

ORDINANCE O-4663

AN ORDINANCE OF THE CITY OF KIRKLAND AMENDING KIRKLAND MUNICIPAL CODE CHAPTER 5.88 REGARDING THE MULTIFAMILY HOUSING PROPERTY TAX EXEMPTION.

1 WHEREAS, Washington state law, Chapter 84.14 RCW, provides
2 for the exemption from ad valorem property taxation for the value of
3 eligible improvements associated with qualifying multi-unit housing
4 located in residential targeted areas and authorizes the City to designate
5 said residential targeted areas; and
6

7 WHEREAS, the stated purpose of Chapter 84.14 RCW is to
8 increase residential opportunities by stimulating construction of new
9 multifamily housing and the rehabilitation of existing vacant and
10 underutilized buildings for multifamily housing in areas where the City
11 finds there are insufficient residential opportunities; and
12

13 WHEREAS, the City has adopted residential targeted areas in
14 Chapter 5.88 of the Kirkland Municipal Code; and
15

16 WHEREAS, RCW 84.14.040 gives the City broad authority to
17 adopt and implement standards and guidelines for its multifamily
18 housing property tax exemption; and
19

20 WHEREAS, the City has included requirements in Chapter 5.88
21 of the Kirkland Municipal Code for the provision of affordable housing in
22 exchange for granting multifamily housing property tax exemptions; and
23

24 WHEREAS, options for affordable assisted living units and rental
25 units for senior citizen households will support the City's housing
26 strategy of allowing Kirkland residents to "age in place" within the
27 Kirkland community.
28

29 NOW, THEREFORE, the City Council of the City of Kirkland do
30 ordain as follows:
31

32 Section 1. Chapter 5.88 of the Kirkland Municipal Code is hereby
33 amended to read as follows:
34

35 5.88.020 Definitions.
36

37 (a) "Affordable" means:
38

39 (1) For an owner-occupied dwelling unit, housing reserved for
40 occupancy by eligible households and affordable to households whose
41 household annual income does not exceed the following percentages of
42 the King County median household income, adjusted for household size,
43 as determined by the United States Department of Housing and Urban
44 Development (HUD), and where no more than thirty percent of the
45 monthly household income is paid for monthly housing expenses

46 (mortgage and mortgage insurance, property taxes, property insurance
47 and homeowner's dues):

48
49 (A) Eighty percent in zoning districts where additional building height
50 is allowed in exchange for the creation of affordable housing units; or

51
52 (B) One hundred percent in zoning districts where additional dwelling
53 units are allowed in exchange for the creation of affordable housing
54 units;

55
56 (2) For a renter-occupied dwelling unit, housing reserved for
57 occupancy by eligible households and affordable to households whose
58 household annual income does not exceed fifty percent of the King
59 County median household income, adjusted for household size, as
60 determined by HUD, and where no more than thirty percent of the
61 monthly household income is paid for monthly housing expenses (rent
62 and an appropriate utility allowance). ~~In the event that HUD no longer
63 publishes median income figures for King County, the city may use or
64 determine such other method as it may choose to determine the King
65 County median income, adjusted for household size.~~

66
67 (3) For rental units for senior citizen households and assisted living
68 units, housing reserved for occupancy by eligible households and
69 affordable to households whose household annual income does not
70 exceed fifty percent of the King County median household income,
71 adjusted for household size, as determined by HUD, and where no more
72 than sixty percent of the monthly household income is paid for monthly
73 housing and service expenses (including rent and an appropriate utility
74 allowance, and services such as prepared daily meals, regular
75 housekeeping for living units, transportation, personal care, and
76 supportive health services). The actual percentage of monthly
77 household income allowed shall be determined by City staff on a case-
78 by-case basis following an analysis of the extent of services provided in
79 the rental contract. The amount shall not be less than 30 percent nor
80 greater than 60 percent. Assisted living facilities may satisfy this
81 requirement if they accept Medicaid payments as payment in full for
82 assisted living units. In no case shall an entrance, community or other
83 buy-in fee be charged as a condition of renting an affordable unit.

84
85 In the event that HUD no longer publishes median income figures for
86 King County, the city may use or determine such other method as it may
87 choose to determine the King County median income, adjusted for
88 household size.

89
90 (b) "Assessor" means the King County assessor.

91
92 (c) "Assisted living facility" means a state-licensed multi-unit
93 establishment which provides living quarters and a variety of limited
94 personal care and at least a minimal amount of supportive health care
95 to individuals who are unable to live independently due to infirmity of
96 age, physical or mental handicap, but who do not need the skilled
97 nursing care of a convalescent center or nursing home. Supportive
98 health care may include health care monitoring, such as assistance with
99 medication, but is limited to health care services which may be provided

100 by a boarding home licensed under Chapter 18.20 RCW. These facilities
 101 may consist of individual dwelling units with a full kitchen, partial kitchen
 102 or no kitchen. In addition, these facilities may have a communal dining
 103 area, recreational facilities (library, lounge, game room, open space),
 104 and/or laundry facilities. Assisted living facilities do not include adult
 105 family homes, as defined in Chapter 70.128 RCW.

