

**Agenda Sheet for City Council Meeting of:**

02/07/2022

Date Rec'd	1/25/2022
Clerk's File #	ORD C36168
Renews #	

Submitting Dept	PLANNING & ECONOMIC	Cross Ref #	
Contact Name/Phone	TERI STRIPES 625-6597	Project #	
Contact E-Mail	TSTRIPES@SPOKANECITY.ORG	Bid #	
Agenda Item Type	First Reading Ordinance	Requisition #	
Agenda Item Name	0650 - MFTE ORDINANCE AMENDING SMC SECTION 8.15.030 D		

Agenda Wording

Multiple family housing property tax exemption (MFTE); amending SMC section 8.15.030 D, by amending the map Attachment A

Summary (Background)

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. The City Council desires to modify the boundary of the existing designated residential targeted area listed in SMC 8.15.030 as set forth in Ordinance No. 36168, amending SMC 8.15.030; and, RCW 84.14.040 requires public notice and a hearing before the City designates residential targeted areas.

Lease? NO	Grant related? NO	Public Works? NO
Fiscal Impact		Budget Account
Neutral \$		#
Select \$		#
Select \$		#
Select \$		#

Approvals		Council Notifications	
Dept Head	BLACK, TIRRELL	Study Session\Other	UE 1/10/22
Division Director	MACDONALD, STEVEN	Council Sponsor	CP Beggs and CM
Finance	ORLOB, KIMBERLY	Distribution List	
Legal	PICCOLO, MIKE	tstripes@spokanecity.org	
For the Mayor	ORMSBY, MICHAEL	sbishop@spokanecity.org	
Additional Approvals		tblack@spokanecity.org	
Purchasing		smacdonald@spokanecity.org	
		mpiccolo@spokanecity.org	
		lmeuler@spokanecity.org	

FIRST READING OF THE ABOVE
ORDINANCE HELD ON
2/7/2022
AND FURTHER ACTION WAS DEFERRED
Lern Hjorte
CITY CLERK

PASSED BY
SPOKANE CITY COUNCIL:
2/14/2022
Lern Hjorte
CITY CLERK



Continuation of Wording, Summary, Budget, and Distribution

Agenda Wording

Summary (Background)

It is the intent of the City of Spokane to designate a revised residential targeted area as set forth in Ordinance No. 36168 and as generally identified in Attachment A to the ordinance.

Fiscal Impact

Select \$

Select \$

Budget Account

#

#

Distribution List

Briefing Paper

Urban Experience Committee

Division & Department:	Planning & Economic Development
Subject:	MFTE Designating Residential Targeted Areas (Garland & University District)
Date:	January 10, 2022
Contact (email & phone):	Teri Stripes (tstripes@spokanecity.org , x6597)
City Council Sponsor:	Council President Beggs and Council Member Stratton
Executive Sponsor:	Steve MacDonald (smacdonald@spokanecity.org x6835)
Committee(s) Impacted:	Urban Experience
Type of Agenda item:	<input type="checkbox"/> Consent <input checked="" 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)	<p>SMC 08.15 Multi- Family Housing Property Tax Exemption</p> <p>A. The purposes of this chapter are to:</p> <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. <p>Comprehensive Plan Land Use Policies:</p> <ul style="list-style-type: none"> 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 <p>Comprehensive Plan Housing Policies:</p> <ul style="list-style-type: none"> 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 <p>Comprehensive Plan Economic Development Policies:</p> <ul style="list-style-type: none"> ED 2.4 Mixed-Use ED 7.4 Tax Incentives for Land Improvement
Strategic Initiative:	Housing
Deadline:	Will file for Council consideration following committee meeting

Outcome: (deliverables, delivery duties, milestones to meet)

Approval of Multi-Family Tax Exemption Target Area/Boundary changes in the Garland District and the South University District.

Background/History:

In response to the housing shortage in Spokane, it is the desire of the City to expand the MFTE boundary to again incentivizes the creation of multifamily housing in the Garland target area and to expand the MFTE boundary in the south University District following notice and public hearings as prescribed in RCW 81.14.040, the Council may designate one or more residential targeted areas, upon a finding by the Council in its sole discretion.

