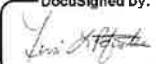
	Agenda Sheet for City Council Meeting of:		Date Rec'd	7/6/2022
	07/18/2022		Clerk's File #	RES 2022-0065
			Renews #	
Submitting Dept	PLANNING & ECONOMIC		Cross Ref #	RES 2022-0064
Contact Name/Phone	TERI STRIPES 6597		Project #	
Contact E-Mail	TSTRIPES@SPOKANECITY.ORG		Bid #	
Agenda Item Type	Resolutions		Requisition #	
Agenda Item Name	0650-RESOLUTION AND ADMIN POLICY OF PROJECTS OF CITYWIDE			
Agenda Wording				
<p>This Resolution and the Administrative Policy aligns changes in the Projects of Citywide Significance incentive to focus on the Spokane Targeted Investment Area established in the Economic Development Strategy RES 2022-0064, along with increasing it</p>				
Summary (Background)				
<p>Currently, the only incentive funding available is from the American Rescue Plan Act dollars which, provides assistance for the creation of new Affordable Housing, targets the negative impacts of the pandemic surrounding housing security, and addresses the critical need of creating more affordable housing options in our most distressed census tracts. The incentive criteria for the Affordable Housing Priority are included in Attachment A.</p>				
Lease? NO	Grant related? NO	Public Works? NO		
Fiscal Impact		Budget Account		
Neutral	\$ 5,000,000	#	1425-88153-57215-54201-97238	
Select	\$	#		
Select	\$	#		
Select	\$	#		
Approvals		Council Notifications		
Dept Head	GARDNER, SPENCER	Study Session\Other	Finance Committee	
Division Director	MACDONALD, STEVEN	Council Sponsor	Cms Wilkerson and	
Finance	SCHMITT, KEVIN	Distribution List		
Legal	PICCOLO, MIKE	smaclonald@spokanecity.org		
For the Mayor	ORMSBY, MICHAEL	sgardner@spokanecity.org		
Additional Approvals		jrichman@spokanecity.org		
Purchasing		tstripes@spokanecity.org		
		jchurchill@spokanecity.org		

Adopted by Spokane City
Council on: 07/18/2022

DocuSigned by:

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 City Clerk



Continuation of Wording, Summary, Budget, and Distribution

Agenda Wording

flexibility in meeting current community needs, making the award of the incentive more transparent, and does not limit its use to only large multi-million-dollar projects.

Summary (Background)

Fiscal Impact	Budget Account
Select \$	#
Select \$	#

Distribution List

Fiscal Impact	Budget Account
Select \$	#
Select \$	#

Distribution List	

Committee Agenda Sheet

Finance & Administration – June 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)	Kinnear, Stratton, and Cathcart
Select Agenda Item Type	<input type="checkbox"/> Consent <input checked="" type="checkbox"/> Discussion Time Requested: <u>5-10 minutes</u>
Agenda Item Name	Economic Development Strategy & Projects of Citywide Significance Updates
Summary (Background)	<p>We will be bringing forward two actions for Council Consideration at this time:</p> <ol style="list-style-type: none"> 1. Update the Economic Development Strategy Resolution 2015-0084 this update still supports the previous targeted area development strategy for economic development and its commitment to continue the economic development efforts. The economic development strategy is meant to evolve and adapt to changing conditions both within the City in our Comprehensive Plan, strategic plans, implementation plans, and it is now appropriate that the strategy be updated. <ol style="list-style-type: none"> a. The primary intent in updating the strategy is to help refocus the City's incentives investments and staff resources to our most economically distressed census tracts. The targeted area, aka the Spokane Targeted Investment Area (STIA) boundary: (Map Attached) <ol style="list-style-type: none"> i. is based on 34 qualified census tracts defined by the Community Development Financial Institutions Fund (CDFI) of the U.S. Treasury for the New Markets Tax Credit Program (NMTC) investment. Census tracts are only 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). Census tracts are removed from the NMTC area once they are no-longer distressed. <ol style="list-style-type: none"> 1. The NMTC qualified area includes census tracts that overlap the City limits, but our efforts/incentives will only be available within the City of Spokane. ii. This updated target area combines our earlier areas of focus such as PDAs, BIDs, Opportunity Zone, New Market Tax Credit Area, Community Empowerment Zone, as well as the neighborhood business districts, we've historically worked with. 2. Update the Projects of Citywide Significance (PCS) Administrative Policy and its Attachment A: Affordable Housing – Priority. Amending the Admin Policy allows the

