city or county must be in compliance with the reporting requirements of this section to offer certificates of tax exemption for multiunit housing authorized in this chapter. 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, size, 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 annual household income and household size for each of the affordable 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.

(3)(a) The department of commerce must adopt and implement a program to effectively audit or review that the owner or operator of each property for which a certificate of tax exemption has been issued, except for those properties receiving an exemption that are owned or operated by a nonprofit or for those properties receiving an exemption from a city or county that operates an independent audit or review program, is offering the number of units at rents as committed to in the approved application for an exemption and that the tenants are being properly screened to be qualified for an income-restricted unit. The audit or review program must be adopted in consultation with local governments and other stakeholders and may be based on auditing a percentage of income-restricted units or properties annually. A private owner or operator of a property for which a certificate of tax exemption has been issued under this chapter, must be audited at least once every five years.

(b) If the review or audit required under (a) of this subsection for a given property finds that the owner or operator is not offering the number of units at rents as committed to in the approved application or is not properly screening tenants for income-restricted units, the department of commerce must notify the city or county and the city or county must impose and collect a sliding scale penalty not to exceed an amount calculated by subtracting the amount of rents that would have been collected had the owner or operator complied with their commitment from the amount of rents collected by the owner or operator for the income-restricted units, with consideration of the severity of the noncompliance. If a subsequent review or audit required under (a) of this subsection for a given property finds continued substantial noncompliance with the program requirements, the exemption certificate must be canceled pursuant to RCW [84.14.110](#).

(c) The department of commerce may impose and collect a fee, not to exceed the costs of the audit or review, from the owner or operator of any property subject to an audit or review required under (a) of this subsection.

(4) The department of commerce must provide guidance to cities and counties, which issue certificates of tax exemption for multiunit housing that conform to the requirements of this chapter, on best practices in managing and reporting for the exemption programs authorized under this chapter, including guidance for cities and counties to collect and report demographic information for tenants of units receiving a tax exemption under this chapter.

(5) This section expires January 1, 2058.

[\[2021 c 187 § 5; 2012 c 194 § 9; 2007 c 430 § 10; 1995 c 375 § 13.\]](#)

How will data be collected regarding the effectiveness of this program, policy or product to ensure it is the right solution?

[Title 08](#) Taxation and Revenue

[Chapter 08.15](#) Multiple-family Housing Property Tax Exemption

[Section 08.15.100](#) **Annual Certification and Affordability Certification**

Within thirty days of the anniversary of the date the final certificate of tax exemption was recorded at the County and each year thereafter, for the tax exemption period, the property owner shall file a certification with the director, verified upon oath or affirmation, which shall contain such information as the director may deem necessary or useful, and shall include the following information:

1. A statement of occupancy and vacancy of the multi-family units during the previous year.
2. A certification 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 [SMC 8.15.090](#) since the date of filing of the final certificate of tax exemption, and continues to be in compliance with the contract with the City and the requirements of this chapter; and
3. If the property owner rents the affordable multi-family housing units, the property owner shall file with the City a report indicating the household income of each initial tenant qualifying as low and moderate-income in order to comply with the twenty percent requirement of [SMC 8.15.090\(A\)\(2\)\(b\)](#) and RCW 84.14.020(1)(ii)(B).
 - a. The reports shall be on a form provided by the City and shall be signed by the tenants.
 - b. Information on the incomes of occupants of affordable units shall be included with the application for the final certificate of tax exemption, and shall continue to be included with the annual report for each property during the exemption period.
4. A description of any improvements or changes to the property made after the filing of the final certificate or last declaration, as applicable.

B. Failure to submit the annual declaration may result in cancellation of the tax exemption.

Date Passed: Monday, August 21, 2017

Effective Date: Saturday, October 7, 2017

ORD C35524 Section

Describe how this proposal aligns with current City Policies, including the Comprehensive Plan, Sustainability Action Plan, Capital Improvement Program, Neighborhood Master Plans, Council Resolutions, and others?

Comprehensive Plan Land Use Policies:

- LU 1.4 Higher Density Residential Uses
- LU 3.5 Mix of Uses in Centers
- LU 4.2 Land Uses That Support Travel Options and Active Transportation
- LU 4.6 Transit-Supported Development

Comprehensive Plan Housing Policies:

- H 1.9 Mixed-Income Housing
- H 1.4 Use of Existing Infrastructure
- H 1.10 Lower-Income Housing Development Incentives
- H 1.11 Access to Transportation
- H 1.18 Distribution of Housing Options

Comprehensive Plan Economic Development Policies:

- ED 2.4 Mixed-Use
- ED 7.4 Tax Incentives for Land Improvement

MFTE Update Committee April 28 Meeting Outcomes & Staff Recommendations Combined

Significant Code Changes:

- Add State SB 5287 required relocation assistance to affordability code sections
- Add State SB 5287 required Commerce Audit language to the code
- Add State SB 5287 allowed 20-yr exemption for permanent affordable units
- Add code language specifically identifying short-term rentals as a commercial use* (They are treated as such and are not exempt, but it would be helpful if the codes calls them out.)
- Strengthen non-displacement directions in the code*
- Add code language about no 12 or 20-yr
- Add code language on student or congregate living units – Market rate 8-yr only*
- Change fees: Conditional application \$1,000/parcel, Conditional extension \$1,000/parcel, Final Certificate \$2,000/parcel, Conversion 12-yr to 8-yr \$500/parcel
- Change Annual Report/Certification to one date – January 31 annually, 13 months after the exemption begins (instead of them rolling in all year long)
- Add code language regarding two new MFTE “Residential Target Areas” and restrictions within each (more details below)

Create Two MFTE “Residential Target Areas”:

- **Spokane Targeted Investment Area (STIA)—where Zoning allows Multi-Family Housing** (distressed Census Tracts)
 - STIA utilizes the US Department of the Treasury’s, Community Development Financial Institutions Fund (CDFI) New Markets Tax Credit Program’s (NMTC) requirements for defining a distressed community. These communities have high poverty (20% or more), and/or low Median Family Income (<80% AMI), and/or high unemployment (> 1.5X National rate). The CDFI maps these Census Tracts for the NMTC program and updates them every few years in between decennial census. The STIA area, by federal definition contains low-income census tracts.
- **Affordable Housing Emphasis Area—where Zoning allows Multi-Family Housing** (not economically distressed Census Tracts)

Spokane Targeted Investment Area (STIA) – Incentivize mixed income multi-family housing in economically distressed Census Tracts (8-yr, 12-yr & 20-yr MFTE). **Goal:** introducing more market rate housing and in areas with high rates of poverty, which creates a better mixture of incomes and housing intended by the State legislation

- 8-yr: 4 units or more market rate
- 12-yr: 4-11 units set aside 20% of the units as income and rent restricted for households 80-115% AMI – fee simple owner occupied units will require Deed Restriction
- 12-yr: 12+ units set aside **25%*** of the units as income and rent restricted for households 80-115% AMI – fee simple owner occupied units will require Deed Restriction
- 20-yr: 4+ units, Deed Restriction will apply – permanent affordable, set aside **25%** of the units as income and rent restricted to household up to **80% AMI**

*** More restrictive than State requirements**

- Rent and income restricted units cannot be of lesser quality, and need to be evenly disbursed within the building and among unit sizes -- [Distribution and Comparability Criteria](#)*

Affordable Housing Emphasis Area distressed Census Tracts – Incentivize mixed income multi-family housing by increasing income and rent restricted units outside the economically distressed Census Tracts (12-yr and 20-yr MFTE)

- No 8-yr (market rate) option available*
- 12-yr: 4-11 units set aside 20% of the units as income and rent restricted for households 80-115% AMI I – fee simple owner occupied units will require Deed Restriction
- 12-yr: 12+ units set aside **25%*** of the units as income and rent restricted for households 80-115% AMI I – fee simple owner occupied units will require Deed Restriction
- 20-yr: 4+ units, deed Restriction will apply – permanent affordable set aside **25%** of the units as income and rent restricted to household up to **80% AMI**
 - Rent and income restricted units cannot be of lesser quality, and need to be evenly disbursed within the building and among unit sizes -- [Distribution and Comparability Criteria](#)*
 - If a project outside STIA cannot income and rent qualify tenants, the exemption needs to be terminated*

Distribution and Comparability Criteria*

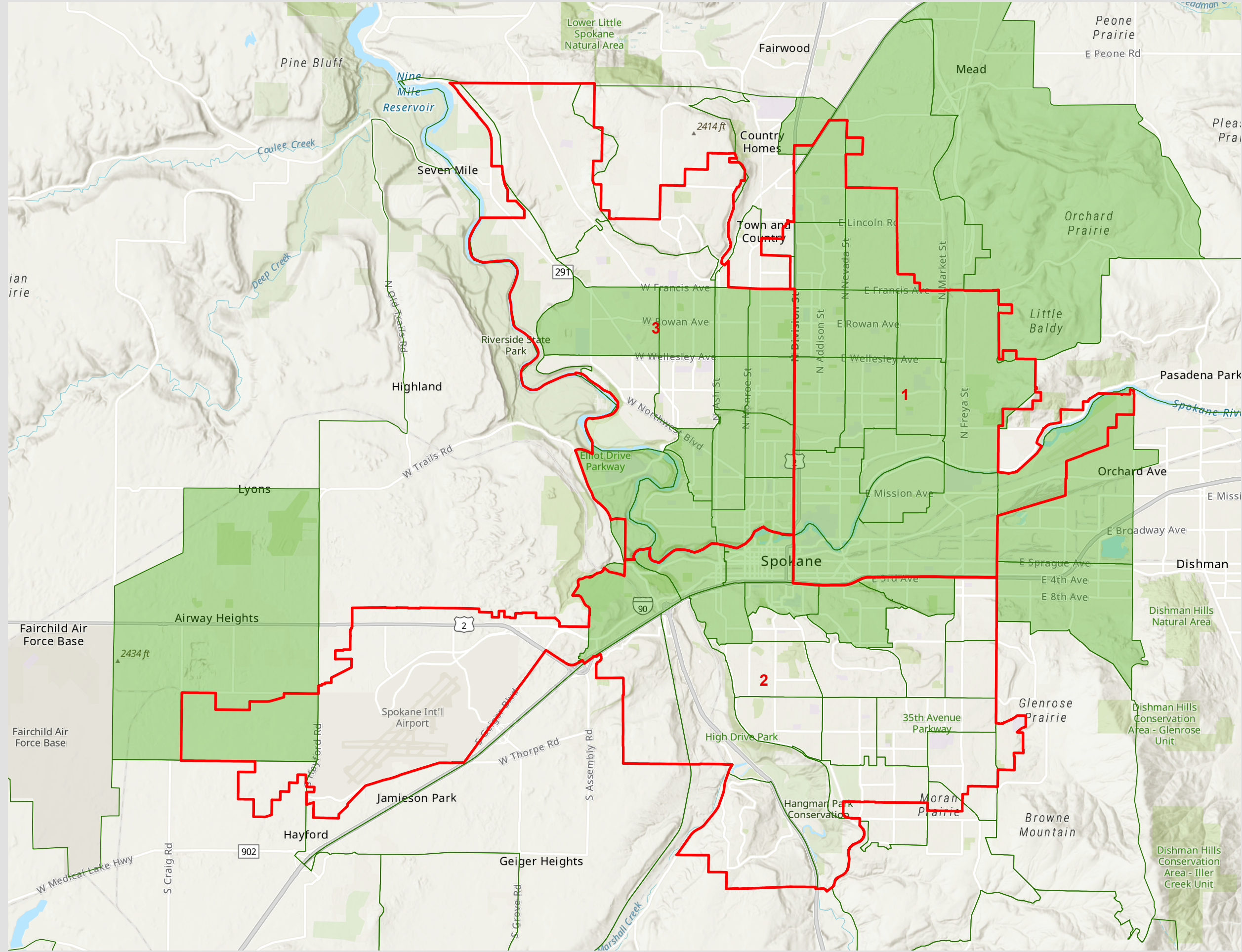
MFTE-income and rent restricted units (12-yr and 20-yr) should:

- Be dispersed throughout the building and distributed proportionally among buildings;
- Not be clustered in certain sections of the building or stacked;
- Be comparable to market-rate unit in terms of unit size and leasing terms;
- Be comparable to market-rate units in terms of functionality and building amenities and access;




Next Steps Meetings

MFTE Update Committee:	April 28
MFTE Finance/Budget Modeling Tool:	May & June Study Sessions
MFTE Boundary & Code Changes Adopted:	July UE and Council Hearing July/Aug

*** More restrictive than State requirements**

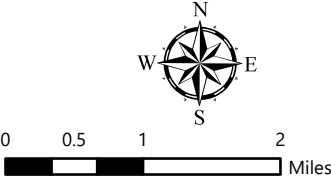


Spokane Targeted Investment Area

-  City Council District
- NMTC Qualified?**
-  Yes
-  No

** The census tracts shown on this map represent the 2010 Census tracts and uses data from the American Communities Survey 2011-2015 Five-Year Average, the currently-adopted standard for determining whether a Tract qualifies for New Market Tax Credit applications.*

At some time in the future, the program will be updated to utilize more recent data. Until then, this map represents the qualifying data used to determine NMTC eligibility, as of the date of this map (shown at bottom).



Map Date: 6/1/2022 10:45 AM

Path: H:\Planning\Projects-Current\GIS (General)\NMTC Layer\NMTC Layer.aprx

ORDINANCE NO. C - _____

An ordinance relating to multiple family housing property tax exemption; amending SMC sections 8.02.0695, 8.15.020, 8.15.030, 8.15.040, 8.15.050, 8.15.060, 8.15.070, 8.15.080, 8.15.090, 8.15.100, 8.15.110, 8.15.120, and 8.15.140.