Attachments:

- Attachment B: zoomed in Spokane’s Multi-Family Tax Exemption Target Area for presentations
- Res of Intent to Designate RTA
- Ord Amending MFTE SMC Section 8.15.030

Tentative Process and Timeline:

- Jan. 10, 2022 – Urban Experience Committee Briefing
- Jan. 24, 2022 - Council Agenda Briefing and action to occur on the same day (post-holiday) on Resolution of intention/setting hearing for Feb 14, 2022
- Jan. 31, 2022 – Briefing of first reading ordinance on February 7 Advance Agenda
- February 7 – Briefing of “hearing on final reading ordinance” during 3:30 p.m. Briefing Session and First Reading of Ordinance held during 6:00 p.m. Session
- Feb 14, 2022 – Hearing and 2nd reading of Ordinance
- Ordinance replacing the Boundary Map goes into effect 30 days later

Executive Summary:

- Adding the Garland District back into the MFTE Target Area/Boundary
- Adding a small portion of the south University District into the MFTE Target Area/Boundary

Budget Impact:

Approved in current year budget? Yes No N/A
 Annual/Reoccurring expenditure? Yes No N/A

If new, specify funding source:

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

Operations Impact:

Consistent with current operations/policy? Yes No N/A
 Requires change in current operations/policy? Yes No N/A

Specify changes required:

Known challenges/barriers:

ORDINANCE NO. C36168

An ordinance relating to multiple family housing property tax exemption; amending SMC section 8.15.030 D, by amending the map Attachment A: Spokane MFTE Target Area through expansion of the target area boundary.

WHEREAS, the expansion of Spokane's multi-family tax exemption (MFTE) Target Area in the Garland and the south University District urban centers will provide additional housing opportunity within the City, including affordable housing within the targeted area assisting in achieving one or more of the following purposes:

1. encouraging more multi-family housing opportunities, including affordable housing opportunities, within the City;
2. stimulating the construction of new multifamily housing and the rehabilitation of existing vacant and underutilized buildings for multi-family housing;
3. increasing the supply of mixed-income multifamily housing opportunities within the City;
4. accomplishing 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. promoting community development, neighborhood revitalization, and availability of affordable housing;
6. preserving and protecting buildings, objects, sites and neighborhoods with historic, cultural, architectural, engineering or geographic significance located within the City; and
7. encouraging additional housing in areas that are consistent with planning for public transit systems.

Now, Therefore, the City of Spokane does ordain:

Section 1. That SMC section 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

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: 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.

PASSED BY THE CITY COUNCIL ON February 14, 2022.

[Signature]
Council President

Attest:

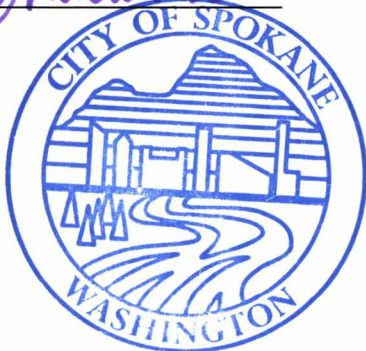
[Signature]
City Clerk Acting

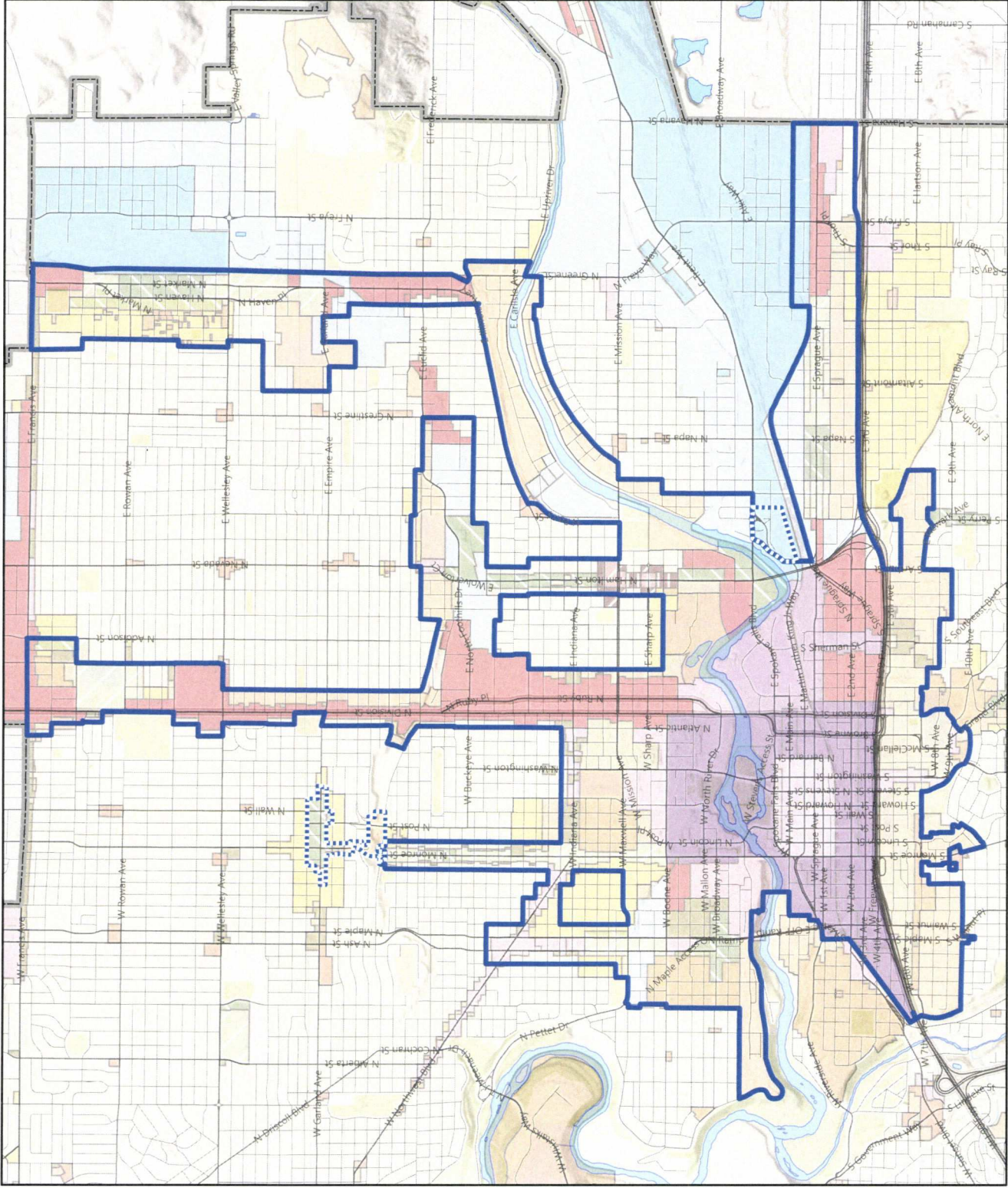
Approved as to form:
[Signature]
Assistant City Attorney

[Signature]
Mayor

2/18/22
Date

March 20, 2022
Effective Date

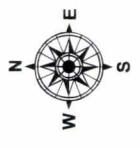




- Existing MFTE Area
- Proposed Additional MFTE Area
- City of Spokane

City Zoning

- Center and Corridor Type 1
- Center and Corridor Type 2
- Mixed Use Transition-CC4
- Community Business
- Downtown Core
- Downtown University
- Downtown General
- Downtown South
- Context Area 1
- Context Area 2
- Context Area 3
- Context Area 4
- General Commercial
- Heavy Industrial
- Light Industrial
- Neighborhood Retail
- Office
- Office Retail
- Residential High Density
- Residential Multifamily
- Residential Single-Family
- Residential Two-Family



