

11/23/20
12/07/20

ORDINANCE NO. M-_____

AN ORDINANCE related to multi-family property tax exemption, amending Vancouver Municipal Code Section 3.22.040; and providing for an effective date.

WHEREAS, the City of Vancouver desires increased affordable housing in urban areas, and

WHEREAS, The Washington State legislature has put into state law the authorization of a multifamily housing property tax exemption to promote multifamily housing including an affordability option, (RCW 84.14), and

WHEREAS, the RCW 84.14 affordability option allows the multifamily tax exemption for low and moderate income households earning below 115% of the area median income as reported by the United States Department of Housing and Urban Development (HUD), and

WHEREAS, HUD uses data from a six county regional metropolitan statistical area (MSA) as the basis to determine the area median income rather than income data specific to Vancouver, Washington, and

WHEREAS, Vancouver's 2020 median household income estimate (using HUD calculation methodology) is \$64,900, 29.5% lower than the \$92,100 Portland MSA median family income, and

WHEREAS, Rents affordable to households using the Portland MSA area median income are not equally affordable to households using the Vancouver median household income.

WHEREAS, RCW 84.14.040 (6) allows that "The governing authority may adopt and implement, either as conditions to eight-year exemptions or as conditions to an extended exemption period under RCW 84.14.020(1)(a)(ii)(B), or both, more stringent income eligibility, rent, or sale price

limits, including limits that apply to a higher percentage of units, than the minimum conditions for an extended exemption period under RCW 84.14.020(1)(a)(ii)(B)”.

WHEREAS, the Vancouver City Council recommended changes to VMC Chapter 3.22 to increase the affordability of units constructed through the Multifamily Tax Exemption program by lowering the eligible household income requirement,

NOW, THEREFORE,

BE IT ORDAINED BY THE CITY OF VANCOUVER:

Section 1. Vancouver Municipal Code, Chapter 3.22 MULTI-FAMILY HOUSING TAX EXEMPTION as last amended by Ordinance M-4225 and codified at Vancouver Municipal Code Section 3.22.040 D, sub-section 8 is hereby amended to read as follows:

8. Affordability. To be eligible for the eight-year tax exemption option under this chapter, the applicant may choose between the market-rate option and the affordable option.

a. Under the eight-year market-rate exemption option, applicants shall enter into a development agreement with the city specifying requirements such as enhanced design, public art, additional parking or structured parking, enhanced landscaping, enhanced infrastructure (e.g. wider sidewalks, undergrounding utilities), homeownership component, energy efficiency, consistency with subarea plan.

b.

1. To be eligible for the eight-year affordable exemption option under this chapter, applicants must commit to renting or selling at least 20% of units as affordable housing to households with annual incomes at or below ~~100~~ 70% of Area Median Income.

2. To be eligible for the ten-year tax exemption, applicants must commit to renting or selling at least 20% of units as affordable housing to households with annual incomes at or below ~~80~~ 55% of Area Median Income.
3. To be eligible for the twelve year tax abatements exemption under this chapter, applicants must commit to renting or selling at least 20% of units as affordable housing to households with annual incomes at or below ~~60~~ 45% of Area Median Income.

Table 1: Affordability Requirements

<u>Exemption Period</u>	<u>Affordability Requirement</u>
<u>Eight (8) Years</u>	No affordability requirement with development agreement under market-rate option; or Minimum of 20% of units rented or owned will be affordable housing to households at/below 100 <u>70%</u> of Area Median Income
<u>Ten (10) Years</u>	Minimum of 20% of units rented or owned will be affordable housing to households at/below 80 <u>55%</u> of Area Median Income
<u>Twelve (12) Years</u>	Minimum of 20% of units rented or owned will be as affordable housing to households at/below 60 <u>45%</u> of Area Median Income

Section 2. Effective Date. This ordinance shall take effect January 6, 2021.

Read first time:

Ayes: Councilmembers

Nays: Councilmembers

Absent: Councilmembers

Read second time:

PASSED by the following vote:

Ayes: Councilmembers

Nays: Councilmembers

Absent: Councilmembers

SIGNED this _____ day of _____ 2020.

Anne McEnery-Ogle, Mayor

Attest:

Approved as to form:

Natasha Ramras, City Clerk

Jonathan Young, City Attorney

SUMMARY

ORDINANCE NO. _____

AN ORDINANCE related to the MultiFamily Tax Exemption; amending Ordinance M-4186 now codified at Vancouver Municipal Code Section 3.22 and as last amended by Ordinance M-4225, and providing for savings and an effective date of January 6, 2021.

The full text of this ordinance will be mailed upon request. Contact Raelyn McJilton, Records Officer at 487-8711, or via www.cityofvancouver.us (Go to City Government and Public Records).