WHEREAS, the Washington State Legislature adopted E2SSB 5287 during the 2021 legislative session amending numerous sections of Chapter 84.14 RCW regarding new and rehabilitated multiple-unit dwellings in urban centers; and

WHEREAS, this ordinance amends various provisions of Chapter 8.15 SMC regarding multiple-family housing property tax exemption (MFTE) in order to incorporate and comply with the changes to the Chapter 84.14 RCW.

NOW, THEREFORE, the City of Spokane does ordain:

Section 1. That SMC 8.02.0695 is amended to read as follows:

8.02.0695 Multifamily Housing Property Tax Incentive Program

- A. For an application to receive a conditional ~~((certificate of tax exemption))~~ agreement under the multifamily housing property tax incentive program: a fee of ~~((three hundred fifty))~~ one thousand dollars per parcel has to be paid in full at the time of application.
- B. For an application to extend the conditional ~~((certificate of tax exemption))~~ agreement under the multifamily housing property tax incentive program: one thousand dollars per parcel has to be paid in full at the time of application.
- C. For an application to receive a final certificate of tax exemption under the multifamily housing property tax incentive program: ~~((One thousand fifty))~~ Two thousand dollars per parcel dollars for each parcel receiving the tax exemption, this fee includes the required filing fees of the certificate and associated documents with the Spokane County assessor's office and has to be paid in full at the time of application.
- D. To convert a Final Certificate of Tax Exemption from a twelve year certificate to an eight year certificate of tax exemption a fee of five hundred dollars per parcel has to be paid in full at the time of request, this fee includes the required filing fees of the certificate and associated documents with the Spokane County assessor's office.

Section 2. That SMC 8.15.020 is amended to read as follows:

8.15.020 Definitions

As used in this chapter:

- A. "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.
 - 1. 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;
- B. "assessor" means the Spokane county assessor;
- C. "council" means the Spokane city council;
- D. "director" means the director of the City's planning department or any other City office, department or agency that shall succeed to its functions with respect to this chapter, or their authorized designee;
- ~~((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)).~~ E. "household" means a single person, family or unrelated persons living together;
- ~~((G))~~ F. "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, city, or metropolitan statistical area where the project is located, as reported by the United States department of housing and urban development.
 - ~~((1. 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;))~~
- ~~((H))~~ G. "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, city, or metropolitan statistical area where the project is located, as reported by the United States department of housing and urban development.

~~((1. 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 income adjusted for family size, for the county where the project is located;))~~

((I)) H. "multi-family housing" means a building or group of buildings having four or more dwelling units designed for permanent residential occupancy resulting from new construction or rehabilitation or conversion of vacant, underutilized or substandard buildings to multi-family housing and does not include transient accommodations, including hotels, ~~((or))~~ motels or short-term rentals regulated under Chapter 10.52 SMC, Chapter 17C.316 SMC or other applicable regulations;

((J)) I. "owner" means the property owner of record;

((K)) J. "permanent residential occupancy" means multi-family housing that provides either rental or owner occupancy ~~((for a period of at least one month))~~ on a nontransient basis.

1. This includes owner-occupied or rental accommodation that is leased for a period of at least one month.

~~((4))~~2. This excludes hotels and motels that predominately offer rental accommodation on a daily or weekly basis and short-term rentals regulated under Chapter 10.52 SMC, Chapter 17C.316 SMC or other applicable regulations ((;)).

((L)) K. "rehabilitation improvements" means modifications to an existing:

1. structure the residential portion of which has been vacant for at least twelve months prior to application for exemption under this chapter, that are made to achieve a condition of substantial compliance with the applicable building and construction codes contained in Title 11 SMC and all applicable uniform codes adopted pursuant to Title 11 SMC; or
2. occupied residential structure or mixed use structure that contains occupied residential units, that add at least four multifamily housing units;

((M)) L. "residential targeted area" means an area within an urban center that has been so designated by the council pursuant to this chapter;

((N)) M. "substantial compliance" means compliance with the applicable building and construction codes contained in Title 11 SMC and all applicable uniform codes adopted pursuant to Title 11 SMC that is typically required for rehabilitation as opposed to new construction;

((0)) P. "urban center" means a compact identifiable district where urban residents may obtain a variety of products and services and which must contain:

3. several existing or previous, or both, business establishments that may include but are not limited to shops, offices, banks, restaurants, governmental agencies;
4. adequate public facilities including streets, sidewalks, lighting, transit, domestic water and sanitary sewer systems; and
5. a mixture of uses and activities that may include housing, recreation and cultural activities in association with either commercial or office, or both, use.

Section 3. That SMC 8.15.030 is amended to read as follows:

8.15.030 Residential Targeted Areas – Criteria – Designation

A. Following notice and public hearing as prescribed in RCW 84.14.040, the council may designate one or more residential targeted areas, upon a finding by the council in its sole discretion that the residential targeted area meets the following criteria:

1. The residential targeted area is within an urban center.
2. The residential targeted area lacks 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 affordable, desirable, attractive, and livable residences were available; and
3. Providing additional housing opportunity, including affordable housing, in the residential targeted area will assist in achieving one or more of the following purposes:
 - a. Encourage increased residential opportunities within the City, including mixed-income and affordable housing opportunities; or
 - b. Stimulate the construction of new multifamily housing; or
 - c. Encourage the rehabilitation of existing vacant and underutilized buildings for multifamily housing.

B. In designating a residential targeted area, the council may also consider other factors, including whether:

1. additional housing, including affordable housing units, in the residential targeted area will attract and maintain an increase in the number of permanent residents;
 2. an increased permanent residential population in the residential targeted area will help to achieve the planning goals mandated by the Growth Management Act under chapter 36.70A RCW, as implemented through the City's current and future comprehensive plans;
 3. encouraging additional housing in the residential targeted area is consistent with public transportation plans; or
 4. additional housing may contribute to revitalization of a distressed neighborhood or area within the City.
- C. At any time the council may, by ordinance, in its sole discretion, amend or rescind the designation of a residential targeted area pursuant to the same procedural requirements as set forth in this chapter for original designation.
- D. ~~((The following area, as shown in Attachment A, is designated as a residential targeted area under this chapter:~~
- ~~1. Spokane's MFTE.))~~

The City of Spokane in its urban area has designated two residential target areas:

1. Spokane Targeted Investment Area (STIA)—where Zoning allows Multi-Family Housing
2. Affordable Housing Emphasis Area—where Zoning allows Multi-Family Housing outside STIA

These two residential target areas are shown in Attachment A.

- E. If a part of any legal lot is within a designated residential targeted area with zoning allowing for construction of multifamily housing, Centers and Corridors Zones: CC1, CC2, CC3 overlay, and CC4, Residential Zones: RSF, RTF, RMF, RHD and Commercial Zones: DTG, DTU, DTS, DTC, CA1, CA2, CA3, CA4, O, OR, NR, NMU, CB, GC and where multi-family housing is allowed in LI as shown in Attachment A, then the entire lot shall be deemed to lie within such residential targeted area. ~~((The area designated as a residential targeted area is bound by the streets described in Attachment A. Property located outside of, but adjacent to, the described area is not designated as a residential targeted area.))~~

Section 4. That SMC 8.15.040 is amended to read as follows:

8.15.040 Project Eligibility

To be eligible for exemption from property taxation under this chapter, the property must satisfy all of the following requirements:

- A. The property must be located in a residential targeted area of an urban center.
- B. The project must be multifamily housing consisting of at least four dwelling units within a residential structure or group of structures or as part of a mixed-use development in which at least fifty percent of the space within such residential structure or mixed-use development is intended for permanent residential occupancy.
- C. For new construction, a minimum of four new dwelling units must be created; for rehabilitation or conversion of existing occupied structures, a minimum of four additional dwelling units must be added. Existing multifamily vacant housing that has been vacant for twelve months or more does not have to provide additional multifamily units.
- D. For rehabilitation or conversion of an existing building: the residential portion of the building fails to comply with one or more standards of the applicable building or housing codes, and the rehabilitation improvements shall achieve a condition of compliance with the applicable building and construction codes, or the building has been vacant for at least a year. If the property proposed to be rehabilitated is not vacant, an applicant shall provide each existing tenant housing of comparable size, quality and price and a reasonable opportunity to relocate.

At the time of application for a MFTE Conditional Agreement, the applicant will provide a letter attesting and documenting how the existing tenant(s) were/will be provided comparable housing and opportunities to relocate. The comparable housing requirements to be included in the MFTE Conditional Agreement:

- 1. The existing residential tenant(s) are to be provided housing of a comparable size and quality at a rent level meeting the Washington State definition of affordable to their income level. Specifically, RCW 84.14.010 defines "affordable housing" as residential housing that is rented by a person or household whose monthly housing costs, including utilities other than telephone, do not exceed thirty (30) percent of the household's monthly income. The duration of this requirement will be the length of the tenant's current lease plus one year.
- E. The project must comply with all applicable zoning requirements, land use regulations, design review requirements and building and housing code requirements contained in the Spokane Municipal Code at the time of new construction, rehabilitation or conversion.

Section 5. That SMC 8.15.050 is amended to read as follows:

8.15.050 Application Procedure – Fee

- A. The owner of property applying for exemption under this chapter shall submit an application to the director, on a form established by the director. The owner shall verify the application by oath or affirmation. The application shall contain such information as the director may deem necessary or useful, and shall include:
- B. information setting forth the grounds supporting the requested exemption including information indicated on the application form;
- C. a brief written description of the project and preliminary schematic site and floor plans of the multifamily units and the structure(s) in which they are proposed to be located; and
- D. a statement from the owner acknowledging the potential tax liability when the property ceases to be eligible for exemption under this chapter.
- E. In the case of rehabilitation or where demolition or new construction is required, the owner shall secure from the City, before commencement of rehabilitation improvements or new construction, verification of property noncompliance with applicable building and housing codes, including verification from the applicant documenting how the existing tenant(s) were/will be provided comparable housing and opportunities to relocate pursuant to SMC 8.15.040 D.
- F. At the time of initial application under this section, the applicant shall pay to the City an initial application fee as set forth in SMC 8.02.0695. If the City denies the application, the City will retain that portion of the fee attributable to its own actual administrative costs and refund the balance, if any, to the applicant.
- G. The director shall notify the applicant within thirty days of the application being filed if the director determines that an application is not complete and shall identify what additional information is required before the application will be complete. Within thirty days of receiving additional information, the director shall notify the applicant in writing if the director determines that the application is still not complete, and what additional information is necessary.
- H. An application shall be deemed to be complete if the director does not notify the applicant in writing by the deadlines in this section that the application is incomplete; however, a determination of completeness does not preclude the director from requiring additional information during the review process if more information is needed to evaluate the application according to the criteria in this chapter.
- I. The application shall be submitted any time before an application for a building or other housing related improvements or construction permits. ~~((However, an applicant for the multiple family housing property tax exemption may obtain an early start approval pursuant to SMC 17F.040.100 prior to the application for the tax exemption. The improvements made to the property pursuant to the early start approval shall not qualify for the exemption.))~~

Section 6. That SMC 8.15.060 is amended to read as follows:

8.15.060 Application Review – Issuance of Conditional ((Certificate)) Agreement-Denial – Appeal

- A. The director may approve the application for a conditional agreement if they find that:
1. a minimum of four new units are being constructed or in the case of occupied rehabilitation or conversion a minimum of four additional multi-family units are being developed including verification from the applicant documenting how the existing tenant(s) were/will be provided comparable housing and opportunities to relocate pursuant to SMC 8.15.040 D;
 - ~~((2. if applicable, the proposed multi-unit housing project meets the affordable housing requirements as described in SMC 8.15.090;))~~
 - ~~((3.))~~2. 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;
 - ~~((4.))~~3. the owner has complied with all standards and guidelines adopted by the City under this chapter; and
 - ~~((5.))~~4. the site is located in a residential targeted area of an urban center that has been designated by the governing authority in accordance with procedures and guidelines indicated in RCW 84.14.040.
- B. The director shall approve or deny an application under this chapter within sixty days after receipt of the completed application.
1. If the application is approved, the applicant shall enter into a conditional ~~((contract))~~ agreement with the City, subject to approval by the city council, regarding the terms and conditions of the project and eligibility for exemption under this chapter.
 2. The city council's approval of the applicant's conditional ~~((contract))~~ agreement with the City shall take place within sixty days of the director's approval of the completed application.
 3. Upon city council approval of the contract, the director shall execute the contract as approved by the city council, and the director shall issue a conditional ~~((certificate of acceptance of tax exemption))~~ agreement.
 4. The conditional ~~((certificate))~~ agreement shall expire three years from the date of city council's approval unless an extension is granted as provided in this chapter.
- C. If the application is denied, the director shall state in writing the reasons for the denial and send notice of denial to the applicant at the address listed on the application within ten days of the denial.

- D. An applicant may appeal the director's denial of the application to the ~~((city council))~~ hearing examiner within thirty days of receipt of the denial.
1. The appeal before the ~~((city council))~~ hearing examiner will be based upon the record before the director, and the director's decision will be upheld unless the applicant can show that there is no substantial evidence on the record to support the director's decision.
 2. The ~~((city council's))~~ hearing examiner's decision on appeal is final.

Section 7. That SMC 8.15.070 is amended to read as follows:

8.15.070 Extension of Conditional ~~((Certificate))~~ Agreement

The conditional ~~((certificate))~~ agreement may be extended by the director for a period not to exceed twenty-four consecutive months. The applicant shall submit a written request stating the grounds for the extension together with the appropriate fee as set forth in SMC 8.02.0695 for the City's administrative cost to process the request. The director may grant an extension if the director determines that:

- A. the anticipated failure to complete construction or rehabilitation within the required time period is due to circumstances beyond the control of the owner; and
- B. the owner has been acting and could reasonably be expected to continue to act in good faith and with due diligence; and
- C. all the conditions of the ~~((original contract))~~ conditional agreement between the applicant and the City will be satisfied upon completion of the project.