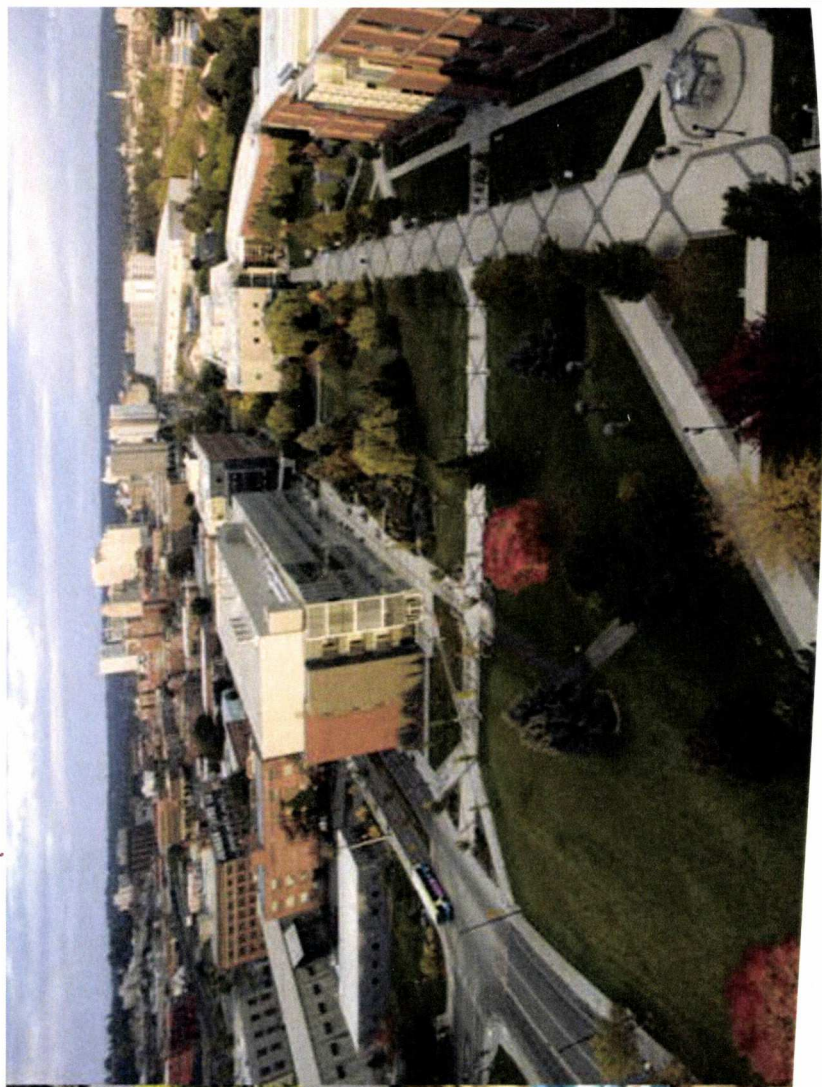
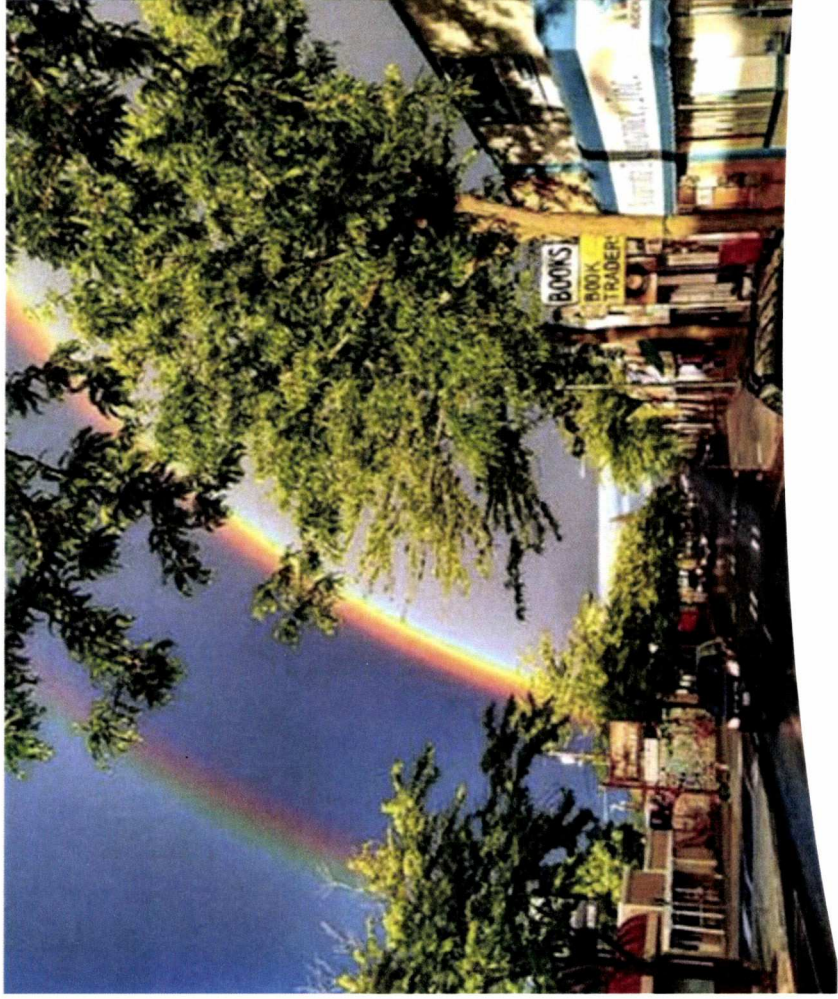
Attachment A: Spokane's Multi-Family Tax Exemption Target Area

