



Meeting Agenda

City Council

City Hall
601 4th Avenue E
Olympia, WA 98501

Information: 360.753.8244

Tuesday, June 19, 2018

5:30 PM

Council Chambers

Study Session

1. ROLL CALL

2. BUSINESS ITEMS

2.A [18-0587](#) Multi-Family Tax Exemption - Residential Target Area Boundaries Briefing

Attachments: [Code Provisions](#)
[Areas Map](#)
[Future Land Use Map](#)
[Projects Summary](#)
[Target Areas - Lacey and Tumwater](#)

2.B [18-0371](#) Impact Fee Abatement Briefing

Attachments: [Summary of Impact Fee Waiver & RCW](#)
[2018 Impact Fee Schedule](#)
[2018 Fee Schedule for Single Family Development](#)

3. ADJOURNMENT

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City Council

Multi-Family Tax Exemption - Residential Target Area Boundaries Briefing

Agenda Date: 6/19/2018
Agenda Item Number: 2.A
File Number: 18-0587

Type: study session **Version:** 1 **Status:** Study Session

Title

Multi-Family Tax Exemption - Residential Target Area Boundaries Briefing

Recommended Action

The Land Use and Environment Committee recommended a City Council study session on this topic.

City Manager Recommendation:

Receive a briefing on expanded or additional residential target areas for the City's Multi-family Tax Exemption Program. Briefing only; no action requested.

Report

Issue:

Whether to receive a briefing on expanded or additional residential target areas for the City's Multi-family Tax Exemption Program.

Staff Contact:

Leonard Bauer, Deputy Director, Community Planning & Development, 360.753.8206

Presenter(s):

Leonard Bauer, Deputy Director, Community Planning & Development

Background and Analysis:

State law authorizes the City of Olympia to adopt a multi-family housing tax exemption program (RCW 84.14). Olympia's Multi-Family Tax Exemption provisions are codified in Olympia Municipal Code Chapter 5.86 (See Attachment).

The City Council first adopted the Multi-Family Tax Exemption (MFTE) provisions in August 1997 (Ordinance 5713) with a 10-year property tax exemption for downtown multi-family projects. The code provisions were amended in December 1997 (Ordinance 5734) to add new residential target areas: Eastside (4th/State corridor between Eastside and Fir Streets) and Westside (Harrison Avenue corridor between Cushing and Foote Streets)(See Attached Target Area Map). After the State Legislature revised the 10-year exemption into an eight-year market rate or 12-year affordable housing tax exemption, the City Council adopted the eight- and 12-year provisions on January 26, 2009, along with refinements to the residential target areas (Ordinance 6618).

The primary purpose for the law is to provide added incentives to promote construction of housing in designated residential target areas. Designated areas must, as determined by the City:

1. Be within an urban center (with mixed commercial/residential uses);
2. Lack sufficient available, desirable and convenient housing opportunities, including affordable housing, to meet the needs of the public desiring to live in the urban center; and
3. Be appropriate for the encouragement of construction of new multifamily housing and the rehabilitation of new vacant or under-utilized buildings for multi-family housing.

Based on Olympia's Comprehensive Plan policies and future land use map, areas that are most consistent with the above criteria are:

1. The high-density neighborhood and surrounding Urban Corridors in the vicinity of Cooper Point Road-Harrison Avenue-Black Lake Boulevard;
2. The high-density neighborhood and surrounding Urban Corridors in the vicinity of Pacific Avenue-Lilly Road-Martin Way; and
3. The Kaiser Road-Harrison Avenue opportunity area.

These locations are shown generally in red on the Comprehensive Plan future land use map (See Attachment - note the high-density neighborhoods also are overlaid with a cross-hatch pattern). The options below describe potential approaches for MFTE target areas within these three locations.

For projects approved by the City Council under this program, the increased value of new housing units is exempt from Ad Valorem tax for a defined period of time after completion of construction (eight years for market-rate housing, or 12 years for affordable housing units). The value of the underlying land, previously-existing residential units, and any non-housing improvements (for example, the commercial portion of a mixed use development) are not exempted and remain subject to Ad Valorem tax.

Housing units are defined as affordable if their monthly rental cost, including utilities, does not exceed thirty percent of the monthly income of a low or moderate-income household in Thurston County. Low and moderate-income households are defined as below 80 percent and 115 percent, respectively, of Thurston County's median income, as reported by the U.S. Department of Housing and Urban Development (HUD).