Section 8. That SMC 8.15.080 is amended to read as follows:

8.15.080 Final Certificate – Application – Issuance – Denial and Appeal

- A. Upon completion of the rehabilitation improvements or new construction as provided in the contract between the applicant and the City, and upon issuance of a temporary certificate of occupancy, or a permanent certificate of occupancy if no temporary certificate is issued, the applicant may request a final certificate of tax exemption. The applicant shall file with the director such information as the director may deem necessary or useful to evaluate eligibility for the final certificate, and shall include:
 1. a statement of the amount of rehabilitation or construction expenditures by unit made with respect to each multi-family housing unit and the total expenditures made in the rehabilitation or construction of the entire property;

2. a description of the completed work and a statement that the rehabilitation improvements or new construction of the owner's property qualify the property for the exemption; and
 3. if applicable, a statement that the project meets the affordable housing requirements with the rent and income documentation as described in SMC 8.15.090; and
 4. a statement that the work was completed within the required three years of the issuance of the conditional ~~((certificate of tax exemption))~~ agreement.
- B. At the time of application for final certificate under this section, the applicant shall pay the appropriate fees as set forth in chapter 8.02 SMC
 - C. Within thirty days of receipt of all materials required for a final certificate, the director shall determine whether the completed work, and the affordability of the units, is consistent with the contract between the City and owner and is qualified for exemption under this chapter, and which specific improvements satisfy the requirements of this chapter.
 - D. If the director determines that the project has been completed in accordance with the contract between the applicant and the City and the requirements of this chapter, including, if applicable, affordable housing requirements, the City shall file a final certificate of tax exemption with the assessor within ten days of the expiration of the thirty-day period provided under subsection (C) of this section.
 - E. The director is authorized to cause to be recorded, or to require the applicant or owner to record, in the real property records of the Spokane county assessor, the contract with the City required under SMC 8.15.060(B), or such other document(s) as will identify such terms and conditions of eligibility for exemption under this chapter as the director deems appropriate for recording.
 - F. The director shall notify the applicant in writing that the City will not file a final certificate if the director determines that the project was not completed within the required three-year period or any approved extension, was not completed in accordance with the contract between the applicant and the City and the requirements of this chapter, if applicable, that the affordable housing requirements as described in SMC 8.15.090 were not met, or if the owner's property is otherwise not qualified.
 - G. If the director determines that the project has been completed in accordance with the ~~((contract))~~ conditional agreement between the applicant and the City and the requirements of this chapter, including, if applicable, affordable housing requirements, the City shall file a final certificate of tax exemption with the assessor within sixty days.

Section 9. That SMC 8.15.090 is amended to read as follows:

8.15.090 Exemption – Duration - Limits

- A. The assessed value of new housing construction, conversion and rehabilitation improvements qualifying under this chapter will be exempt from ad valorem property taxation as follows:
1. For purposes for which applications for certificates of tax exemption eligibility are submitted under this chapter the value is exempt for:
 - a. within the Spokane Targeted Investment Area eight successive years beginning January 1st of the year immediately following the calendar year of the recording of the Final certificate with Spokane County Assessor; ((or))
 - i. Student housing and congregate living housing can only qualify for the eight-year tax exemption;
 - b. within the Spokane Targeted Investment Area (STIA) and the Affordable Housing Emphasis Area twelve successive years beginning January 1st of the year immediately following the calendar year of the recording of the ((F)) final certificate of tax exemption with Spokane County Assessor;
 - c. For the property to qualify for the twelve-year exemption, the applicant must provide units as affordable by meeting or exceeding the following requirements: ~~((commit to renting or selling at least twenty percent of the multi-family housing units as affordable housing units to low and moderate-income households))~~.
 - i. For projects of 4-11 new housing units the applicant must commit to renting or selling at least twenty percent of the multi-family housing units as affordable housing units to low and moderate-income households.
 - ii. For projects of 12 or more new housing units the applicant must commit to renting or selling at least twenty-five percent of the multi-family housing units as affordable housing units to low and moderate-income households.
 - iii. In the case of projects intended exclusively for owner occupancy, the requirement for a minimum of twenty percent of the units to be affordable under this subsection may be

satisfied solely through housing affordable to moderate-income households;((-))

iv. Properties within the Affordable Housing Emphasis Area are not eligible to convert the final certificate of tax exemption to an eight year market rate certificate of tax exemption.

d. within the Spokane Targeted Investment Area (STIA) and the Affordable Housing Emphasis Area twenty successive years beginning January 1st of the year immediately following the calendar year of the recording of the Final certificate with Spokane County Assessor;

i. For the property to qualify for the twenty year exemption under this section, at least twenty-five percent of the units must be sold to a qualified nonprofit or local government partner that will assure permanent affordable homeownership. The remaining seventy-five percent of units may be rented or sold at market rates;

ii. Permanently affordable homeownership units must be sold to low income households earning no more than 80 percent of the area median income.

B. The exemption does not apply to the value of land, commercial uses, or non-permanent housing related improvements not qualifying under this chapter, nor does the exemption apply to increases in assessed valuation of land and non-qualifying improvements, or to increases made by lawful order of the Spokane County board of equalization, the Washington State department of revenue, state board of tax appeals, or Spokane County, to a class of property throughout the county or a specific area of the county to achieve uniformity of assessment or appraisal as required by law. 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))~~ the exemption beginning.

C. Units within the 12-yr and 20-yr programs that are set side for low and moderate income household must:

1. be dispersed throughout the building and distributed proportionally among the buildings;
3. not be clustered in certain sections of the building or stacked;
4. be comparable to market-rate units in terms of unit size and leasing terms;
5. be comparable to market-rate units in terms of functionality and building amenities and access.

- D. At the end of both the tenth and eleventh years for twelve-year exemptions, applicants must provide tenants of rent-restricted units with notification of intent to provide the tenant with rental relocation assistance as provided in SMC 8.15.090.
1. Except as provided in subsection SMC 8.15.090 D.2 below, for any twelve-year exemption authorized pursuant to SMC 8.15.090 after July 25, 2021, at the expiration of the exemption the applicant must provide tenant relocation assistance in an amount equal to one month's rent to a qualified tenant within the final month of the qualified tenant's lease. To be eligible for tenant relocation assistance under this subsection, the tenant must occupy an income-restricted unit at the time the exemption expires and must qualify as a low-income household under this chapter at the time relocation assistance is sought.
 - (2) If affordability requirements consistent, at a minimum, with those required for twelve-year exemptions, remain in place for the unit after the expiration of the exemption, relocation assistance in an amount equal to one month's rent must be provided to a qualified tenant within the final month of a qualified tenant's lease who occupies an income-restricted unit at the time those additional affordability requirements cease to apply to the unit.
 - (3) No new exemptions may be provided under this section beginning on or after January 1, 2032.

Section 10. That SMC 8.15.100 is amended to read as follows:

8.15.100 Annual Certification and Affordability Certification

- A. Within ((thirty days of the anniversary of the date the final certificate of)) thirteen (13) months of the tax exemption ((was recorded at the County)) beginning and each year thereafter on February 1, for the tax exemption period, the property owner shall file a certification with the director, verified upon oath or affirmation, which shall contain such information as the director may deem necessary or useful, and shall include the following information:
1. A statement of occupancy, use of the property/unit, income and rents for qualifying 12-year and 20-year and vacancy of the multi-family units during the previous year.
 2. A certification 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 SMC 8.15.090 since the date of filing of the

final certificate of tax exemption, and continues to be in compliance with the contract with the City and the requirements of this chapter; and

3. If the property owner rents the affordable multi-family housing units, the property owner shall file with the City a report indicating the household income, rent and utility cost, of each ~~((initial tenant))~~ qualifying as low and moderate-income in order to comply with ~~((the twenty percent))~~ requirement of SMC 8.15.090(A)(2)(b) and RCW 84.14.020(1)(ii)(B).
 - a. The required annual reports shall be on a form provided by the City and shall be signed by the tenants.
 - b. Information on the incomes, rents, and utility costs of occupants of affordable units shall be included with the application for the final certificate of tax exemption, and shall continue to be included with the annual report for each property during the exemption period.
 4. A description of any improvements or changes to the property made after the filing of the final certificate or last declaration, as applicable.
- B. Failure to submit the annual report and declaration may result in cancellation of the tax exemption.

Section 11. That SMC 8.15.110 is amended to read as follows:

8.15.110 Cancellation of Tax Exemption – Appeal

- A. If at any time the director determines that the property no longer complies with the terms of the contract or with the requirements of this chapter, or for any reason no longer qualifies for the tax exemption, the tax exemption shall be canceled and additional taxes, interest and penalty imposed pursuant to RCW 84.14.110 or other applicable provisions of state law.
- B. In the case of multi-family housing units rented as affordable housing, ~~((twenty percent of))~~ qualifying units as defined in the final certificate of exemption or in SMC 8.15.090(A)(2)(b) ((of the units)) must be available to be rented to qualified low and moderate-income tenants at all times during the entire ~~((twelve-year))~~ exemption period. While ~~((an individual tenant's))~~ household's income may rise above the low and moderate-income level during the exemption period, the property owner must demonstrate that subsequent or different tenants of those affordable units do meet the income level requirements for the remainder of the exemption period.
- C. If after the issuance of a final ~~((tax))~~ certificate of tax exemption multi-family housing units rented as affordable housing fail to satisfy the requirements for the affordable housing tax exemption and the number of units fall below the ~~((twenty))~~ percentage requirements, the ~~((extended twelve-year tax))~~ exemption

period shall expire, unless the affordable housing units are within the Spokane Targeted Investment Area. Properties or units failing to satisfy the affordable requirement of SMC 8.15.090(A)(2)(b) within the Spokane Targeted Investment Area ((and the tax exemption period)) shall be converted and limited to eight years from the date of the issuance of the final certificate of tax exemption and a new final certificate of tax exemption will need to be recorded by the Spokane county assessor.

- D. If the property owner sells the affordable multi-family housing units, the new property owner shall file with the City a report indicating that the unit was purchased at a value affordable to low and moderate-income in order to continue to comply with the ~~((twenty percent))~~ affordability requirement of SMC 8.15.090(A)(1)(b) and RCW 84.14.020(1)(ii)(B). If the unit was not sold at a level affordable to low and moderate-income household, a request to cancel the exemption needs to be filed with the City within 60 days. If the unit is within the Spokane Targeted Investment Area, a request to convert the remaining term of exemption to an 8-year exemption is allowable, if the remain term is less than eight years, unless the remaining term would exceed eight years.
- E. If the owner intends to convert the multi-family housing to another use, or if applicable, if the owner intends to discontinue compliance with the affordable housing requirements as described in SMC 8.15.090 or any other condition to exemption, the owner must notify the director and the Spokane county assessor within sixty days of the change in use or intended discontinuance.
1. Upon such change in use or discontinuance, the tax exemption shall be canceled and additional taxes, interest and penalty imposed pursuant to state law.
- F. Upon determining that a tax exemption shall be canceled, the director, on behalf of the city council, shall notify the property owner by certified mail, return receipt requested.
1. The property owner may appeal the determination by filing a notice of appeal with the city clerk within thirty days, specifying the factual and legal basis for the appeal.
 2. The hearing examiner will conduct a hearing pursuant to chapter 17G.050 SMC at which all affected parties may be heard and all competent evidence received.
 3. The hearing examiner will affirm, modify or repeal the decision to cancel the exemption based on the evidence received. The hearing examiner shall give substantial weight to the director's decision and the burden of overcoming that weight shall be upon the appellant.
 4. An aggrieved party may appeal the hearing examiner's decision to the Spokane county superior court as provided in RCW 34.05.510 through RCW 34.05.598.
- G. If after the issuance of a final tax certificate an owner-occupied multi-family housing unit that initially qualified as a low or moderate-income unit is sold at market rate and no longer qualifies as an affordable housing unit, that unit may lose its tax exempt status and all prior exempt taxes and penalties and interest shall become a lien on the property per RCW 84.14.110 and the subsequent

owner shall no longer qualify for the tax exemption. The remaining units' tax exemption status shall not be affected.

- H. The City may adopt administrative policies and procedures to implement the reporting requirement for this section which are not inconsistent the provisions of chapter 8.15 SMC and chapter 84.14 RCW.
- I. A determination by the director to discontinue an exemption period may be appealed pursuant to SMC 8.15.110.

Section 12. That SMC 8.15.120 is amended to read as follows:

8.15.120 ((2017-2018)) 2022 SMC Amendments and Expiration of Program

With the ((2017)) 2022 amendments to the program, staff will work with applicants who have previously approved conditional ((contracts)) agreements, who have not applied for a final certificate of exemption. ((Both eight and twelve year)) Conditional agreement ((contracted)) projects can apply for a final certificate of exemption under the amended code. Those projects will qualify for a term of exemption that the project can now meet. This does not apply to contracts that have been completed a final certificate of exemption.

~~((The program established by this chapter shall expire December 31, 2028, unless repealed or extended by the city council by ordinance.))~~ Pursuant to RCW 84.14.020(9), no new exemptions may be provided under Chapter 84.14 RCW beginning on or after January 1, 2032. No extensions may be granted under RCW 84.14.020 (6) on or after January 1, 2046. Upon expiration, no further applications for a conditional ((certificate of tax exemption)) agreement shall be accepted. Incomplete applications shall be returned to the applicant. Pending complete applications for a conditional ((certificate)) agreement, extension of conditional ((certificate)) agreement, and final certificate of tax exemption shall be processed as provided in this chapter.