106 (d) "Assisted living unit" means a living unit in an assisted living facility
 107 in which a resident receives medical or health care services. A bedroom
 108 is the equivalent of a unit for the purpose of calculating the number of
 109 assisted living units.

110
 111 ~~(e)~~(e) "Director" means the director of the city's planning and building
 112 department, or any other city office, department or agency that shall
 113 succeed to its functions with respect to this chapter, or his or her
 114 authorized designee.

115
 116 ~~(d)~~(f) "Eligible household" means one or more adults and their
 117 dependents who, as set forth in the regulatory agreement referenced in
 118 Section 5.88.040(7), certify that their household annual income does
 119 not exceed the applicable percent of the median household income for
 120 King County, adjusted for household size, as determined by the United
 121 States Department of Housing and Urban Development (HUD); and who
 122 certify that they meet all qualifications for eligibility, including, if
 123 applicable, any requirements for recertification on income eligibility.

124
 125 ~~(e)~~(g) "Household annual income" means the aggregate annual
 126 income of all persons over eighteen years of age residing within the
 127 same household for a period of at least four months.

128
 129 ~~(f)~~(h) "Multifamily housing" means a building or townhouse project
 130 having four or more dwelling units designed for permanent residential
 131 occupancy resulting from new construction or rehabilitation or
 132 conversion of vacant, underutilized, or substandard buildings.

133
 134 ~~(g)~~(i) "Owner" means the property owner of record.

135
 136 ~~(h)~~(j) "Permanent residential occupancy" means multifamily housing
 137 that provides either rental or owner occupancy for a period of at least
 138 one month, and excludes hotels and motels that predominately offer
 139 rental accommodation on a daily or weekly basis.

140
 141 ~~(i)~~(k) "Rehabilitation improvements" means:

142
 143 (1) Modifications to an existing structure, the residential portion of
 144 which has been vacant for at least twelve months prior to application
 145 for exemption under this chapter, that are made to achieve a condition
 146 of substantial compliance with the applicable building and construction
 147 codes contained in Title 21 of this code; or

148
 149 (2) Modifications to an existing occupied residential structure, or
 150 mixed use structure that contains occupied residential units, that add at
 151 least four multifamily dwelling units.

152 (l) "Rental units for senior citizen households" means dwelling units
153 qualifying for the "Housing for Older Persons" exemption under the Fair
154 Housing Act.

155
156 (j)(m) "Residential targeted area" means an area within an urban
157 center as defined by Chapter 84.14 RCW and the city that has been so
158 designated by the city council pursuant to this chapter.

159
160 (k)(n) "Substantial compliance" means compliance with the applicable
161 building and construction codes contained in Title 21 of this code that is
162 typically required for rehabilitation as opposed to new construction.

163
164 Section 2. If any provision of this ordinance or its application to
165 any person or circumstance is held invalid, the remainder of the
166 ordinance, or the application of the provision to other persons or
167 circumstances is not affected.

168
169 Section 3. This ordinance shall be in force and effect five days
170 from and after its passage by the Kirkland City Council and publication
171 pursuant to Section 1.08.017, Kirkland Municipal Code in the summary
172 form attached to the original of this ordinance and by this reference
173 approved by the City Council.

174
175 Passed by majority vote of the Kirkland City Council in open
176 meeting this 16th day of October, 2018.


177
178 Signed in authentication thereof this 16th day of October, 2018.



Amy Walen, Mayor

Attest:

Publication Date 10/22/2018



Kathi Anderson, City Clerk

Approved as to Form:



Kevin Raymond, City Attorney

PUBLICATION SUMMARY
OF ORDINANCE O-4663

AN ORDINANCE OF THE CITY OF KIRKLAND AMENDING KIRKLAND MUNICIPAL CODE CHAPTER 5.88 REGARDING THE MULTIFAMILY HOUSING PROPERTY TAX EXEMPTION.

Section 1. Amends Chapter 5.88 of the Kirkland Municipal Code.

Section 2. Provides a severability clause for the ordinance.

Section 3. Authorizes publication of the ordinance by summary, which summary is approved by the City Council pursuant to Section 1.08.017, Kirkland Municipal Code and establishes the effective date as five days after publication of summary.

The full text of this Ordinance will be mailed without charge to any person upon request made to the City Clerk for the City of Kirkland. The Ordinance was passed by the Kirkland City Council at its meeting on the 16th day of October, 2018.

I certify that the foregoing is a summary of Ordinance O-4663 approved by the Kirkland City Council for summary publication.


Kathi Anderson, City Clerk

Publication Date 10/22/2018