New housing construction must meet the following requirements to be eligible for a tax exemption:

- The housing is located in a designated residential target area adopted by the City Council;
- 50 percent or more of the project's space is for permanent residential occupancy;
- Four or more new housing units are created;
- The project complies with the City's comprehensive plan, building and zoning codes;
- The construction/rehabilitation is completed within three years of approval of the MFTE application;
- The applicant must enter into a contract with the City approved by Council; and
- The project does not displace existing residential tenants.

The City may adopt additional eligibility requirements that are more stringent than those above related to height, density, public benefit features, number or size of proposed developments, parking, income limits for occupancy, limits on rent or sales prices, or other requirements deemed necessary

by the City. These requirements may be applied to all or a percentage of residential units within a project.

Since its adoption in 1997, Olympia has approved 10 projects for the MFTE program, with two additional projects currently in process. These 12 projects provide 680 new residential units with a total construction value of \$75,746,577. All of the projects are located in the Downtown target area, except one 4-unit project in the Eastside target area currently in process. A summary of the City's MFTE projects is attached.

In recent years, the Cities of Lacey and Tumwater have also adopted residential target areas for the MFTE program (see Attachment).

Next steps include possible City Council consideration of a resolution of intention to adopt additional residential target areas for Multi-family Tax Exemption Program, for all areas designated as Urban Corridors in the Olympia Comprehensive Plan.

Neighborhood/Community Interests (if known):

The entire community is interested in production of additional residential housing in Olympia, especially affordable housing. The Olympia Comprehensive Plan calls for focusing the majority of future residential growth in designated high-density neighborhoods in close proximity to commercial services, frequent transit and other amenities. The City has adopted 'stepback and setback' zoning restrictions along urban corridors to improve transition of higher-density buildings to adjacent medium and low-density neighborhoods, and those neighborhoods are keenly interested in development in those corridors and high-density neighborhoods.

Options:

1. Receive a briefing and direct staff to draft, for City Council consideration, a resolution of intention to adopt expanded or additional MFTE residential target areas focused on one or more of the following:
 - a. High-density neighborhoods designated in the Olympia Comprehensive Plan, shown in cross-hatch in attached Future Land Use Map;
 - b. Areas designated as Urban Corridors in the Olympia Comprehensive Plan adjacent to the high-density neighborhoods, shown in red in attached Future Land Use Map;
 - c. The area designated as Urban Corridor adjacent to Harrison Avenue in the Kaiser-Harrison Opportunity Area in the Olympia Comprehensive Plan, shown in red at the far left side of the map in attached.
2. Receive a briefing and direct staff to provide additional specific information and refer back to the Land Use and Environment Committee for further consideration.
3. Receive a briefing and direct staff to discontinue examination of additional areas for designation as MFTE residential target areas.

Financial Impact:

Property taxes continue to be paid on the underlying property, previously-existing residential units, and the non-residential portion of new construction. The value of new residential improvements is exempt from Ad Valorem tax for eight years (market-rate units) or twelve years (affordable units) after completion of construction.

Attachments:

Code Provisions
Areas Map
Future Land Use Map
Projects Summary
Target Areas - Lacey and Tumwater

Chapter 5.86

MULTI-FAMILY DWELLING TAX EXEMPTIONS

5.86.000 Chapter Contents

Sections:

- [5.86.010](#) Definitions.
- [5.86.020](#) Residential target area, hearing on resolution.
- [5.86.030](#) Residential target area designation and standards.
- [5.86.040](#) Tax exemption for multi-family housing in residential target areas authorized.
- [5.86.050](#) Project eligibility.
- [5.86.060](#) Application procedure.
- [5.86.070](#) Application review and issuance of conditional certificate.
- [5.86.080](#) Extension of conditional certificate.
- [5.86.090](#) Application for final certificate.
- [5.86.100](#) Issuance of final certificate.
- [5.86.110](#) Annual compliance review.
- [5.86.120](#) Cancellation of tax exemption.