Section 13. That SMC 8.15.140 is amended to read as follows:

8.15.140 Project Parking Requirements

- A. Projects for which ((an MFTE)) conditional application has been approved pursuant to SMC 08.15.060 are exempt from the minimum off-street parking requirements of SMC 17C.230.110 if they are located within an area zoned for one of the center and corridor uses described in chapter 17C.122, SMC.
- B. For mixed-use projects, the exemption stated in paragraph A of this section does not apply to the non-residential portions of the project; total minimum off-street parking requirements for such projects are calculated using the non-residential uses and square footages as shown in Tables 17C.230-1 and 17C.230-2.

PASSED BY THE CITY COUNCIL ON _____, 2022.

Council President

Attest:

Approved as to form:

City Clerk

Assistant City Attorney

Mayor

Date

Effective Date

Committee Agenda Sheet

Urban Experience

Submitting Department	Integrated Capital Management Department with Planning Department
Contact Name & Phone	Inga Note, 625-6331; Colin Quinn-Hurst
Contact Email	inote@spokanecity.org
Council Sponsor(s)	CM Stratton
Select Agenda Item Type	<input type="checkbox"/> Consent <input checked="" type="checkbox"/> Discussion Time Requested: <u>10 minutes</u>
Agenda Item Name	Transportation Grant Opportunity – Safe Streets and Roads For All
Summary (Background)	<p><u>Background/History:</u> The US Department of Transportation has advertised a call for projects through the Safe Streets and Roads for All (SS4A) Grant Program.</p> <p><u>Program Focus:</u> The goal of this program is to award projects that save lives and reduce roadway fatalities and serious injuries; incorporate equity, engagement and collaboration; use effective practices and strategies; and consider climate change, sustainability, and economic competitiveness in project implementation.</p> <p><u>Requirements:</u> The application requires several elements including a multimodal, systemic roadway safety analysis and a list of projects and strategies. Council must adopt a resolution supporting a goal of zero roadway fatalities and serious injuries, with a target date. The Downtown Plan, Bicycle Plan and recent Local Road Safety Analysis would comprise the Action Plan for the City. A list of projects will be provided at the Urban Experience meeting.</p> <p><u>Executive Summary:</u></p> <ul style="list-style-type: none"> <i>Applications due Sept 15th, 2022, or next round in summer 2023.</i> <i>Need a Council resolution supporting a goal of zero roadway fatalities and serious injuries prior to application (example attached).</i> <i>Minimum award of \$5,000,000. 20% match requirement (\$1,250,000).</i>
Proposed Council Action & Date: n/a	For information and discussion only.
<p>Fiscal Impact: Total Cost: n/a</p> <p>Approved in current year budget? <input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> N/A</p> <p>Funding Source <input type="checkbox"/> One-time <input type="checkbox"/> Recurring</p> <p>Specify funding source:</p> <p>Expense Occurrence <input type="checkbox"/> One-time <input type="checkbox"/> Recurring</p> <p>Other budget impacts: (revenue generating, match requirements, etc.)</p>	

Operations Impacts

What impacts would the proposal have on historically excluded communities?

Public Works services and projects are designed to serve all citizens and businesses. We strive to offer a consistent level of service to all, to distribute public investment throughout the community, and to respond to gaps in services identified in various City plans. We recognize the need to maintain affordability and predictability for utility customers. And we are committed to delivering work that is both financially and environmentally responsible. This item supports the operations of Public Works.

How will data be collected, analyzed, and reported concerning the effect of the program/policy by racial, ethnic, gender identity, national origin, income level, disability, sexual orientation, or other existing disparities?

Potential projects for transportation grant opportunities are dispersed throughout the City and should not impact racial, gender identity, national origin, income level, disability, sexual orientation or other existing disparity factors. Equity considerations are included in scoring process for this program.

How will data be collected regarding the effectiveness of this program, policy or product to ensure it is the right solution?

Projects within the 6-year Streets program are evaluated for consistency with the City's Comprehensive Plan when they are initially added to the program.

Describe how this proposal aligns with current City Policies, including the Comprehensive Plan, Sustainability Action Plan, Capital Improvement Program, Neighborhood Master Plans, Council Resolutions, and others?

Potential projects submitted for application comply with goals and policies of Chapter 4 – Transportation of the City's Comprehensive Plan.

RESOLUTION NO. _____

**IN SUPPORT OF A GOAL TO ELIMINATE FATALITIES AND
SEVERE INJURIES ON CITY STREETS**

A resolution committing to a goal to achieve zero traffic fatalities and severe injuries among all road users (including people walking, biking, using transit, and driving) within a set timeframe.

WHEREAS, the City of Spokane's Comprehensive Plan (2019), Spokane Downtown Plan (2021), Bicycle Plan (2017) and Pedestrian Plan (2015) all seek to reduce serious or fatal pedestrian and bicycle injuries; and

WHEREAS, as stated in Spokane City Bicycle Master Plan Policy BMP 2: Complete and maintain connected bikeways that provide safe transportation for Spokane cyclists throughout the City, BMP 4: Enhance the safety of people riding bicycles through effective law enforcement, education and detailed crash analysis, BMP 5: Develop a collaborative program between a variety of city departments and agencies and outside organizations to implement the Bike Master Plan through capital project delivery as well as community planning processes; and

WHEREAS, measures to make Spokane's streets safer for all road users, particularly those who are most physically vulnerable, will further encourage people to walk, bike and take transit; and

WHEREAS, similar efforts are founded on a Safe Systems approach that recognizes humans will make mistakes and roadway systems and policies should be designed to protect them; and

WHEREAS, road safety goals are accomplished through a combination of engineering, education, and enforcement measures; and

NOW THEREFORE, BE IT RESOLVED that the Spokane City Council adopts a goal to eliminate traffic deaths and severe injuries by 2042.

Passed by the City Council this _____ day of _____, 2022.

City Clerk

Approved as to form:

Assistant City Attorney

DRAFT

Committee Agenda Sheet

Urban Experience

Submitting Department	City Council
Contact Name & Phone	Breean Beggs
Contact Email	bbeggs@spokanecity.org
Council Sponsor(s)	CP Beggs
Select Agenda Item Type	<input type="checkbox"/> Consent <input checked="" type="checkbox"/> Discussion Time Requested: 5
Agenda Item Name	Shelter Property Purchase Resolution
Summary (Background)	Council approved a lease for the property at 4320 E. Trent that included a possible option to purchase on June 27, 2022. This resolution requests that the City Administration move forward with negotiating purchase of the property so that the City does not end up paying for needed improvements in order to operate a shelter and end up paying a higher purchase price due to said improvements after they have been completed at the City's expense.
Proposed Council Action & Date:	Filed for 7/18/22
Fiscal Impact: N/A – cost to be determined after negotiations Total Cost: Approved in current year budget? <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A Funding Source <input type="checkbox"/> One-time <input type="checkbox"/> Recurring Specify funding source: Expense Occurrence <input type="checkbox"/> One-time <input type="checkbox"/> Recurring Other budget impacts: (revenue generating, match requirements, etc.)	
Operations Impacts	
What impacts would the proposal have on historically excluded communities? This resolution does not have a direct impact, but asks for negotiations to begin to purchase a property for sheltering in order to save taxpayer dollars in the long run.	
How will data be collected, analyzed, and reported concerning the effect of the program/policy by racial, ethnic, gender identity, national origin, income level, disability, sexual orientation, or other existing disparities? Data on this location will be collected by the service providers operating the shelter, to be determined by those operating contracts.	
How will data be collected regarding the effectiveness of this program, policy or product to ensure it is the right solution? Same as above. The purchase of this property is not meant to be a singular solution to solving homelessness in our community, but is one piece of the puzzle toward providing sufficient sheltering beds for those in our community who need them.	

Describe how this proposal aligns with current City Policies, including the Comprehensive Plan, Sustainability Action Plan, Capital Improvement Program, Neighborhood Master Plans, Council Resolutions, and others?

This resolution aligns with the 2020-2025 City-County Five-Year Strategic Plan to Prevent and End Homelessness, Spokane Municipal Code Chapter 18.05, and other City policies.

RESOLUTION NO. 2022-_____

A Resolution requesting that the City Administration enter negotiations with the owner of 4320 E. Trent Avenue for the City of Spokane to purchase the building.

WHEREAS, at City Council's request, the Administration negotiated a purchase option in its lease agreement for the Trent Avenue Shelter; and;

WHEREAS, the City is poised to spend hundreds of thousands of dollars in improvements at the shelter site that will greatly benefit the owner of the property; and

WHEREAS, the value of these upcoming improvements will only increase the fair market value of the property and will cost the City additional money to purchase it based on improvements paid for by the City; and

WHEREAS, the 2020-2025 City-County Five-Year Strategic Plan to Prevent and End Homelessness, Spokane Municipal Code Chapter 18.05, and other City policies, call for a large congregate shelter space sufficient to meet surge capacity for heat, cold and smoke events; and

WHEREAS, the Administration has identified three potential sources of funds that could be used to purchase the property: American Rescue Plan Act funds, Commerce Department Relocation funds, and 2021 accrued unallocated general fund budget reserves; and

WHEREAS, time is of the essence to secure this critical infrastructure facility at a reasonable price before the market further increases and additional improvements are installed.

NOW, THEREFORE, BE IT RESOLVED by the Spokane City Council that no later than July 25, 2022, the City Administration should provide written notice to the property owner of 4320 E. Trent Avenue to exercise the City's rights under the lease agreement to purchase the property and engage in negotiations on the selection of an independent appraiser and the purchase price for the property.

Passed by the City Council this ____ day of _____, 2022.

City Clerk

Approved as to form:

Assistant City Attorney

Committee Agenda Sheet

Urban Experience

Submitting Department	Public Works, Engineering
Contact Name & Phone	Dan Buller 625-6391
Contact Email	dbuller@spokanecity.org
Council Sponsor(s)	Lori Kinnear
Select Agenda Item Type	X Consent <input type="checkbox"/> Discussion Time Requested: _____
Agenda Item Name	2021073 Riverside – Grant to Sherman Sidewalk
Summary (Background)	<ul style="list-style-type: none"> The city has received a formal request from the University District PDA to utilize funds remaining from the Sprague Avenue Phase 2 underage, as well as proceeds from the Boxcar Property Sale to complete partial improvements on Riverside Avenue between Grant and Sherman (the unpaved portion of Riverside at the south end of the U-District bridge, one block north of Sprague Ave). The project will include roadbed stabilization (gravel) and a patterned sidewalk on the north side of the ROW connecting Grant to the South Landing/Sherman Plaza The design was expedited and completed by our on-call consultant Parametrix, then advertised for bids Contract will be forwarded for Council approval Construction is anticipated to begin in July
Proposed Council Action & Date:	Construction contract will be forwarded to Council for approval.
Fiscal Impact: Total Cost: Approved in current year budget? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No N/A Funding Source X One-time <input type="checkbox"/> Recurring Specify funding source: UDPDA funds from Sprague Ave Phase 2 underage and proceeds from Boxcar property sale Expense Occurrence X One-time <input type="checkbox"/> Recurring Other budget impacts: (revenue generating, match requirements, etc.)	
Operations Impacts	
What impacts would the proposal have on historically excluded communities? <p>Public Works services and projects are designed to serve all citizens and businesses. We strive to offer a consistent level of service to all, to distribute public investment throughout the community, and to respond to gaps in services identified in various City plans. We recognize the need to maintain affordability and predictability for utility customers. And we are committed to delivering work that is both financially and environmentally responsible. This item supports the operations of Public Works.</p>	
How will data be collected, analyzed, and reported concerning the effect of the program/policy by racial, ethnic, gender identity, national origin, income level, disability, sexual orientation, or other existing disparities?	

N/A – This contract supports multiple public works projects and should not impact racial, gender identity, national origin, income level, disability, sexual orientation or other existing disparity factors.

How will data be collected regarding the effectiveness of this program, policy or product to ensure it is the right solution?

Public Works follows the City's established procurement and public works bidding regulations and policies to bring items forward, and then uses contract management best practices to ensure desired outcomes and regulatory compliance.

Describe how this proposal aligns with current City Policies, including the Comprehensive Plan, Sustainability Action Plan, Capital Improvement Program, Neighborhood Master Plans, Council Resolutions, and others?

The projects is consistent with our adopted six year programs as well as the annual budget and strategic initiative to advance street improvement activities.

Committee Agenda Sheet

[COMMITTEE]

Submitting Department	CHHS																				
Contact Name & Phone	Jenn Cerecedes																				
Contact Email	jcerecedes@spokanecity.org																				
Council Sponsor(s)																					
Select Agenda Item Type	<input checked="" type="checkbox"/> Consent <input type="checkbox"/> Discussion Time Requested:																				
Agenda Item Name	Extend HOC COVID Contract through Dec 31 st , 2022.																				
Summary (Background)	<p>We have some unspent funds in our ESG-CV dollars and are requesting approval to extend HOC's ESG-CV contract through December 31st 2022.</p> <p>The 6 month extension is for a total of \$280,409.63 for the prevention and response to COVID-19 at the House of Charity (HOC) shelter.</p> <p>This requested funding will provide financial support for the continuation of 35 socially distanced shelter beds, maintaining HOC's current overall capacity of 135 beds. The funds will support the following activities:</p> <ul style="list-style-type: none"> • Operations: inclusive of maintenance and security staff, food, shelter supplies and indirect costs. • Essential services: inclusive of case management support and indirect costs. • Program administration: inclusive of administrative oversight to support healthy sheltering operations, the implementation of on-site I/Q space to address COVID-19 and indirect costs. <table style="margin-left: 40px;"> <tr> <td>Shelter Operations</td><td style="text-align: right;">\$ 87,942.95</td></tr> <tr> <td>Operations</td><td style="text-align: right;">\$ 79,948.14</td></tr> <tr> <td>Indirect Costs</td><td style="text-align: right;">\$ 7,994.81</td></tr> <tr> <td>Essential Services</td><td style="text-align: right;">\$ 184,216.68</td></tr> <tr> <td>Essential Services</td><td style="text-align: right;">\$ 167,469.71</td></tr> <tr> <td>Indirect Costs</td><td style="text-align: right;">\$ 16,746.97</td></tr> <tr> <td>Administration</td><td style="text-align: right;">\$ 8,250.00</td></tr> <tr> <td>Administration</td><td style="text-align: right;">\$ 7,500.00</td></tr> <tr> <td>Indirect Costs</td><td style="text-align: right;">\$ 750.00</td></tr> <tr> <td>Total</td><td style="text-align: right;">\$ 280,409.63</td></tr> </table>	Shelter Operations	\$ 87,942.95	Operations	\$ 79,948.14	Indirect Costs	\$ 7,994.81	Essential Services	\$ 184,216.68	Essential Services	\$ 167,469.71	Indirect Costs	\$ 16,746.97	Administration	\$ 8,250.00	Administration	\$ 7,500.00	Indirect Costs	\$ 750.00	Total	\$ 280,409.63
Shelter Operations	\$ 87,942.95																				
Operations	\$ 79,948.14																				
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Indirect Costs	\$ 16,746.97																				
Administration	\$ 8,250.00																				
Administration	\$ 7,500.00																				
Indirect Costs	\$ 750.00																				
Total	\$ 280,409.63																				
Proposed Council Action & Date:	Requesting approval to extend this contract by the amount listed above from July 1 st , 2022 through December 31 st , 2022.																				
Fiscal Impact: Total Cost: Approved in current year budget? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A Funding Source <input checked="" type="checkbox"/> One-time <input type="checkbox"/> Recurring Specify funding source: Existing unspent ESG-CV funds																					

Expense Occurrence ☒ One-time ☐ Recurring

Other budget impacts: (revenue generating, match requirements, etc.)