	<p>incentive to be tailored to meet a current need, such as Housing by adding programmatic and project criteria details in the form of an attachment to the incentive policy. The primary intent in updating the policy is to:</p> <ol style="list-style-type: none"> align the incentive with the Spokane Targeted Investment Area boundary, make the award of the incentive more transparent, and not limit its use to only large multi-million dollar projects. <p>Currently, the only program funding is coming from the American Rescue Plan Act and is capped at two million dollars targeting assistance to the creation of new Affordable Housing.</p> <ol style="list-style-type: none"> addresses the critical need of creating more affordable housing units in the most distressed census tracts. <p>Additional Economic Development changes coming forward in the near future:</p> <ul style="list-style-type: none"> MFTE Update Utility Incentive Updates
<p>Proposed Council Action & Date:</p>	<p>We will be seeking approval on the July 18, 2022 Council agenda to update the following:</p> <p>Economic Development Strategy Resolution Projects of Citywide Significance Administrative Policy</p>
<p>Fiscal Impact:</p> <p>Total Cost: 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 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>	
<p>Operations Impacts</p>	
<p>What impacts would the proposal have on historically excluded communities?</p> <p>Economic Development Strategy Update 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.</p> <p>Projects of Citywide Significance: Affordable Housing funded by ARPA</p>	

Targets the negative impacts of the pandemic surrounding housing security within our Spokane Targeted Investment Area (STIA):

- helping us build stronger neighborhoods by targeting the Affordable Housing incentives to our most economically distressed census tracts,
- housing income and rent restrictions to be tracked for 12-20yrs like Multi-Family Tax Exempt units,
- encouraging more multi-family housing opportunities, including affordable housing opportunities,
- stimulating the construction of new multifamily housing and the rehabilitation of existing vacant and underutilized buildings for multi-family housing,
- increasing the supply of mixed-income multifamily housing opportunities,
- helping accomplish the planning goals required under the Growth Management Act, chapter 36.70A RCW,
- promoting community development, neighborhood revitalization, and availability of affordable housing, and
- encouraging 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?

Projects of Citywide Significance: Affordable Housing tracked as Multi-Family Tax Exemption

Annual Certification and Affordability Certification

Annually in February the property owner will submit a report, which includes:

- A statement of occupancy and vacancy of the multi-family units during the previous year.
- A certification that the property has not changed use and, that the property has been in compliance with the affordable housing requirements.

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

Economic Development Strategy tracking requirements

- Spokane Target Investment Area assessment, investments and outcomes (Public & Private)
 - Number of permits and total values
 - Public investment values
 - Incentive investment such as PCS & MFTE
 - Assessed Property values

Projects of Citywide Significance: Affordable Housing tracked as Multi-Family Tax Exemption

Annual Certification and Affordability Certification

Annually in February the property owner will submit a report, which includes:

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- A certification that the property has not changed use and, that the property has been in compliance with the affordable housing requirements.

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

RESOLUTION 2022-0065

A resolution Approving an updated Projects of Citywide Significance Incentive Policy.