5.86.010 Definitions

When used in this chapter, the following terms shall have the following meanings, unless the context indicates otherwise:

- A. “Multi-family housing” means building(s) having four or more dwelling units designed for permanent residential occupancy resulting from new construction or rehabilitation or conversion of vacant, underutilized, or substandard buildings to multi-family housing.
- B. “Owner” means the property owner of record.
- C. “Urban center” means a compact identifiable district where urban residents may obtain a variety of products and services.
 - a. Several existing or previous, or both, business establishments that may include but are not limited to shops, offices, banks, restaurants, governmental agencies;
 - b. Adequate public facilities including streets, sidewalks, lighting, transit, domestic water, and sanitary sewer systems; and
 - c. A mixture of uses and activities that may include housing, recreating, and cultural activities in association with either commercial or office, or both, use.

D. “Director” means the Director of the City of Olympia Community Planning and Development Department or other city official designated by the City Manager to carry out this chapter.

E. “Permanent residential occupancy” means multi-unit housing that provides either rental or owner occupancy on a nontransient basis. This includes owner-occupied or rental accommodation that is leased for a period of at least one month. This excludes hotels and motels that predominately offer rental accommodation on a daily or weekly basis.

F. “Rehabilitation improvements” means modifications to existing structures that are vacant for twelve (12) months or longer, or modification to existing occupied structures which convert nonresidential space to residential space and/or increase the number of multi-family housing units.

G. “Residential target area” means an area within an urban center that has been designated by the City Council as lacking sufficient, available, desirable, and convenient residential housing to meet the needs of the public.

H. “Affordable housing” means residential housing that is rented by a person or household whose monthly housing costs, including utilities other than telephone, do not exceed thirty percent of the household’s monthly income. For the purposes of housing intended for owner occupancy, “affordable housing” means residential housing that is within the means of low or moderate-income households.

I. “Household” means a single person, family, or unrelated persons living together.

J. “Low-income household” means a single person, family, or unrelated persons living together whose adjusted income is at or below eighty percent of the median family income adjusted for family size, for the county where the project is located, as reported by the United States department of housing and urban development. For cities located in high-cost areas, “low-income household” means a household that has an income at or below one hundred percent of the median family income adjusted for family size, for the county where the project is located.

K. “Moderate-income household” means a single person, family, or unrelated persons living together whose adjusted income is more than eighty percent but is at or below one hundred fifteen percent of the median family income adjusted for family size, for the county where the project is located, as reported by the United States department of housing and urban development. For cities located in high-cost areas, “moderate-income household” means a household that has an income that is more than one hundred percent, but at or below one hundred fifty percent, of the median family income adjusted for family size, for the county where the project is located.

(Ord. 6618 §1, 2009; Ord. 5713 §1, 1997).

A. For the purpose of designating a residential targeted area or areas, the City Council may adopt a resolution of intention to designate an area described in the resolution. The resolution must state the time and place of a hearing to be held by the City Council to consider the designation of the area and may include such other information pertaining to the designation of the area as the City Council determines to be appropriate to apprise the public of the action intended.

B. The City Council shall give notice of a hearing held under this ordinance by publication of the notice once each week for two consecutive weeks, not less than seven days, nor more than thirty days before the date of the hearing in a paper having a general circulation in the city. The notice must state the time, date, place, and purpose of the hearing and generally identify the area proposed to be designated as a residential targeted area.

(Ord. 5713 §1, 1997).

5.86.030 Residential target area designation and standards



A. Criteria. Following a public hearing, with notice given by resolution pursuant to RCW [84.14.040](#), the City Council may, in its sole discretion, designate one or more residential target areas. Each designated target area must meet the following criteria, as determined by the City Council:

1. The target area is located within an urban center;
2. The target area lacks sufficient available, desirable, and convenient residential housing, including affordable housing, to meet the needs of the public who would likely live in the urban center if affordable, desirable, attractive, and livable places were available; and
3. The providing of additional housing opportunity, including affordable housing, in the target area will assist in achieving the following purposes:
 - a. Encourage increased residential opportunities within the target area; or
 - b. Stimulate the construction of new multi-family housing and the rehabilitation of existing vacant and under-utilized buildings for multi-family housing.

In designating a residential target area, the City Council may also consider other factors including, but not limited to: whether additional housing in the target area will attract and maintain a significant increase in the number of permanent residents; whether an increased residential population will help alleviate detrimental conditions and social liability in the target area; and whether an increased residential population in the target area will help to achieve the planning goals mandated by the Growth Management Act under RCW [36.70A.020](#). The City Council may, by ordinance, amend or rescind the designation of a residential target area at any time pursuant to the same procedure as set forth in this chapter for original designation.