Operations Impacts

What impacts would the proposal have on historically excluded communities?

We have a disproportionate percentage of BIPOC populations who are experiencing homelessness, reducing these beds would have a negative impact on historically excluded communities.

How will data be collected, analyzed, and reported concerning the effect of the program/policy by racial, ethnic, gender identity, national origin, income level, disability, sexual orientation, or other existing disparities?

We will use CMIS to collect and report on data

How will data be collected regarding the effectiveness of this program, policy or product to ensure it is the right solution?

CMIS will be the data collection method and report on project performance.

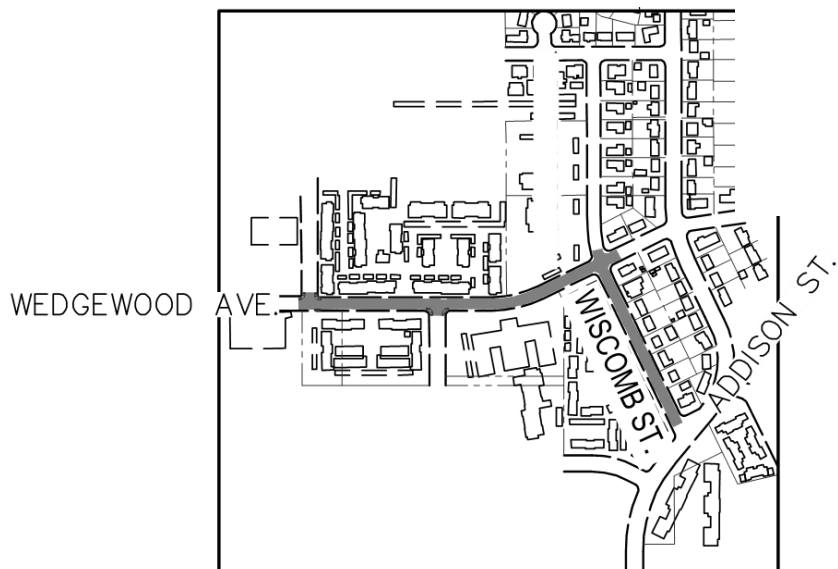
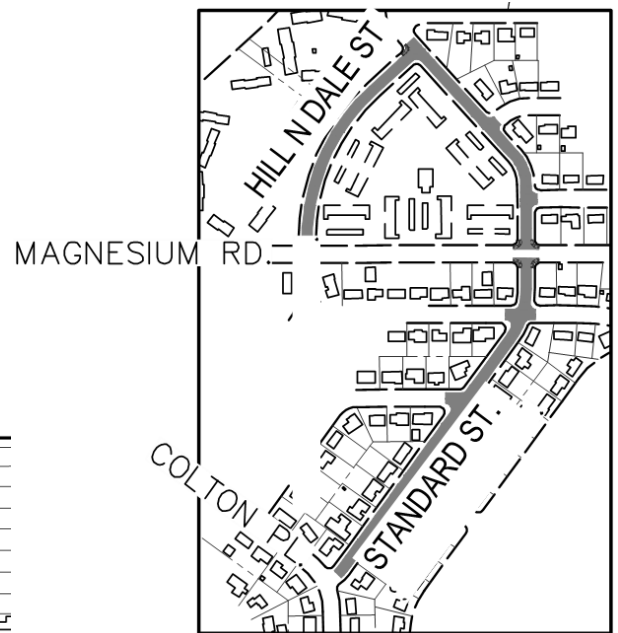
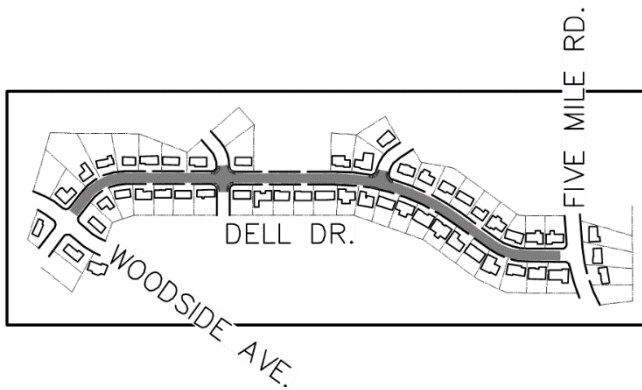
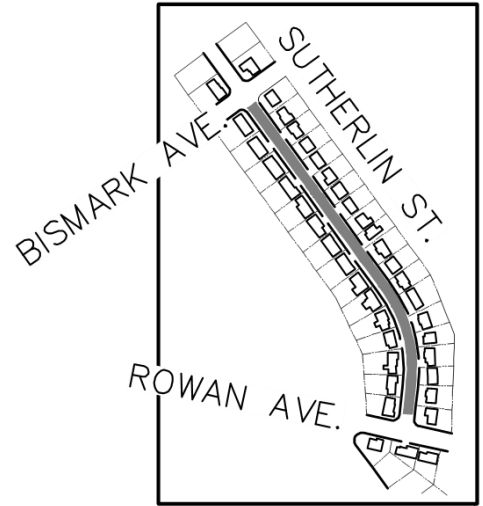
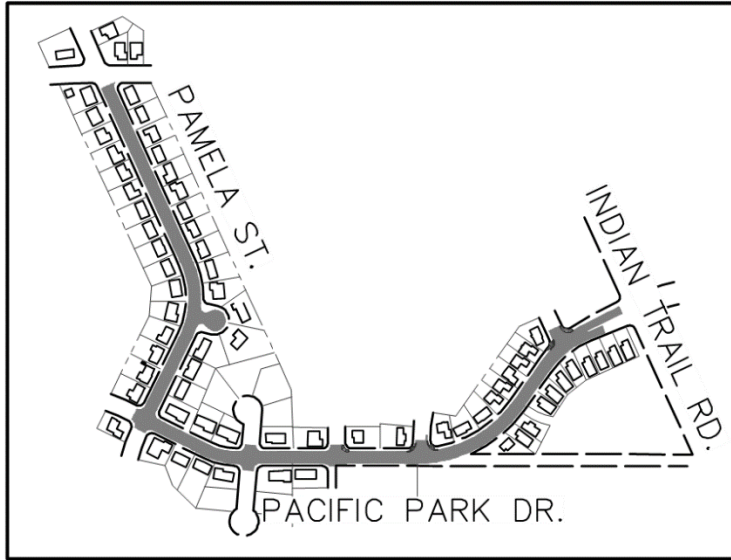
Describe how this proposal aligns with current City Policies, including the Comprehensive Plan, Sustainability Action Plan, Capital Improvement Program, Neighborhood Master Plans, Council Resolutions, and others?

This proposal aligns with the 5 year strategy to end homelessness.

Briefing Paper Urban Experience

Division & Department:	Public Works, Engineering
Subject:	2021 Residential Grind & Overlay (North) Project
Date:	7-11-22
Contact (email & phone):	Dan Buller (dbuller@spokanecity.org 625-6391)
City Council Sponsor:	Lori Kinnear
Executive Sponsor:	Marlene Feist
Committee(s) Impacted:	PIES
Type of Agenda item:	<input checked="" type="checkbox"/> Consent <input type="checkbox"/> Discussion <input type="checkbox"/> Strategic Initiative
Alignment: (link agenda item to guiding document – i.e., Master Plan, Budget, Comp Plan, Policy, Charter, Strategic Plan)	This project is in the 6 year street plan
Strategic Initiative:	Innovative Infrastructure
Outcome: (deliverables, delivery duties, milestones to meet)	Approval of construction contract
<u>Background/History:</u> <ul style="list-style-type: none"> • This project/briefing paper was on the 11-22-21 PIES consent agenda. However, because that was more than 6 months ago, we are bringing this to committee again. • This project has been delayed due to staff focusing on the Cochran basin/TJ Meenach projects. • The project described herein is the north half of the annual grind and overlay project (the south half was bid earlier this year) funded by the transportation benefit district. 	
<u>Executive Summary:</u> <ul style="list-style-type: none"> • Refer to the attached exhibit for the north portion of the streets included in this year's project. • Curb ramps will also be upgraded. • Public involvement consisted of sending a letter to the property owners fronting the streets indicated on the attached exhibits during the design phase. Also, a flyer will be placed on adjacent resident front doors just prior to construction. • Residents will have access to their homes during construction which will occur in the 2022 construction season. 	
<u>Budget Impact:</u> Approved in current year budget? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A Annual/Reoccurring expenditure? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> N/A If new, specify funding source: Other budget impacts: (revenue generating, match requirements, etc.)	
<u>Operations Impact:</u> Consistent with current operations/policy? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A Requires change in current operations/policy? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> N/A Specify changes required: Known challenges/barriers:	

Project Location



Committee Agenda Sheet

Urban Experience – July 2022

Submitting Department	Planning and Economic Development
Contact Name & Phone	Teri Stripes, ext 6597
Contact Email	Tstripes@spokanecity.org
Council Sponsor(s)	District 2 CMs Kinnear & Wilkerson
Select Agenda Item Type	<input checked="" type="checkbox"/> Consent <input type="checkbox"/> Discussion Time Requested: _____
Agenda Item Name	Three (3) Multi-Family Tax Exemption (MFTE) Conditional Agreement(s)
Summary (Background)	<p>Chapter 84.14 RCW authorizes the City to create a multiple family housing property tax exemption program and to certify qualified property owners for that property tax exemption. SMC 08.15 Multiple-family Housing Property Tax Exemption outlines the City of Spokane MFTE Program and project eligibility.</p> <p>Staff has determined that all three of the Conditional applications Koz on West 4th, Jensen Byrd Riverside, and Brick on Wall meet the Project Eligibility defined in SMC 08.15.040 and are located in a previously adopted Residential Target Areas identified in SMC 08.15.030.</p> <p>Once the projects are constructed, both intend to finalize as 12-yr exemptions -- meeting the income and rent restrictions.</p> <p>These Conditional Agreements authorize the appropriate city official to enter into the Multiple Family Housing Property Tax Exemption Conditional Agreements, which will ultimately result in the issuance of a final certificate of tax exemptions to be filed with the Spokane County Assessor's Office post construction.</p>
Proposed Council Action & Date:	<p>Seeking approval of the three (3) MFTE Conditional Agreement(s) for:</p> <p>District 2 CM Sponsors: Kinnear and Wilkerson Koz on West 4th at the July 25, 2022 City Council Meeting.</p> <ul style="list-style-type: none"> • Project Details: The applicant applied for a Conditional MFTE Agreement for two buildings of 130-units at 307 West 4th. <ul style="list-style-type: none"> ○ Property is zoned OR-150 and the proposed use is allowed. ○ Estimated Construction Costs of all phases: \$54M ○ Located in the Cliff-Cannon neighborhood. <p>Jensen Byrd Riverside at the July 25, 2022 City Council Meeting</p> <ul style="list-style-type: none"> • Project Details: The applicant applied for a Conditional MFTE Agreement for 3 buildings -- 73-units at 314 W Riverside. <ul style="list-style-type: none"> ○ Property is zoned DTG and the proposed use is allowed. ○ Estimated Construction Costs of all phases: \$13.5M ○ Located in the Riverside neighborhood. <p>Brick on Wall Apartments at the July 25, 2022 City Council Meeting.</p> <ul style="list-style-type: none"> • Project Details: The applicant applied for a Conditional MFTE Agreement for 24-units at 204 S Wall St. <ul style="list-style-type: none"> ○ Property is zoned DTG and the proposed use is allowed.