December 2021

THIS IS NOT A LEGAL DOCUMENT The information shown on this map is compiled from various sources and is subject to constant revision. Information shown on this map should not be used to determine the location of facilities in relationship to property lines, section lines, streets, etc.



Drawn By: Kevin Freibott, Planning Department Date Saved: 12/13/2021 11:40 AM
 Path: H:\Planning\Projects-Current\EDS TIPS\Multi-Family Tax Exemption and City Zoning Map\MFTE Boundary\MFTE Boundary.aprx

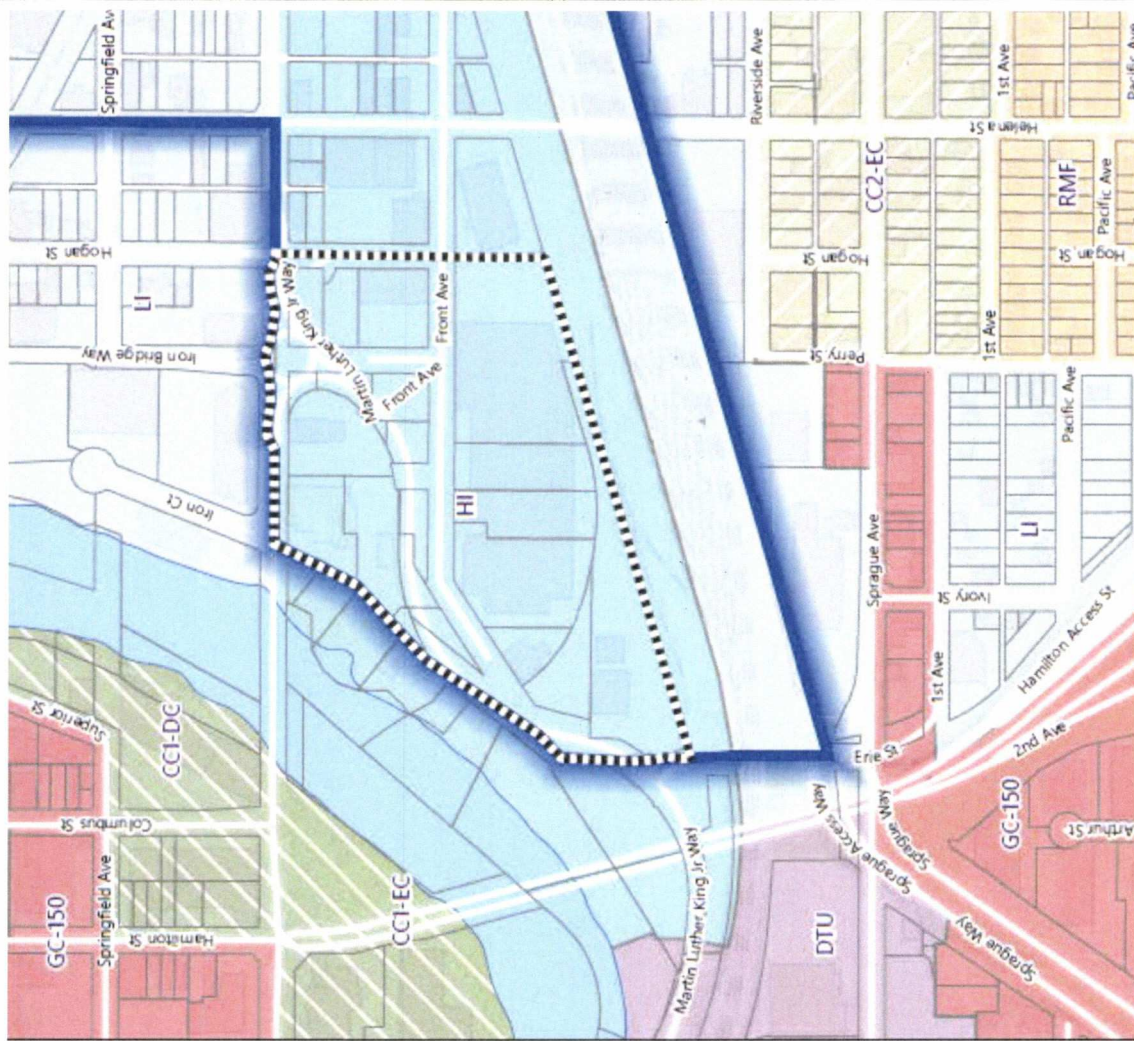
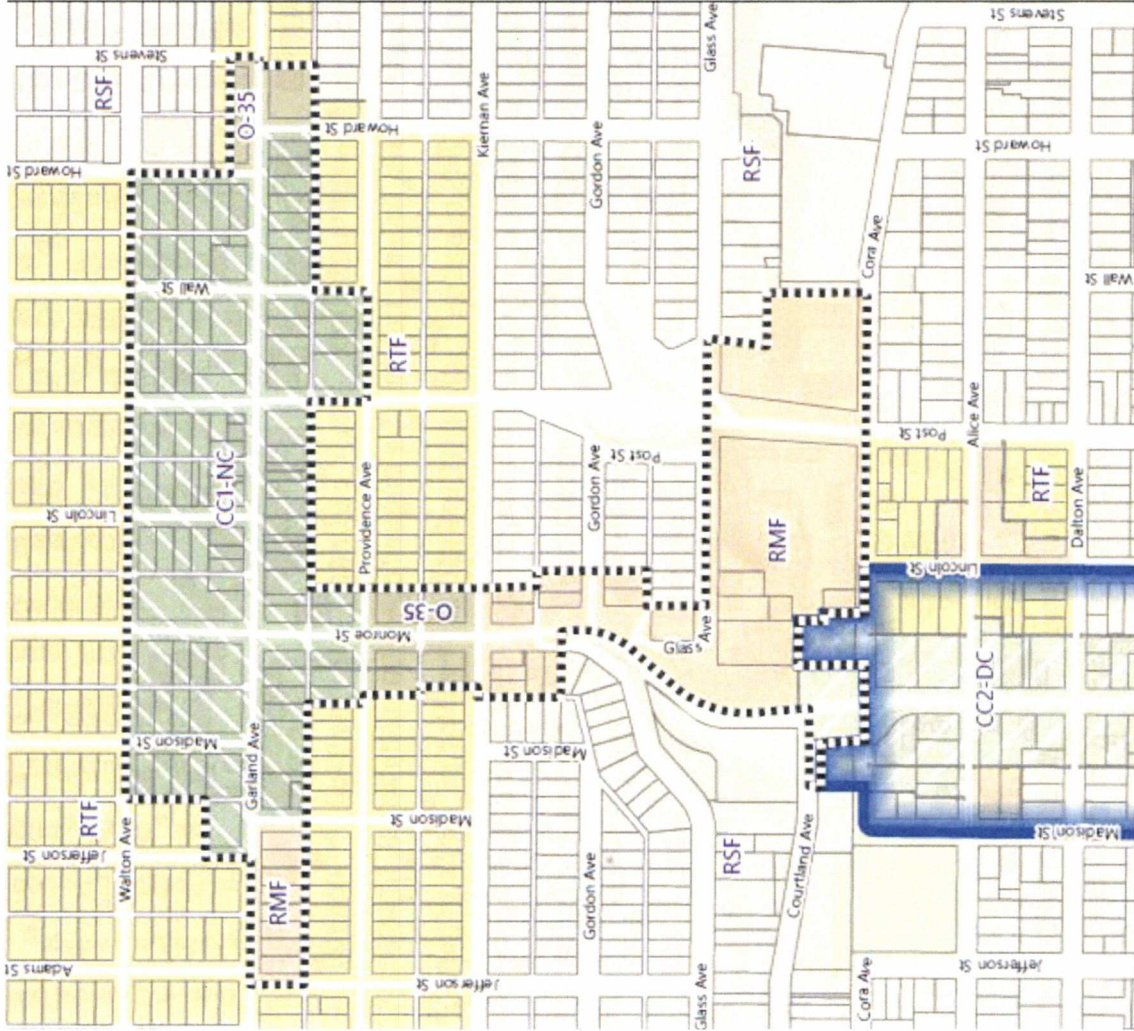