B. Target Area Standards and Guidelines. For each designated residential target area, the City Council shall adopt basic requirements for both new construction and rehabilitation, including the application process and procedures. These requirements may include the following:

1. Requirements that address demolition of existing structures and site utilization; and
2. Building requirements that may include elements addressing parking, height, density, environmental impact, and compatibility with the existing surrounding property and such other amenities as will attract and keep permanent residents and that will properly enhance the livability of the residential targeted area in which they are to be located.

Area 1 - Downtown Residential Target Area

All of that portion of the City of Olympia, Washington described as beginning at the intersection of the East shoreline of Capitol Lake with the Westerly extension of centerline of 15th Ave extended Westerly; thence Easterly along said centerline and its extension to the centerline of Capitol Way; thence southerly along said centerline to the centerline of 16th Ave.; thence Easterly along said centerline and its extension to the Northwesterly boundary line of Interstate 5; thence Northeasterly along said line to its intersection with the centerline of Eastside St. thence Northerly along said centerline to the centerline of State Ave.; thence Westerly along said centerline to the centerline of East Bay Dr.; thence Northerly along said centerline of East Bay Dr. to Olympia Ave; thence Westerly along said centerline to the centerline of Indian/Moxlie Creek Culvert; thence Northerly along said creek centerline to the shoreline of Budd Inlet; thence along said shoreline and the shoreline of Capitol Lake to the point of beginning; EXCEPTING THEREFROM that area lying Westerly of Water Street and Northerly of 5th Ave and Southerly of Budd Inlet.

Area 2 - Eastside Residential Target Area

All properties located along State Ave. and 4th Ave. which are bounded by Eastside St. on the West and Fir St. on the East; said area limited to a half block North of State Ave. and a half block south of 4th Ave.; ALSO all properties located North of State Ave between East Bay drive and Eastside St. and South of Olympia Ave.; EXCEPTING THEREFROM the North half of the block which lies between Pear Street and Quince St., and Olympia Ave. and State St.; ALSO EXCEPTING THEREFROM the three lots located at the Southwest corner of Eastside St. and Olympia. Ave.

Area 3 - Westside Residential Target Area

All properties located along Harrison Avenue which is currently bounded by: Cushing Street on the west; Foote Street on the east; extending only two lots deep both north and south of Harrison Avenue. Also included is the third lot north, located at the northeast corner of Harrison Avenue and Milroy Street; the third and fourth lot north, located at the northeast corner of Harrison Avenue and Decatur Street; the third and fourth lots south, located at the southwest corner of Harrison Avenue and Decatur Street; and the block bounded by Perry Street




on the west, Garfield Street on the north, Plymouth Street on the east and Harrison Avenue on the south; EXCEPT any portion lying within Woodruff Park.

(Ord. 6643 §1, 2009; Ord. 6618 §1, 2009; Ord. 5734 §1; Ord. 5713 §1, 1997).

5.86.040 Tax exemptions for multi-family housing in residential target areas authorized



A. Duration of Exemption. The value of improvements qualifying under this chapter will be exempt from ad valorem property taxation, as follows:

1. For properties for which applications for certificates of tax exemption eligibility are submitted under Chapter [84.14](#)  RCW before the effective date of Chapter 430, Laws of 2007, the value is exempt for ten (10) successive years beginning January 1 of the year immediately following the calendar year after issuance of the Final Certificate of Tax Exemption.
2. For properties for which applications for certificates of tax exemption eligibility are submitted under Chapter [84.14](#)  RCW on or after the effective date of Chapter 430, Laws of 2007, the value is exempt:
 - a. For eight successive years beginning January 1st of the year immediately following the calendar year of issuance of the certificate; or
 - b. For twelve 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 twelve-year exemption under this subsection, the applicant must commit to renting or selling at least twenty percent of the multi-family housing units as affordable housing units to low and moderate-income households, and the property must satisfy that commitment and any additional affordability and income eligibility conditions adopted by the City. In the case of projects intended exclusively for owner occupancy, the minimum requirement of this subsection may be satisfied solely through housing affordable to moderate-income households.