	<ul style="list-style-type: none"> ○ Estimated Construction Costs of all phases: \$2.7M ○ Located in the Riverside neighborhood.
Fiscal Impact: Total Cost: Approved in current year budget? <input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> N/A Funding Source <input type="checkbox"/> One-time <input type="checkbox"/> Recurring Specify funding source: Expense Occurrence <input type="checkbox"/> One-time <input type="checkbox"/> Recurring Other budget impacts: (revenue generating, match requirements, etc.)	
Operations Impacts What impacts would the proposal have on historically excluded communities? SMC 08.15 Multi- Family Housing Property Tax Exemption A. The purposes of this chapter are to: <ol style="list-style-type: none"> 1. encourage more multi-family housing opportunities, including affordable housing opportunities, within the City; 2. stimulate the construction of new multifamily housing and the rehabilitation of existing vacant and underutilized buildings for multi-family housing; 3. increase the supply of mixed-income multifamily housing opportunities within the City; 4. accomplish the planning goals required under the Growth Management Act, chapter 36.70A RCW, as implemented from time to time by the City's current and future comprehensive plans; 5. promote community development, neighborhood revitalization, and availability of affordable housing; 6. preserve and protect buildings, objects, sites and neighborhoods with historic, cultural, architectural, engineering or geographic significance located within the City; and 7. encourage additional housing in areas that are consistent with planning for public transit systems. 	
How will data be collected, analyzed, and reported concerning the effect of the program/policy by racial, ethnic, gender identity, national origin, income level, disability, sexual orientation, or other existing disparities? RCW <u>84.14.100</u> Report—Filing—Department of commerce audit or review—Guidance to cities and counties. (Expires January 1, 2058.) (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, or the qualified nonprofit or local government that will assure permanent affordable homeownership for at least 25 percent of the units for properties receiving an exemption under RCW <u>84.14.021</u> , 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 April 1st of each year, beginning in 2007, to the department of commerce. A city or county must be in compliance with the reporting requirements of this section to offer certificates of tax exemption for multiunit housing authorized in this chapter. 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, size, 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 annual household income and household size for each of the affordable 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.

(3)(a) The department of commerce must adopt and implement a program to effectively audit or review that the owner or operator of each property for which a certificate of tax exemption has been issued, except for those properties receiving an exemption that are owned or operated by a nonprofit or for those properties receiving an exemption from a city or county that operates an independent audit or review program, is offering the number of units at rents as committed to in the approved application for an exemption and that the tenants are being properly screened to be qualified for an income-restricted unit. The audit or review program must be adopted in consultation with local governments and other stakeholders and may be based on auditing a percentage of income-restricted units or properties annually. A private owner or operator of a property for which a certificate of tax exemption has been issued under this chapter, must be audited at least once every five years.

(b) If the review or audit required under (a) of this subsection for a given property finds that the owner or operator is not offering the number of units at rents as committed to in the approved application or is not properly screening tenants for income-restricted units, the department of commerce must notify the city or county and the city or county must impose and collect a sliding scale penalty not to exceed an amount calculated by subtracting the amount of rents that would have been collected had the owner or operator complied with their commitment from the amount of rents collected by the owner or operator for the income-restricted units, with consideration of the severity of the noncompliance. If a subsequent review or audit required under (a) of this subsection for a given property finds continued substantial noncompliance with the program requirements, the exemption certificate must be canceled pursuant to RCW [84.14.110](#).

(c) The department of commerce may impose and collect a fee, not to exceed the costs of the audit or review, from the owner or operator of any property subject to an audit or review required under (a) of this subsection.

(4) The department of commerce must provide guidance to cities and counties, which issue certificates of tax exemption for multiunit housing that conform to the requirements of this chapter, on best practices in managing and reporting for the exemption programs authorized under this

chapter, including guidance for cities and counties to collect and report demographic information for tenants of units receiving a tax exemption under this chapter.

(5) This section expires January 1, 2058.

[[2021 c 187 § 5](#); [2012 c 194 § 9](#); [2007 c 430 § 10](#); [1995 c 375 § 13](#).]

How will data be collected regarding the effectiveness of this program, policy or product to ensure it is the right solution?

[Title 08](#) Taxation and Revenue

[Chapter 08.15](#) Multiple-family Housing Property Tax Exemption

[Section 08.15.100](#) **Annual Certification and Affordability Certification**

Within thirty days of the anniversary of the date the final certificate of tax exemption was recorded at the County and each year thereafter, for the tax exemption period, the property owner shall file a certification with the director, verified upon oath or affirmation, which shall contain such information as the director may deem necessary or useful, and shall include the following information:

1. A statement of occupancy and vacancy of the multi-family units during the previous year.
2. A certification 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 [SMC 8.15.090](#) since the date of filing of the final certificate of tax exemption, and continues to be in compliance with the contract with the City and the requirements of this chapter; and
3. If the property owner rents the affordable multi-family housing units, the property owner shall file with the City a report indicating the household income of each initial tenant qualifying as low and moderate-income in order to comply with the twenty percent requirement of [SMC 8.15.090\(A\)\(2\)\(b\)](#) and RCW 84.14.020(1)(ii)(B).
 - a. The reports shall be on a form provided by the City and shall be signed by the tenants.
 - b. Information on the incomes of occupants of affordable units shall be included with the application for the final certificate of tax exemption, and shall continue to be included with the annual report for each property during the exemption period.
4. A description of any improvements or changes to the property made after the filing of the final certificate or last declaration, as applicable.

B. Failure to submit the annual declaration may result in cancellation of the tax exemption.

Date Passed: Monday, August 21, 2017

Effective Date: Saturday, October 7, 2017

ORD C35524 Section 8

Describe how this proposal aligns with current City Policies, including the Comprehensive Plan, Sustainability Action Plan, Capital Improvement Program, Neighborhood Master Plans, Council Resolutions, and others?

Comprehensive Plan Land Use Policies:

- LU 1.4 Higher Density Residential Uses
- LU 3.5 Mix of Uses in Centers
- LU 4.2 Land Uses That Support Travel Options and Active Transportation
- LU 4.6 Transit-Supported Development

Comprehensive Plan Housing Policies:

- H 1.9 Mixed-Income Housing
- H 1.4 Use of Existing Infrastructure

H 1.10 Lower-Income Housing Development Incentives

H 1.11 Access to Transportation

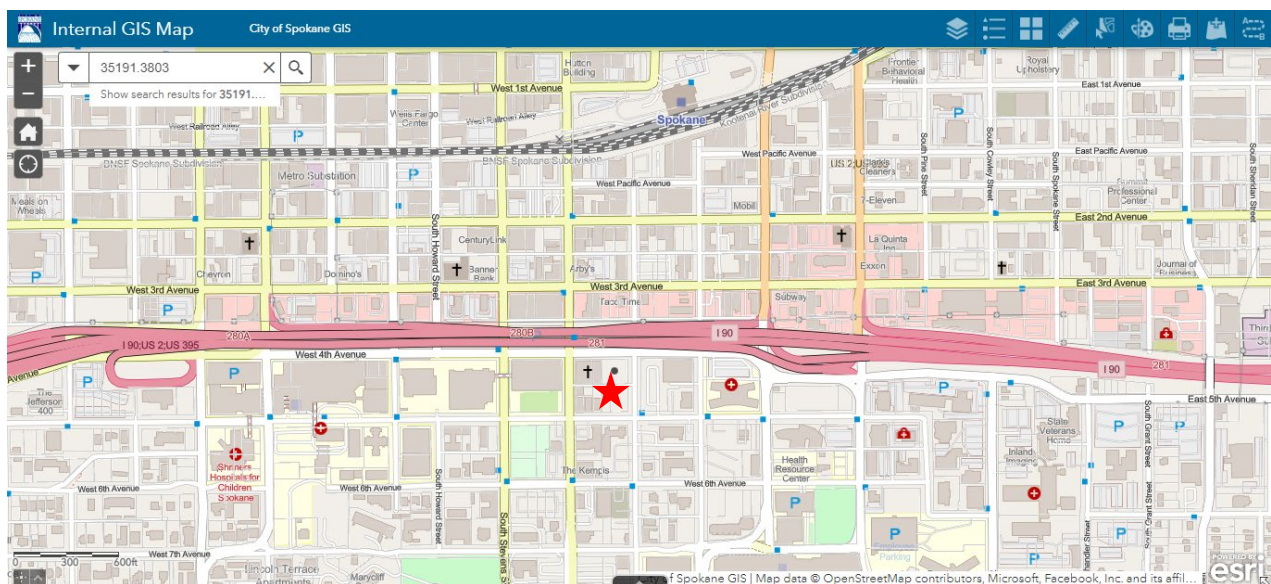
H 1.18 Distribution of Housing Options

Comprehensive Plan Economic Development Policies:

ED 2.4 Mixed-Use

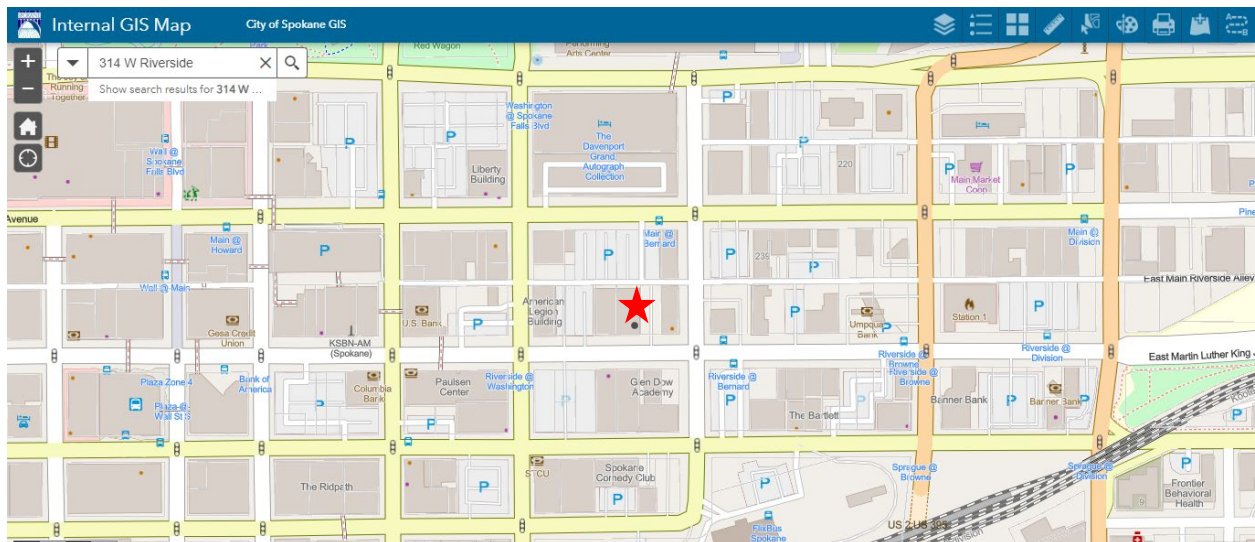
ED 7.4 Tax Incentives for Land Improvement

Site & Location: Koz on West 4th

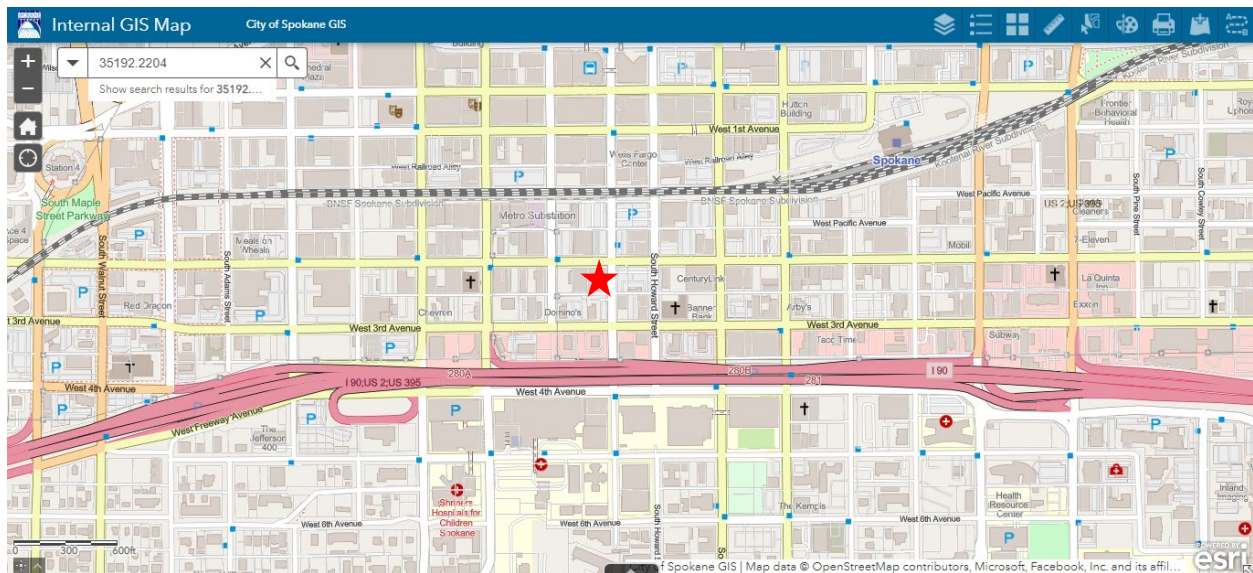


Site & Location: Jensen Byrd Riverside

320 W RIVERSIDE AVE



Site & Location: Brick on Wall Apartments



MULTIPLE FAMILY HOUSING PROPERTY
TAX EXEMPTION AGREEMENT

THIS AGREEMENT is between the City of Spokane, a Washington State municipal corporation, as "City", and Koz on West 4th LLC, as "Owner/Taxpayer" whose business address is 1830 Bickford Ave, Ste 201, Snohomish, WA 98290.

W I T N E S S E T H:

WHEREAS, the City has, pursuant to the authority granted to it by Chapter 84.14 RCW, designated various residential targeted areas for the provision of a limited property tax exemption for new and rehabilitated multiple family residential housing; and

WHEREAS, the City has, through Chapter 8.15 SMC, enacted a program whereby property owner/taxpayers may qualify for a Final Certificate of Tax Exemption which certifies to the Spokane County Assessor that the Owner/Taxpayer is eligible to receive the multiple family housing property tax exemption; and

WHEREAS, the Owner/Taxpayer is interested in receiving the multiple family property tax exemption for new multiple family residential housing units in a residential targeted area; and

WHEREAS, the Owner/Taxpayer has submitted to the City a complete application form for no fewer than a total of four new multiple family permanent residential housing units to be constructed on property legally described as:

35191.3803 RAILROAD 2ND L4-5-6 B80, 35191.3811 RAILROAD 2ND ADD LTS 7 & 8 BLK 8035191.3806 RAILROAD 2ND L9 B80

Assessor's Parcel Number(s) 35191.3803, 35191.3811, 35191.3806, commonly known as 307 West 4th.

