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ORDINANCE NO. 2015-12-051

AN ORDINANCE AMENDING BELLINGHAM MUNICIPAL CODE CHAPTER 17.82 TO ADD TARGET AREA 4, FAIRHAVEN URBAN VILLAGE AND TARGET AREA 5, BARKLEY VILLAGE AND TO REVISE REQUIREMENTS FOR 12-YEAR EXEMPTIONS FOR AFFORDABLE LOW-INCOME HOUSING

WHEREAS, Ordinance 1999-09-054, 2003-03-011 2005-07-062 established criteria and procedures for *ad valorem* property tax exemptions for multi-unit housing located in designated target areas in urban centers pursuant to RCW Chapter 84.14; and

WHEREAS, Ordinance 2010-12-078 incorporated State legislative amendments for receiving a 12-year property tax exemption for affordable low-income housing; and

WHEREAS, Ordinance 2010-12-078 and Ordinance 2014-09-044 amended boundaries for target areas for Downtown, Old Town, Samish Way and Fountain District; and

WHEREAS, the City Council wishes to amend the boundaries for target areas in Barkley and Fairhaven urban villages where additional multifamily housing is desired, including affordable low-income housing; and

WHEREAS, a duly noticed public hearing before the Bellingham City Council regarding the proposed amendments was held on November 11th, 2015; and

WHEREAS, the City Council finds that the amendments are appropriate and consistent with the State Growth Management Act, RCW Chapter 84.14; and the Bellingham Comprehensive Plan;

NOW THEREFORE, THE CITY OF BELLINGHAM DOES ORDAIN:

Section 1. BMC Subsection 17.82.020 is amended as follows:

BMC 17.82.020 Targeted residential area designation and standards.

A. [UNCHANGED]

B. [UNCHANGED]

C. Designated Targeted Areas. The boundaries of the "targeted residential areas" are located within the urban centers listed below, and as indicated on the maps in this section as follows:

TARGETED AREA

MAP EXHIBIT	URBAN CENTER	DESIGNATION
Exhibit A	City Center Area	Area 1
Exhibit B	Samish Way Urban Village	Area 2
Exhibit C	Fountain District Urban Village	Area 3

MAP EXHIBIT	URBAN CENTER	DESIGNATION
<u>Exhibit D</u>	<u>Fairhaven Urban Village</u>	<u>Area 4</u>
<u>Exhibit E</u>	<u>Barkley Village</u>	<u>Area 5</u>

D. [UNCHANGED]

Section 2. BMC Subsection 17.82.030 is amended as follows:

BMC 17.82.030 Tax exemptions for multifamily housing in targeted residential areas.

A. [UNCHANGED]

B. [UNCHANGED but provided for ordinance clarity]

Duration of Exemption. For properties for which applications for certificates of tax exemption eligibility are submitted under Chapter 84.14 RCW on or after July 22, 2007, the value of improvements qualifying under this chapter will be exempt from ad valorem property taxation as follows:

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

2. For 12 successive years beginning January 1st of the year immediately following the calendar year of issuance of the certificate, if the property otherwise qualifies for the exemption under Chapter 84.14 RCW and meets the conditions in this subsection. For the property to qualify for the 12-year exemption under this subsection, the applicant must commit to renting or selling at least 20 percent of the multi-unit housing units as affordable housing units as set forth below:

a. Owner Occupancy. In the case of projects intended exclusively for owner occupancy, the minimum requirement of this subsection (B)(2) may be satisfied solely through housing affordable to moderate-income households during the authorized exemption period.

b. Rental Occupancy. In the case of projects intended for rental occupancy, the minimum requirement of this subsection (B)(2) must be satisfied based on affordability requirements outlined in subsection (D)(9) of this section.

C. [UNCHANGED]

D. Project Eligibility. A proposed project must meet the following requirements to be considered for a property tax exemption:

1. [UNCHANGED]

2. [UNCHANGED]

3. [UNCHANGED]

4. [UNCHANGED]

1 5. Affordable Housing. Projects located in Target Area 4 or Area 5 are required to meet if
2 applicable, the proposed multi-unit housing project meets the affordable housing
3 requirements as described in subsection (B)(2) of this section.

4 6. [UNCHANGED]

5 7. [UNCHANGED]

6 8. [UNCHANGED]

7 9. Affordable Housing. Projects intended for rental occupancy seeking a 12-year tax
8 exemption pursuant to subsection (B)(2) of this section shall provide 20 percent of the
9 multi-unit housing as follows:

10 a. At least 10 percent of the Affordable housing units shall be available to
11 households whose adjusted income is at or below 50-60 percent of the median
12 family income adjusted for family size for Whatcom County, except as otherwise
13 allowed in subsection (B)(9)(b) below.