B. Limits on Exemption. The exemption does not apply to the value of land or to the value of improvements not qualifying under this ordinance, nor does the exemption apply to increases in assessed valuation of land and nonqualifying improvements. In the case of rehabilitation of existing buildings, the exemption does not include the value of improvements constructed prior to submission of the completed application required under this ordinance. This chapter does not apply to increases in assessed valuation made by the assessor on nonqualifying portions of building and value of land nor to increases made by lawful order of a county board of equalization, the department of revenue, or a county, to a class of property throughout the county or specific area of the county to achieve the uniformity of assessment or appraisal required by law.

(Ord. 6618 §1, 2009; Ord. 5713 §1, 1997).

5.86.050 Project eligibility

A proposed project must meet the following requirements for consideration for a property tax exemption:

- A. Location. The project must be located within a residential target area as designated in 5.86.030.
- B. Tenant Displacement Prohibited. The project must not displace existing residential tenants of structures that are proposed for redevelopment. Existing dwelling units proposed for rehabilitation must have been unoccupied for a minimum of twelve (12) months prior to submission of an application and must have one or more violations of the City's minimum housing code. Applications for new construction cannot be submitted for vacant property upon which an occupied residential rental structure previously stood, unless a minimum of twelve (12) months has elapsed from the time of most recent occupancy.
- C. Size. The project must include at least four (4) units of multi-family housing within a residential structure or as part of an urban development. A minimum of four new units must be constructed or at least four (4) additional multi-family units must be added to existing occupied multi-family housing. Existing multi-family housing that has been vacant for twelve (12) months or more does not have to provide additional units so long as the project provides at least four (4) units of new, converted, or rehabilitated multi-family housing.
- D. Proposed Completion Date. New construction multi-family housing and rehabilitation improvements must be completed within three (3) years from the date of approval of the application.
- E. Compliance with Guidelines and Standards. The project must be designed to comply with the City's comprehensive plan, building, housing, and zoning codes, and any other applicable regulations in effect at the time the application is approved. The project must also comply with any other standards and guidelines adopted by the City Council for the residential target area in which the project will be developed.
- F. At least fifty percent (50%) of the space in a new, converted, or rehabilitated multiple unit must be for permanent residential housing. In the case of existing occupied multi-family development, the multi-family housing must also provide for a minimum of four additional multi-family units. Existing multi-family vacant housing that has been vacant for twelve months or more does not have to provide additional units;
- G. The applicant must enter into a contract with City approved by City Council under which the applicant agrees to the implementation of the development on terms and conditions satisfactory to the City Council.

(Ord. 6618 §1, 2009; Ord. 5713 §1, 1997).

5.86.060 Application procedure

A property owner who wishes to propose a project for a tax exemption shall complete the following procedures:

A. Prior to April 1 of any year, file with the Director the required application along with the required fees. The application fee to the City shall be One Hundred Dollars and No Cents (\$100).

B. A complete application shall include:

1. A completed City of Olympia application form setting forth the grounds for the exemption;
2. Preliminary floor and site plans of the proposed project;
3. A statement acknowledging the potential tax liability when the project ceases to be eligible under this chapter; and
4. Verification by oath or affirmation of the information submitted.

For rehabilitation projects, the applicant shall also submit an affidavit that existing dwelling units have been unoccupied for a period of twelve (12) months prior to filing the application and shall secure from the City verification of property noncompliance with the City's applicable building or housing codes.


(Ord. 5713 §1, 1997).

5.86.070 Application review and issuance of conditional certificate



The Director may certify as eligible an application which is determined to comply with the requirements of this chapter. A decision to approve or deny an application shall be made within ninety (90) calendar days of receipt of a complete application.

A. Approval. The Director may approve the application if he/she finds that:

1. A minimum of four new units are being constructed or in the case of occupied rehabilitation or conversion a minimum of four additional multifamily units are being developed;
2. If applicable, the proposed multiunit housing project meets the affordable housing requirements as described in RCW [84.14.020](#) .
3. The proposed project is or will be, at the time of completion, in conformance with all local plans and regulations that apply at the time the application is approved;
4. The owner has complied with all standards and guidelines adopted by the city under this ordinance; and

5. The site is located in a residential targeted area of an urban center that has been designated by the City Council in accordance with procedures and guidelines of this ordinance.