WHEREAS, on July 18, 2022, the Spokane City Council adopted a resolution (Resolution No. 2022-0064) which states support for and establishment of an Economic Development Strategy to implement the City's Comprehensive Plan and growth strategies; and

WHEREAS, updates to the City's Policy and Procedure re: Projects of Citywide Significance Incentive Policy are needed in order to help in implementing the updated Economic Development Strategy; and,

WHEREAS, the updated Policy will:

- Help the City build stronger neighborhoods by targeting the Affordable Housing incentives to our most economically distressed census tracts,
- encourage more multi-family housing opportunities, including affordable housing opportunities,
- stimulate the construction of new multifamily housing and the rehabilitation of existing vacant and underutilized buildings for multi-family housing,
- increase the supply of mixed-income multifamily housing opportunities,
- help accomplish the planning goals required under the Growth Management Act, chapter 36.70A RCW,
- promote community development, neighborhood revitalization, and the availability of affordable housing, and

--NOW, THEREFORE,

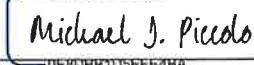
BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SPOKANE that the City Council hereby approves and supports the updated Projects of Citywide Significance Incentive Policy attached to this Resolution.

ADOPTED BY THE CITY COUNCIL ON July 18th, 2022.

DocuSigned by:

 CC58CEA4DC84DB City Clerk DS

Approved as to form:

DocuSigned by:

 0E80BB1D5FE48A Assistant City Attorney



CITY OF SPOKANE ADMINISTRATIVE POLICY AND PROCEDURE	ADMIN 0650-22-01 LGL 2022-0026 (Replaces ADMIN 0650-16-02)
TITLE: PROJECTS OF CITYWIDE SIGNIFICANCE INCENTIVE POLICY EFFECTIVE DATE: July 20, 2022 REVISION EFFECTIVE DATE: N/A	

1.0 GENERAL

1.1 The purpose of this policy is to replace ADMIN 0650-16-02 and provide uniform operating rules and procedures for the consideration and award of financial assistance to property owners and investment project(s) in the City of Spokane for Projects of Citywide Significance.

1.2 TABLE OF CONTENTS

- 1.0 GENERAL
- 2.0 DEPARTMENTS/DIVISIONS AFFECTED
- 3.0 REFERENCES
- 4.0 DEFINITIONS
- 5.0 POLICY
- 6.0 PROCEDURE
- 7.0 RESPONSIBILITIES
- 8.0 APPENDICES

2.0 DEPARTMENTS/DIVISIONS AFFECTED

This Policy shall apply to all City Departments.

3.0 REFERENCES

- City Council Resolution 2015-0084
- City Council Resolution 2015-0101
- City Council Resolution 2022-0064

4.0 DEFINITIONS

- 4.1 Project Review: The Project will be reviewed and awarded by staff based upon the project criteria outlined in Attachment A.
- 4.2 Project Award: A Project Award means the funding assistance, which may be available to a qualified project, based on the project's eligibility as defined in Attachment A.

- 4.3 Project of Citywide Significance: A Project of Citywide Significance means a private development project which entails the development, construction or physical improvement to real property located within the City of Spokane which meets the eligibility requirements defined in Attachment A. The type of real property development eligible for a Project Award can change over time. Attachment A identifies the types of projects currently eligible for a Project Award during a set time-frame, and while funding exists.
- 4.4 Qualified Project: A Qualified Project means a Project of Citywide Significance that meets all minimum requirements necessary for acceptance into the Project of Citywide Significance program and to be considered for such financial assistance as may be available and applicable under the program, as currently defined in Attachment A.
- 4.5 Development: Development means land or property development undertaken by an individual or company.

5.0 POLICY

- 5.1 Individual projects which include new investment and physical improvements to real property that provides significant Citywide public benefits. Such public benefits can include:
- meeting an urgent community need;
 - bringing new living wage jobs to the community;
 - generating new property sales and utility tax revenues;
 - improving the community through the advancement or implementation of existing community plans including the Comprehensive Plan and neighborhood plans;
 - protecting or improving the environment and conserving natural and historic resources;
 - advancing State and regional industry cluster growth and regional economic development plans; and
 - investing in targeted investment areas such as downtown Spokane, identified centers and corridors and target investment areas identified in the City's Economic Development strategy.
 - Increasing the City's supply of affordable housing.
- In order to provide for an equitable and transparent process for the use of financial incentives to encourage investments which provide significant public benefits to the City as described above, the Spokane City Council has adopted Resolution 2022-0064 which provides for an Award for project types currently defined in Attachment A during the time frame also set in Attachment A, and while funding allows.
- 5.2 It is intended that the City's financial investment awarded to individual projects under this program will be applied towards paying a Qualified Project's permit fees and/or transportation impact fees. The Award cannot

exceed a Project's total permit fees and may only cover a portion of the Qualified Project's total permit fees.