MFTE Residential Target Area Changes

In response to the housing shortage in Spokane, it is the desire of the City to expand the MFTE boundary to incentivize the creation of multifamily housing in the Garland district and to expand the boundary in the south University District.

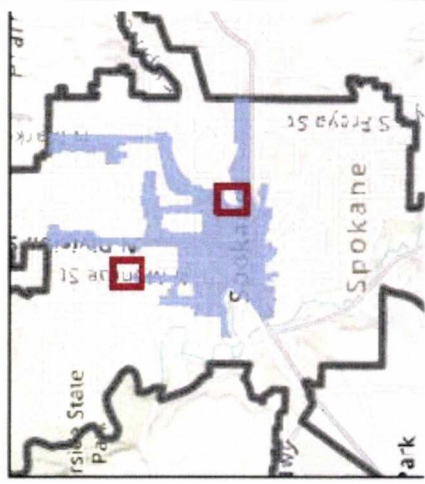
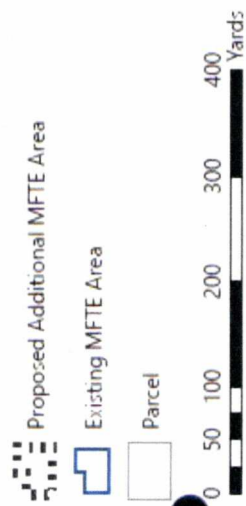
SMC 08.15 Multi-Family Housing Property Tax Exemption (MFTE)

- 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.