WHEREAS, the City has determined that the improvements will, if completed as proposed, satisfy the requirements for a Final Certificate of Tax Exemption; -- NOW, THEREFORE,

The City and the Owner/Taxpayer do mutually agree as follows:

1. The City agrees to issue the Owner/Taxpayer a Conditional Certificate of Acceptance of Tax Exemption subsequent to the City Council's approval of this agreement.

2. The project must comply with all applicable zoning requirements, land use requirements, design review recommendations and all building, fire, and housing code requirements contained in the Spokane Municipal Code at the time a complete application for a building permit is received. However, if the proposal includes rehabilitation or demolition in preparation for new construction, the residential portion of the building shall fail to comply with one or more standards of applicable building or housing codes, and the rehabilitation improvements shall achieve compliance with the applicable building and construction codes.

3. If the property proposed to be rehabilitated is not vacant, the Owner/Taxpayer shall provide each existing tenant with housing of comparable size, quality and price and a reasonable opportunity to relocate.

4. The Owner/Taxpayer intends to construct on the site, approximately 260 new multiple family residential housing units substantially as described in their application filed with and approved by the City. In no event shall such construction provide fewer than a total of four multiple family permanent residential housing units.

5. The Owner/Taxpayer agrees to complete construction of the agreed-upon improvements within three years from the date the City issues the Conditional Certificate of Acceptance of Tax Exemption or within any extension granted by the City.

6. The Owner/Taxpayer agrees, upon completion of the improvements and upon issuance by the City of a temporary or permanent certificate of occupancy, to file with the City's Business & Development Services Department the following:

(a) a statement of the actual development cost of each multiple family housing unit, and the total expenditures made in the rehabilitation or construction of the entire property;

(b) a description of the completed work and a statement that the rehabilitation improvements or new construction of the Owner/Taxpayer's property qualifies the property for the exemption;

(c) a statement that the project meets the affordable housing requirements, if applicable; and

(d) a statement that the work was completed within the required three-year period or any authorized extension of the issuance of the conditional certificate of tax exemption.

7. The City agrees, conditioned on the Owner/Taxpayer's successful completion of the improvements in accordance with the terms of this Agreement and on the Owner/Taxpayer's filing of the materials described in Paragraph 6 above, to file a Final Certificate of Tax Exemption with the Spokane County Assessor indicating that the Owner/Taxpayer is qualified for the limited tax exemption under Chapter 84.14 RCW.

8. The Owner/Taxpayer agrees, within 30 days following the first anniversary of the County's filing of the Final Certificate of Tax Exemption and each year thereafter for a period of twelve years, to file a declaration with the City's Business and Development Services Department, verified upon oath and indicating the following:

(a) a statement of occupancy and vacancy of the multiple family units during the previous year;

(b) a certification 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 SMC 8.15.090 since the date of the filing of the Final Certificate of Tax Exemption, and continues to be in compliance with this Agreement and the requirements of SMC Chapter 8.15; and

(c) a description of any improvements or changes to the property made after the filing of the final certificate or last declaration.

9. The parties acknowledge that the units are to be used and occupied for multifamily residential use. The parties further acknowledge that the certificate of occupancy issued by the City is for multifamily residential units. The Owner/Taxpayer acknowledges and agrees that the units shall be used primarily for multi-family housing for permanent residential occupancy as defined in SMC 8.15.020 and RCW 84.14.010 and any business activities shall only be incidental and ancillary to the residential occupancy. Any units that are converted from multi-family housing for permanent residential occupancy shall be reported to the Spokane County Assessor's Office and removed from eligibility for the tax exemption. If the removal of the ineligible unit or units causes the number of units to drop below the number of units required for tax exemption eligibility, the remaining units shall be removed from eligibility pursuant to state law.

10. To qualify for the twelve-year tax exemption, the Owner/Taxpayer commits to renting or selling at least twenty percent of the multiple family housing units as affordable housing units to low and moderate-income households in addition to the other requirements set forth in the Agreement. The Owner/Taxpayer is further required to comply with the rental relocation assistance requirements set forth in RCW 84.14.020 (7) and (8).

11. If the Owner/Taxpayer converts to another use any of the multiple family residential housing units constructed under this Agreement, or if applicable, if the owner/taxpayer intends to discontinue compliance with the affordable housing requirements as described in SMC 8.15.090 or any other condition to exemption, the Owner/Taxpayer shall notify the Spokane County Assessor and the City's Business and Development Services Department within 60 days of such change in use.

12. The Owner/Taxpayer will have the right to assign its rights under this Agreement. The Owner/Taxpayer agrees to notify the City promptly of any transfer of Owner/Taxpayer's ownership interest in the Site or in the improvements made to the Site under this Agreement.

13. The City reserves the right to cancel the Final Certificate of Tax Exemption should the Owner/Taxpayer, its successors and assigns, fail to comply with any of the terms and conditions of this Agreement or of SMC Chapter 8.15.

14. No modifications of this Agreement shall be made unless mutually agreed upon by the parties in writing.

15. The Owner/Taxpayer acknowledges its awareness of the potential tax liability involved if and when the property ceases to be eligible for the incentive provided pursuant to this agreement. Such liability may include additional real property tax, penalties and interest imposed pursuant to RCW 84.14.110. The Owner/Taxpayer further acknowledges its awareness and understanding of the process implemented by the Spokane County Assessor's Office for the appraisal and assessment of property taxes. The Owner/Taxpayer agrees that the City is not responsible for the property value assessment imposed by Spokane County at any time during the exemption period.

16. In the event that any term or clause of this Agreement conflicts with applicable law, such conflict shall not affect other terms of this Agreement, which can be given effect without the conflicting term or clause, and to this end, the terms of this Agreement are declared to be severable.

17. The parties agree that this Agreement, the Final Certificate of Acceptance of Tax Exemption and the construction of the multiple family residential housing units referenced above shall be subject to the applicable provisions of Chapter 84.14 RCW and Chapter 8.15 SMC that exist at the time this agreement is signed by the parties. The parties may agree to amend this Agreement and the Final Certificate of Acceptance of Tax Exemption based upon applicable amendments and additions to Chapter 84.14 RCW as set forth in ESSSB 5287

adopted by the Washington State Legislature during the 2021 Regular Session effective July 25, 2021.

18. The Owner/Taxpayer acknowledges that RCW 84.14.020 (6) authorizes an extension of the exemption period for an additional twelve-years beyond the exemption period authorized in the Final Certificate of Tax Exemption conditioned upon compliance with the Owner renting or selling at least twenty percent of the multiple family housing units as affordable housing units for low-income households as set forth in RCW 84.14.020 (6) and providing the rental relocation assistance requirements and notice provisions set forth in RCW 84.14.020 (7) and (8). It is the Owner/Taxpayer's responsibility to make a timely request the extension as set forth in RCW 84.14.020 (6). The City shall not be responsible if the Owner/Taxpayer fails to make a timely request for the extension.

19. Nothing in this Agreement shall permit or be interpreted to permit either party to violate any provision of Chapter 84.14 RCW or Chapter 8.15 SMC

20. This Agreement is subject to approval by the City Council.

DATED this _____ day of _____, 2022.

CITY OF SPOKANE

Koz on West 4th LLC

By: _____
Mayor, Nadine Woodward

By _____
Its: _____

Attest:

Approved as to form:

City Clerk

Assistant City Attorney

MULTIPLE FAMILY HOUSING PROPERTY
TAX EXEMPTION AGREEMENT

THIS AGREEMENT is between the City of Spokane, a Washington State municipal corporation, as "City", and 314 Riverside LLC, as "Owner/Taxpayer" whose business address is 10708 E Knox Ave, Spokane WA 99206.

W I T N E S S E T H:

WHEREAS, the City has, pursuant to the authority granted to it by Chapter 84.14 RCW, designated various residential targeted areas for the provision of a limited property tax exemption for new and rehabilitated multiple family residential housing; and

WHEREAS, the City has, through Chapter 8.15 SMC, enacted a program whereby property owner/taxpayers may qualify for a Final Certificate of Tax Exemption which certifies to the Spokane County Assessor that the Owner/Taxpayer is eligible to receive the multiple family housing property tax exemption; and

WHEREAS, the Owner/Taxpayer is interested in receiving the multiple family property tax exemption for new multiple family residential housing units in a residential targeted area; and

WHEREAS, the Owner/Taxpayer has submitted to the City a complete application form for no fewer than a total of four new multiple family permanent residential housing units to be constructed on property legally described as:

35184.0804: HAVERMALE ADD PT OF L4TO6 B6 S42FT OF W1/2 OF L4 ALSO W50FT OF L5&6 ALSO BEG ON SL OF L6 49.59FT W OF SECOR W.41FT N PAR TO WL 79.46FT E.30FT S79.46FT TO POB &STP BET EL OF SW1/4 OF SE1/4 SEC18-25-43 &WL OF L4TO6 B6 EXC N8FT, 35184.2212: RES&ADD SPOKANE FALLS L10 B17 &STP E OF&ADJ BET WL OF SE1/4OF SE1/4 OF SEC 18-25-43&EL OF L10 B17), 35184.2211: RES&ADD SPOKANE FALLS L9 B17, 35184.2201: RES&ADD SPOKANE FALLS L1 B17

Assessor's Parcel Number(s) 35184.0804, 35184.2212, 35184.2211, 35184.2201, commonly known as 314 W Riverside St.

WHEREAS, the City has determined that the improvements will, if completed as proposed, satisfy the requirements for a Final Certificate of Tax Exemption; -- NOW, THEREFORE,

The City and the Owner/Taxpayer do mutually agree as follows:

1. The City agrees to issue the Owner/Taxpayer a Conditional Certificate of Acceptance of Tax Exemption subsequent to the City Council's approval of this agreement.

2. The project must comply with all applicable zoning requirements, land use requirements, design review recommendations and all building, fire, and housing code requirements contained in the Spokane Municipal Code at the time a complete application for a building permit is received. However, if the proposal includes rehabilitation or demolition in preparation for new construction, the residential portion of the building shall fail to comply with one or more standards of applicable building or housing codes, and the rehabilitation improvements shall achieve compliance with the applicable building and construction codes.

3. If the property proposed to be rehabilitated is not vacant, the Owner/Taxpayer shall provide each existing tenant with housing of comparable size, quality and price and a reasonable opportunity to relocate.

4. The Owner/Taxpayer intends to construct on the site, approximately 73 new multiple family residential housing units substantially as described in their application filed with and approved by the City. In no event shall such construction provide fewer than a total of four multiple family permanent residential housing units.

5. The Owner/Taxpayer agrees to complete construction of the agreed-upon improvements within three years from the date the City issues the Conditional Certificate of Acceptance of Tax Exemption or within any extension granted by the City.

6. The Owner/Taxpayer agrees, upon completion of the improvements and upon issuance by the City of a temporary or permanent certificate of occupancy, to file with the City's Business & Development Services Department the following:

(a) a statement of the actual development cost of each multiple family housing unit, and the total expenditures made in the rehabilitation or construction of the entire property;

(b) a description of the completed work and a statement that the rehabilitation improvements or new construction of the Owner/Taxpayer's property qualifies the property for the exemption;

(c) a statement that the project meets the affordable housing requirements, if applicable; and

(d) a statement that the work was completed within the required three-year period or any authorized extension of the issuance of the conditional certificate of tax exemption.

7. The City agrees, conditioned on the Owner/Taxpayer's successful completion of the improvements in accordance with the terms of this Agreement and on the Owner/Taxpayer's filing of the materials described in Paragraph 6 above, to file a Final Certificate of Tax Exemption with the Spokane County Assessor indicating that the Owner/Taxpayer is qualified for the limited tax exemption under Chapter 84.14 RCW.

8. The Owner/Taxpayer agrees, within 30 days following the first anniversary of the County's filing of the Final Certificate of Tax Exemption and each year thereafter for a period of twelve years, to file a declaration with the City's Business and Development Services Department, verified upon oath and indicating the following:

(a) a statement of occupancy and vacancy of the multiple family units during the previous year;

(b) a certification 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 SMC 8.15.090 since the date of the filing of the Final Certificate of Tax Exemption, and continues to be in compliance with this Agreement and the requirements of SMC Chapter 8.15; and

(c) a description of any improvements or changes to the property made after the filing of the final certificate or last declaration.

9. The parties acknowledge that the units are to be used and occupied for multifamily residential use. The parties further acknowledge that the certificate of occupancy issued by the City is for multifamily residential units. The Owner/Taxpayer acknowledges and agrees that the units shall be used primarily for multi-family housing for permanent residential occupancy as defined in SMC 8.15.020 and RCW 84.14.010 and any business activities shall only be incidental and ancillary to the residential occupancy. Any units that are converted from multi-family housing for permanent residential occupancy shall be reported to the Spokane County Assessor's Office and removed from eligibility for the tax exemption. If the removal of the ineligible unit or units causes the number of units to drop below the number of units required for tax exemption eligibility, the remaining units shall be removed from eligibility pursuant to state law.

10. To qualify for the twelve-year tax exemption, the Owner/Taxpayer commits to renting or selling at least twenty percent of the multiple family housing

units as affordable housing units to low and moderate-income households in addition to the other requirements set forth in the Agreement. The Owner/Taxpayer is further required to comply with the rental relocation assistance requirements set forth in RCW 84.14.020 (7) and (8).