14 b. The affordable housing requirement can be met, either partially or fully, for any
15 units with two or more bedrooms that are available to households whose
16 adjusted income is at or below 80 percent of median family income adjusted for
17 family size for Whatcom County. The balance of affordable housing required not
18 met by subsection (D)(9)(a) of this section shall be available to households
19 whose adjusted income is at or below 80 percent of median family income
20 adjusted for family size for Whatcom County.

21 E. [NO CHANGE]

22 F. [NO CHANGE]

23 G. [NO CHANGE]

24 H. [NO CHANGE]

25 I. [NO CHANGE]

26 J. [NO CHANGE]

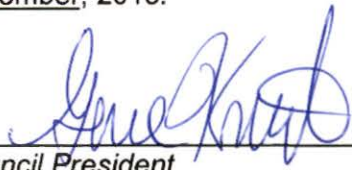
27 K. [NO CHANGE]

28 L. [NO CHANGE]

29 M. [NO CHANGE]


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PASSED by the Council this 14th day of December, 2015.

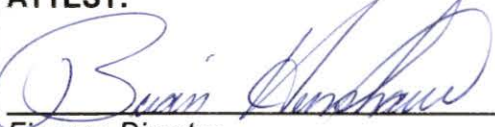


Council President


APPROVED by me this 18th day of December, 2015.



Mayor

ATTEST:


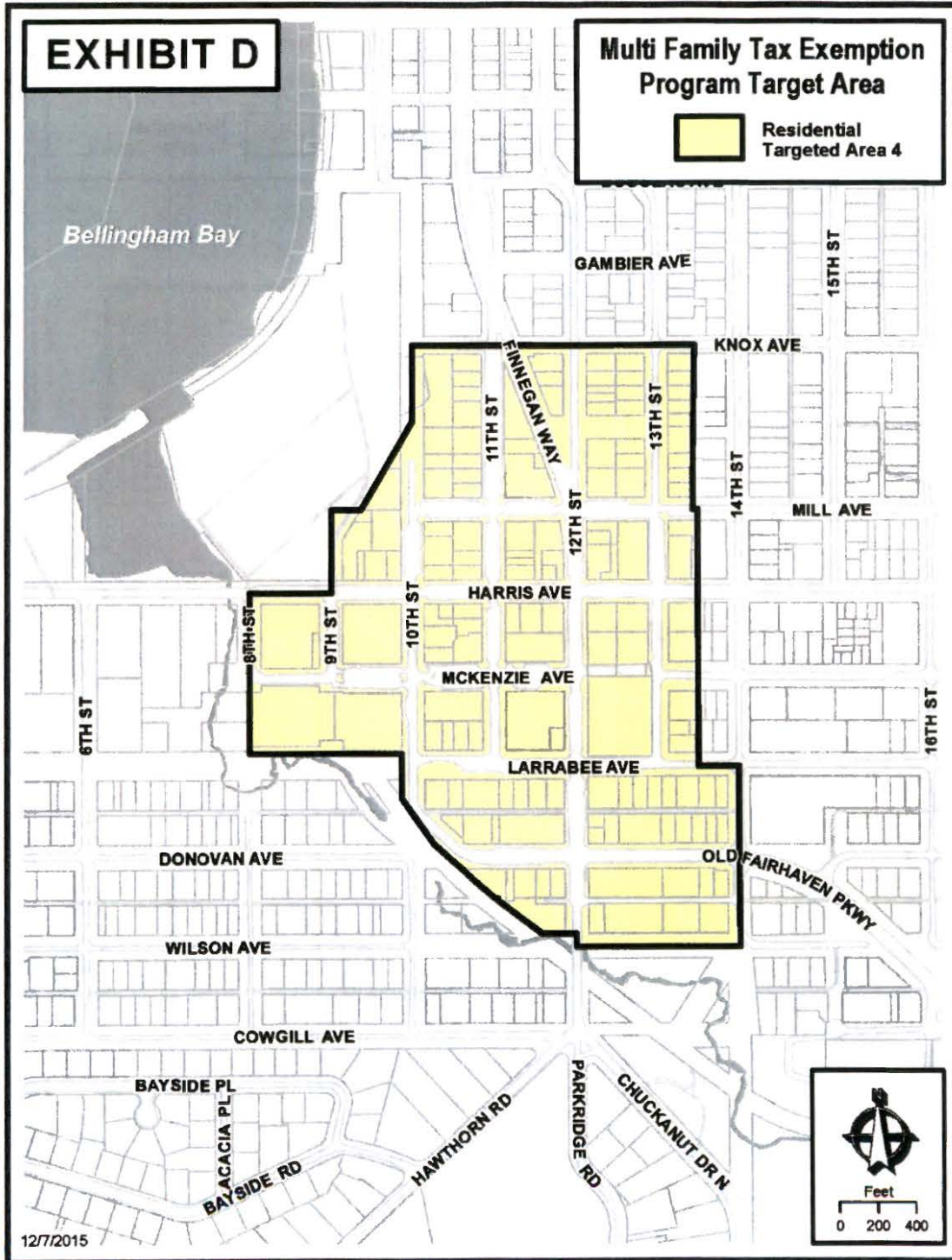
Finance Director

APPROVED AS TO FORM:


Office of the City Attorney

Published: December 18, 2015

EXHIBIT D:

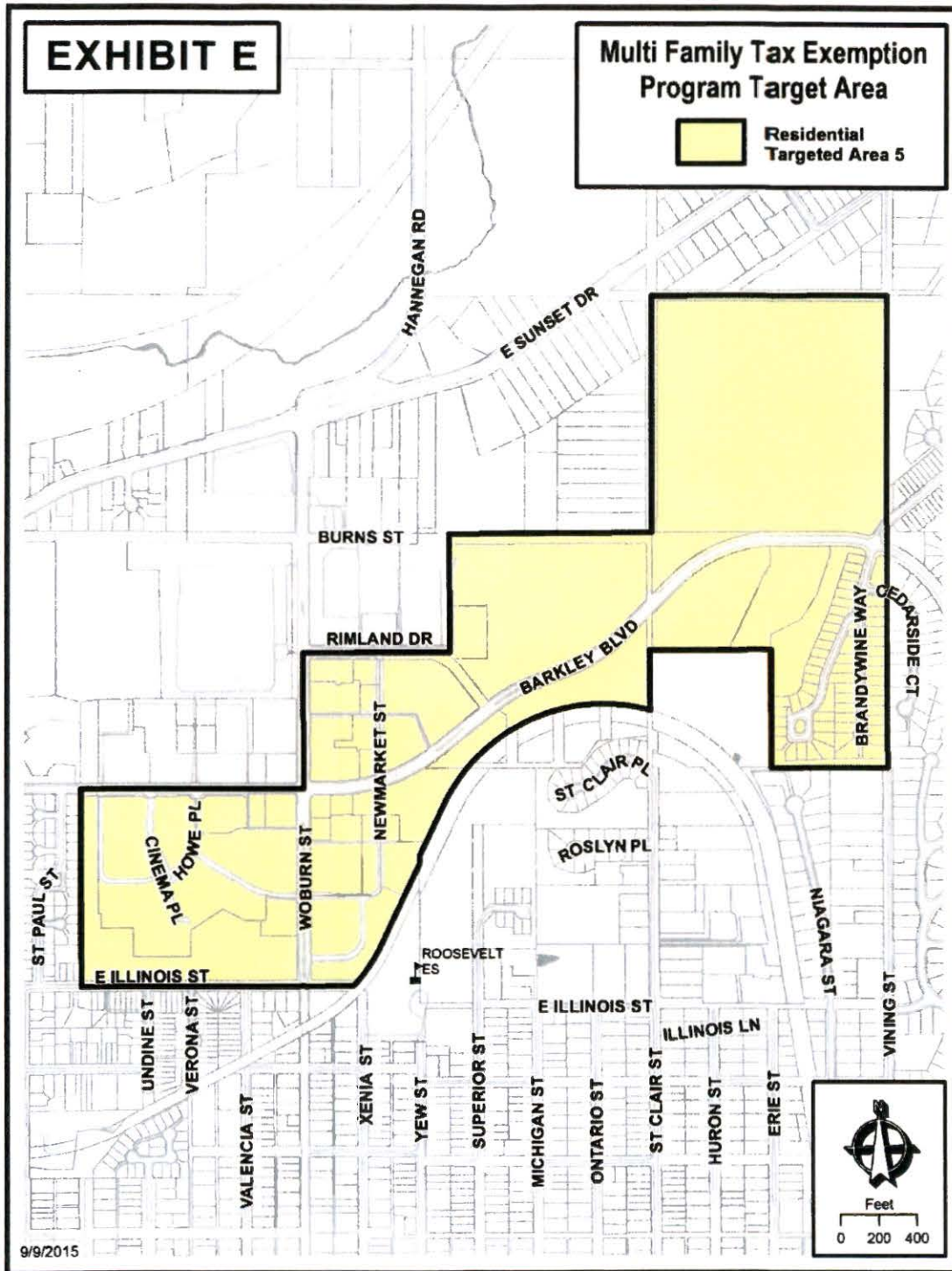


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EXHIBIT E:



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