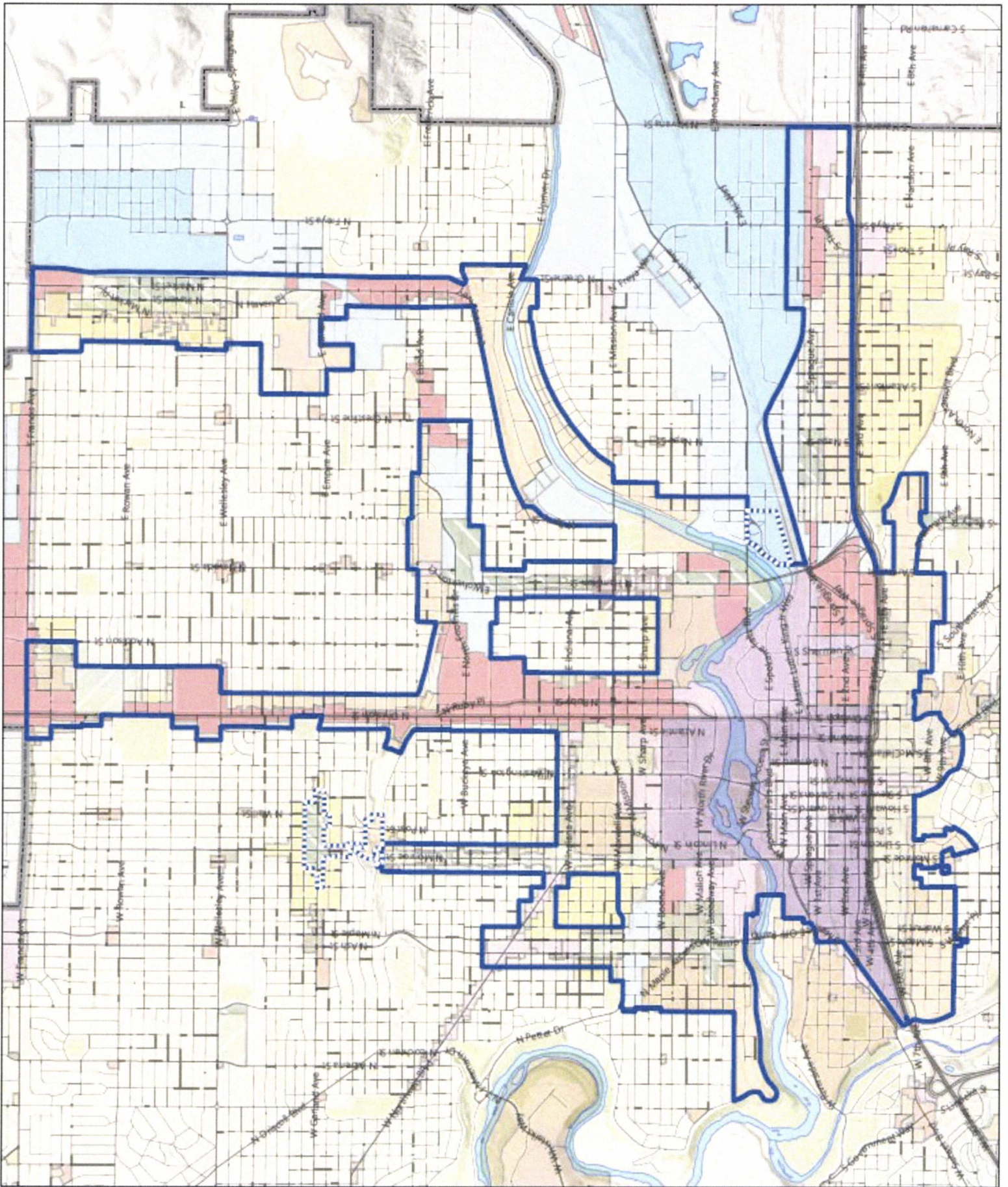
Attachment B: Spokane's Multi-Family Tax Exemption Target Area

December, 2021



THIS IS NOT A LEGAL DOCUMENT The information shown on this map is compiled from various sources and is subject to constant revision. Information shown on this map should not be used to determine the location of facilities in relationship to property lines, section lines, streets, etc.

Drawn By: Kevin Freibort, Planning Department Date Saved: 12/13/2021 11:40 AM
 Path: H:\Planning\Projects-Current\EDS TIPS\Multi-Family Tax Exemption and City



Residential Target Area Size

Spokane's MFTE Residential Target Area is 4,926.8 acres

Garland district will add 45.27 acres

University District will add 25.95 acres

The new revised Spokane MFTE Residential Target Area would then be 4,998.02 acres.

Tentative Process and Timeline

- Jan. 10, 2022 – Urban Experience Committee Briefing
- Jan. 24, 2022 - Council Agenda Briefing and action to occur on the same day (post-holiday) on **Resolution** of intention/setting hearing for Feb 14, 2022
- Jan. 31, 2022 – Briefing of first reading **Ordinance** on February 7 Advance Agenda
- Feb. 7, 2022 – Briefing of “hearing on final reading ordinance” during 3:30 p.m. Briefing Session and First Reading of Ordinance held during 6:00 p.m. Session
- Feb. 14, 2022 – **Hearing** and 2nd reading of Ordinance
- Ordinance replacing the Residential Target Area Map goes into effect 30 days later