11. If the Owner/Taxpayer converts to another use any of the multiple family residential housing units constructed under this Agreement, or if applicable, if the owner/taxpayer intends to discontinue compliance with the affordable housing requirements as described in SMC 8.15.090 or any other condition to exemption, the Owner/Taxpayer shall notify the Spokane County Assessor and the City's Business and Development Services Department within 60 days of such change in use.

12. The Owner/Taxpayer will have the right to assign its rights under this Agreement. The Owner/Taxpayer agrees to notify the City promptly of any transfer of Owner/Taxpayer's ownership interest in the Site or in the improvements made to the Site under this Agreement.

13. The City reserves the right to cancel the Final Certificate of Tax Exemption should the Owner/Taxpayer, its successors and assigns, fail to comply with any of the terms and conditions of this Agreement or of SMC Chapter 8.15.

14. No modifications of this Agreement shall be made unless mutually agreed upon by the parties in writing.

15. The Owner/Taxpayer acknowledges its awareness of the potential tax liability involved if and when the property ceases to be eligible for the incentive provided pursuant to this agreement. Such liability may include additional real property tax, penalties and interest imposed pursuant to RCW 84.14.110. The Owner/Taxpayer further acknowledges its awareness and understanding of the process implemented by the Spokane County Assessor's Office for the appraisal and assessment of property taxes. The Owner/Taxpayer agrees that the City is not responsible for the property value assessment imposed by Spokane County at any time during the exemption period.

16. In the event that any term or clause of this Agreement conflicts with applicable law, such conflict shall not affect other terms of this Agreement, which can be given effect without the conflicting term or clause, and to this end, the terms of this Agreement are declared to be severable.

17. The parties agree that this Agreement, the Final Certificate of Acceptance of Tax Exemption and the construction of the multiple family residential housing units referenced above shall be subject to the applicable provisions of Chapter 84.14 RCW and Chapter 8.15 SMC that exist at the time this agreement is

signed by the parties. The parties may agree to amend this Agreement and the Final Certificate of Acceptance of Tax Exemption based upon applicable amendments and additions to Chapter 84.14 RCW as set forth in ESSSB 5287 adopted by the Washington State Legislature during the 2021 Regular Session effective July 25, 2021.

18. The Owner/Taxpayer acknowledges that RCW 84.14.020 (6) authorizes an extension of the exemption period for an additional twelve-years beyond the exemption period authorized in the Final Certificate of Tax Exemption conditioned upon compliance with the Owner renting or selling at least twenty percent of the multiple family housing units as affordable housing units for low-income households as set forth in RCW 84.14.020 (6) and providing the rental relocation assistance requirements and notice provisions set forth in RCW 84.14.020 (7) and (8). It is the Owner/Taxpayer's responsibility to make a timely request the extension as set forth in RCW 84.14.020 (6). The City shall not be responsible if the Owner/Taxpayer fails to make a timely request for the extension.

19. Nothing in this Agreement shall permit or be interpreted to permit either party to violate any provision of Chapter 84.14 RCW or Chapter 8.15 SMC

20. This Agreement is subject to approval by the City Council.

DATED this _____ day of _____, 2022.

CITY OF SPOKANE

314 Riverside LLC

By: _____

By: _____

Mayor, Nadine Woodward

Its: _____

Attest:

Approved as to form:

City Clerk

Assistant City Attorney

MULTIPLE FAMILY HOUSING PROPERTY
TAX EXEMPTION AGREEMENT

THIS AGREEMENT is between the City of Spokane, a Washington State municipal corporation, as "City", and Brick on Wall, LLC, as "Owner/Taxpayer" whose business address is 1414 S. Bernard St. Spokane, WA 99203.

W I T N E S S E T H:

WHEREAS, the City has, pursuant to the authority granted to it by Chapter 84.14 RCW, designated various residential targeted areas for the provision of a limited property tax exemption for new and rehabilitated multiple family residential housing; and

WHEREAS, the City has, through Chapter 8.15 SMC, enacted a program whereby property owner/taxpayers may qualify for a Final Certificate of Tax Exemption which certifies to the Spokane County Assessor that the Owner/Taxpayer is eligible to receive the multiple family housing property tax exemption; and

WHEREAS, the Owner/Taxpayer is interested in receiving the multiple family property tax exemption for new multiple family residential housing units in a residential targeted area; and

WHEREAS, the Owner/Taxpayer has submitted to the City a complete application form for no fewer than a total of four new multiple family permanent residential housing units to be constructed on property legally described as:

RAILROAD ADD L5 B34

Assessor's Parcel Number(s) 35192.2204, commonly known as 204 S Wall.

WHEREAS, the City has determined that the improvements will, if completed as proposed, satisfy the requirements for a Final Certificate of Tax Exemption; --
NOW, THEREFORE,

The City and the Owner/Taxpayer do mutually agree as follows:

1. The City agrees to issue the Owner/Taxpayer a Conditional Certificate of Acceptance of Tax Exemption subsequent to the City Council's approval of this agreement.

2. The project must comply with all applicable zoning requirements, land use requirements, design review recommendations and all building, fire, and housing code requirements contained in the Spokane Municipal Code at the time a complete application for a building permit is received. However, if the proposal includes rehabilitation or demolition in preparation for new construction, the residential portion of the building shall fail to comply with one or more standards of applicable building or housing codes, and the rehabilitation improvements shall achieve compliance with the applicable building and construction codes.

3. If the property proposed to be rehabilitated is not vacant, the Owner/Taxpayer shall provide each existing tenant with housing of comparable size, quality and price and a reasonable opportunity to relocate.

4. The Owner/Taxpayer intends to construct on the site, approximately 24 new multiple family residential housing units substantially as described in their application filed with and approved by the City. In no event shall such construction provide fewer than a total of four multiple family permanent residential housing units.

5. The Owner/Taxpayer agrees to complete construction of the agreed-upon improvements within three years from the date the City issues the Conditional Certificate of Acceptance of Tax Exemption or within any extension granted by the City.

6. The Owner/Taxpayer agrees, upon completion of the improvements and upon issuance by the City of a temporary or permanent certificate of occupancy, to file with the City's Business & Development Services Department the following:

(a) a statement of the actual development cost of each multiple family housing unit, and the total expenditures made in the rehabilitation or construction of the entire property;

(b) a description of the completed work and a statement that the rehabilitation improvements or new construction of the Owner/Taxpayer's property qualifies the property for the exemption;

(c) a statement that the project meets the affordable housing requirements, if applicable; and

(d) a statement that the work was completed within the required three-year period or any authorized extension of the issuance of the conditional certificate of tax exemption.

7. The City agrees, conditioned on the Owner/Taxpayer's successful completion of the improvements in accordance with the terms of this Agreement and on the Owner/Taxpayer's filing of the materials described in Paragraph 6 above, to file a Final Certificate of Tax Exemption with the Spokane County Assessor indicating that the Owner/Taxpayer is qualified for the limited tax exemption under Chapter 84.14 RCW.

8. The Owner/Taxpayer agrees, within 30 days following the first anniversary of the County's filing of the Final Certificate of Tax Exemption and each year thereafter for a period of twelve years, to file a declaration with the City's Business and Development Services Department, verified upon oath and indicating the following:

(a) a statement of occupancy and vacancy of the multiple family units during the previous year;

(b) a certification 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 SMC 8.15.090 since the date of the filing of the Final Certificate of Tax Exemption, and continues to be in compliance with this Agreement and the requirements of SMC Chapter 8.15; and

(c) a description of any improvements or changes to the property made after the filing of the final certificate or last declaration.

9. The parties acknowledge that the units are to be used and occupied for multifamily residential use. The parties further acknowledge that the certificate of occupancy issued by the City is for multifamily residential units. The Owner/Taxpayer acknowledges and agrees that the units shall be used primarily for multi-family housing for permanent residential occupancy as defined in SMC 8.15.020 and RCW 84.14.010 and any business activities shall only be incidental and ancillary to the residential occupancy. Any units that are converted from multi-family housing for permanent residential occupancy shall be reported to the Spokane County Assessor's Office and removed from eligibility for the tax exemption. If the removal of the ineligible unit or units causes the number of units to drop below the number of units required for tax exemption eligibility, the remaining units shall be removed from eligibility pursuant to state law.

10. To qualify for the twelve-year tax exemption, the Owner/Taxpayer commits to renting or selling at least twenty percent of the multiple family housing units as affordable housing units to low and moderate-income households in addition to the other requirements set forth in the Agreement. The Owner/Taxpayer is further required to comply with the rental relocation assistance requirements set forth in RCW 84.14.020 (7) and (8).

11. If the Owner/Taxpayer converts to another use any of the multiple family residential housing units constructed under this Agreement, or if applicable, if the owner/taxpayer intends to discontinue compliance with the affordable housing requirements as described in SMC 8.15.090 or any other condition to exemption, the Owner/Taxpayer shall notify the Spokane County Assessor and the City's Business and Development Services Department within 60 days of such change in use.

12. The Owner/Taxpayer will have the right to assign its rights under this Agreement. The Owner/Taxpayer agrees to notify the City promptly of any transfer of Owner/Taxpayer's ownership interest in the Site or in the improvements made to the Site under this Agreement.

13. The City reserves the right to cancel the Final Certificate of Tax Exemption should the Owner/Taxpayer, its successors and assigns, fail to comply with any of the terms and conditions of this Agreement or of SMC Chapter 8.15.

14. No modifications of this Agreement shall be made unless mutually agreed upon by the parties in writing.

15. The Owner/Taxpayer acknowledges its awareness of the potential tax liability involved if and when the property ceases to be eligible for the incentive provided pursuant to this agreement. Such liability may include additional real property tax, penalties and interest imposed pursuant to RCW 84.14.110. The Owner/Taxpayer further acknowledges its awareness and understanding of the process implemented by the Spokane County Assessor's Office for the appraisal and assessment of property taxes. The Owner/Taxpayer agrees that the City is not responsible for the property value assessment imposed by Spokane County at any time during the exemption period.

16. In the event that any term or clause of this Agreement conflicts with applicable law, such conflict shall not affect other terms of this Agreement, which can be given effect without the conflicting term or clause, and to this end, the terms of this Agreement are declared to be severable.

17. The parties agree that this Agreement, the Final Certificate of Acceptance of Tax Exemption and the construction of the multiple family residential housing units referenced above shall be subject to the applicable provisions of Chapter 84.14 RCW and Chapter 8.15 SMC that exist at the time this agreement is signed by the parties. The parties may agree to amend this Agreement and the Final Certificate of Acceptance of Tax Exemption based upon applicable amendments and additions to Chapter 84.14 RCW as set forth in ESSSB 5287

adopted by the Washington State Legislature during the 2021 Regular Session effective July 25, 2021.

18. The Owner/Taxpayer acknowledges that RCW 84.14.020 (6) authorizes an extension of the exemption period for an additional twelve-years beyond the exemption period authorized in the Final Certificate of Tax Exemption conditioned upon compliance with the Owner renting or selling at least twenty percent of the multiple family housing units as affordable housing units for low-income households as set forth in RCW 84.14.020 (6) and providing the rental relocation assistance requirements and notice provisions set forth in RCW 84.14.020 (7) and (8). It is the Owner/Taxpayer's responsibility to make a timely request the extension as set forth in RCW 84.14.020 (6). The City shall not be responsible if the Owner/Taxpayer fails to make a timely request for the extension.

19. Nothing in this Agreement shall permit or be interpreted to permit either party to violate any provision of Chapter 84.14 RCW or Chapter 8.15 SMC

20. This Agreement is subject to approval by the City Council.

DATED this _____ day of _____, 2022.

CITY OF SPOKANE

Brick on Wall, LLC

By: _____
Mayor, Nadine Woodward

By _____
Its: _____

Attest:

Approved as to form:

City Clerk

Assistant City Attorney

Committee Agenda Sheet

Public Safety and Community Health Committee

Submitting Department	Interim City Attorney
Contact Name & Phone	Lynden P. Smithson
Contact Email	lsmithson@spokanecity.org
Council Sponsor(s)	Council Member Stratton
Select Agenda Item Type	<input checked="" type="checkbox"/> Consent <input type="checkbox"/> Discussion Time Requested: _____
Agenda Item Name	Special Counsel Contract Amendment
Summary (Background)	<p>The City has an existing contract with Stewart A. Estes and the law firm of KEATING, BUCKLIN & McCORMACK, INC., P.S., as outside counsel services and advice in the legal matter of <u>Estate of David Novak, et al. v. City of Spokane, et al.</u> This is a lawsuit against the City, an SPD detective, Chief Meidl, and former-Mayor Condon for the alleged wrongful death of David Novak in February 2019. Discovery in this case has been expedited and ten to twelve depositions and other discovery are being scheduled. The City has a Mediation scheduled for July 5th.</p> <p>This amendment will increase the contract by \$100,000 for a total contract amount of \$474,500.00.</p>
Proposed Council Action & Date:	Committee review on July 11, 2022 with Council Approval on July 18, 2022
Fiscal Impact: Total Cost: <u>\$100,000.00</u>	
Approved in current year budget? Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> N/A	
Funding Source <input checked="" type="checkbox"/> One-time <input type="checkbox"/> Recurring Specify funding source: City Risk Fund	
Expense Occurrence <input checked="" type="checkbox"/> One-time <input type="checkbox"/> Recurring	
Other budget impacts: (revenue generating, match requirements, etc.)	
Operations Impacts	
What impacts would the proposal have on historically excluded communities? N/A	
How will data be collected, analyzed, and reported concerning the effect of the program/policy by racial, ethnic, gender identity, national origin, income level, disability, sexual orientation, or other existing disparities? N/A	
How will data be collected regarding the effectiveness of this program, policy or product to ensure it is the right solution?	

N/A

Describe how this proposal aligns with current City Policies, including the Comprehensive Plan, Sustainability Action Plan, Capital Improvement Program, Neighborhood Master Plans, Council Resolutions, and others?

N/A