6.0 PROCEDURE

6.1 Application: Application for a financial incentive will be made on forms provided by the City of Spokane and shall be submitted 10 working days prior to a Qualified Project submitting a permit application.

6.2 Determination of Qualification: Within 10 business days of receipt of a complete application, the Planning and Economic Development Director or designated Staff will make a determination that: (a) The project is a qualified project with a public benefit and may be considered for financial assistance; (b) that additional information is needed to make the determination; or (c) that the project does not qualify for financial assistance under this program. Such determination will be made in writing.

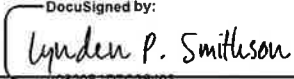
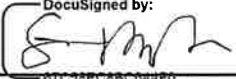
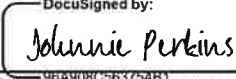
7.0 RESPONSIBILITIES

The City of Spokane Planning and Economic Development Services Department shall administer this Policy.

8.0 APPENDICES

Attachment A: Projects of Citywide Significance (PCS) Affordable Housing -- Priority

APPROVED BY:

<p>DocuSigned by:  <hr/> City Attorney Interim</p>	<p>7/20/2022 <hr/> Date</p>
<p>DocuSigned by:  <hr/> Director</p>	<p>7/20/2022 <hr/> Date</p>
<p>DocuSigned by:  <hr/> City Administrator</p>	<p>7/20/2022 <hr/> Date</p>

ATTACHMENT A

Projects of Citywide Significance (PCS) Affordable Multi-Family Housing -- Priority

PCS Affordable Multi-Family Housing Incentive

- Affordable Multi-Family housing projects are eligible for up to \$150,000 in permit fees being paid – applications are required
- This Affordable Multi-Family Housing Incentive is to increase residential housing units and is not applicable to mixed-use projects.
 - A project's actual permit fees may be more or less than the \$150,000 awarded under this program
 - Any permit fees exceeding the value of the award are the responsibility of the applicant

Eligibility Criteria

- Project must be located within the Spokane Targeted Investment Area identified in the Spokane City Council adopted Resolution 2022-0064.
- Applications received August 1 – October 31, 2022 or until funding is exhausted
- Must submit application for incentive prior to submitting building permit application(s)
- Multi-Family housing means a building having four or more dwelling units designed for permanent residential occupancy. For projects with multiple buildings, each building must have four or more dwelling units designed for permanent residential occupancy in order to qualify for this incentive.
- The project must meet the following affordability requirements (Income and Rent restrictions) which mirror and will be tracked through the City's Multiple-family Housing Property Tax Exemption, Chapter 8.15 SMC (MFTE) program regardless of whether the project participates in the MFTE incentive:
 - A project comprising 4-11 rental and/or owner-occupied dwelling units must set aside **20%** of the dwelling units as income and rent restricted for households with household incomes of 80-115% Area Median Income (AMI) for a minimum period of twelve (12) years; the remaining **80%** of the dwelling units are unrestricted.
 - A project comprising 12 or more rental and/or owner-occupied dwelling units must set aside **25%** of the dwelling units as income and rent restricted for households with household incomes of 80-115% Area Median Income (AMI) for a minimum period of twelve (12) years; the remaining **75%** of the dwelling units are unrestricted.
 - For a MFTE project to qualify for the twenty-year program, at least **25%** of the units must be sold to a qualified nonprofit or local government partner that will assure permanent affordable homeownership. The remaining **75%** of units may be rented or sold at market rates. Permanently affordable homeownership units must be sold to low-income households earning no more than 80 percent of the area median income.
- If the applicant has not received building permits for a project by October 31, 2023, the incentive shall expire and be null and void.