B. If an application is approved, the applicant shall enter into a contract with the City, approved by the City Council, regarding the terms and conditions of the project. Upon City Council approval of the contract, the Director shall issue a Conditional Certificate of Acceptance of Tax Exemption. The Conditional Certificate expires three (3) years from the date of approval unless an extension is granted as provided in this chapter.

C. Denial. The Director shall state in writing the reasons for denial and shall send notice to the applicant at the applicant's last known address within ten (10) calendar days of the denial. An applicant may appeal a denial to the City Council within thirty (30) calendar days of receipt of notice by filing an appeal with the Director with a \$100 fee. The appeal will be based on the record made by the Director. The Director's decision will be upheld unless the applicant can show that there is no substantial evidence on the record to support the Director's decision. The City Council's decision on appeal will be final.

(Ord. 6618 §1, 2009; Ord. 5713 §1, 1997).

5.86.080 Extension of conditional certificate



The Conditional Certificate and time for completion of the project may be extended by the Director for a period not to exceed a total of twenty-four (24) consecutive months. The applicant must submit a written request stating the grounds for the extension, accompanied by a Fifty Dollar (\$50) processing fee. An extension may be granted if the Director determines that:

A. The anticipated failure to complete construction or rehabilitation within the required time period is due to circumstances beyond the control of the owner;

B. The owner has been acting and could reasonably be expected to continue to act in good faith and with due diligence; and


C. All the conditions of the original contract between the applicant and the City will be satisfied upon completion of the project.

(Ord. 5713 §1, 1997).

5.86.090 Application for final certificate



Upon completion of the improvements agreed upon in the contract between the applicant and the City and upon issuance of a temporary or permanent certificate of occupancy, the applicant may request a Final Certificate of Tax Exemption. The applicant must file with the Director the following:

- A. A statement of expenditures made with respect to each multi-family housing unit and the total expenditures made with respect to the entire property;
- B. A description of the completed work and a statement of qualification for the exemption; and
- C. If applicable, a statement that the project meets the affordable housing requirements as described in RCW [84.14.020](#) ; and
- D. A statement that the work was completed within the required three-year period or any authorized extension.

Within thirty (30) calendar days of receipt of all materials required for a Final Certificate, the Director shall determine whether the specific improvements, and the affordability of the units, satisfy the requirements of the contract, application, and this ordinance.

(Ord. 6618 §1, 2009; Ord. 5713 §1, 1997).

5.86.100 Issuance of final certificate



If the Director determines that the project has been completed in accordance with this ordinance and the contract between the applicant and the City has been completed within the authorized time period, the City shall, within ten (10) calendar days of the expiration of the thirty-day review period above, file a Final Certificate of Tax Exemption with the Thurston County Assessor.

A. Denial and Appeal. The Director shall notify the applicant in writing that a Final Certificate will not be filed if the Director determines that:


1. The improvements were not completed within the authorized time period;
2. The improvements were not completed in accordance with the contract between the applicant and the City; or
3. The owner's property is otherwise not qualified under this chapter.


Within fourteen (14) calendar days of receipt of the Director's denial of a Final Certificate, the applicant may file an appeal with the City's Hearing Examiner, as provided in Chapter [18.82](#) of the Olympia Municipal Code upon payment of a \$100 fee. No appeal is provided from the Hearing Examiner to the City Council. The applicant may appeal the Hearing Examiner's decision to the Thurston County Superior Court if the appeal is filed within thirty (30) calendar days of his/her receiving notice of that decision.

(Ord. 5713 §1, 1997).

5.86.110 Annual compliance review

Within thirty (30) calendar days after the first anniversary of the date of filing the Final Certificate of Tax Exemption and each year thereafter for the tax exemption period, the property owner shall file a notarized declaration with the Director indicating the following:


- A. A statement of occupancy and vacancy of the multi-family units during the previous year;
- B. A certification that the property continues to be in compliance with the contract with the City and this ordinance and, if applicable, that the property has been in compliance with the affordable housing requirements as described in RCW [84.14.020](#)  since the date of the approved certificate; and
- C. A description of any subsequent improvements or changes to the property; and
- D. Any additional information requested by the City in regards to the units receiving a tax exemption.

City staff may also conduct on-site verification of the declaration. Failure to submit the annual declaration shall result in a review of the exemption per RCW [84.14.110](#) .

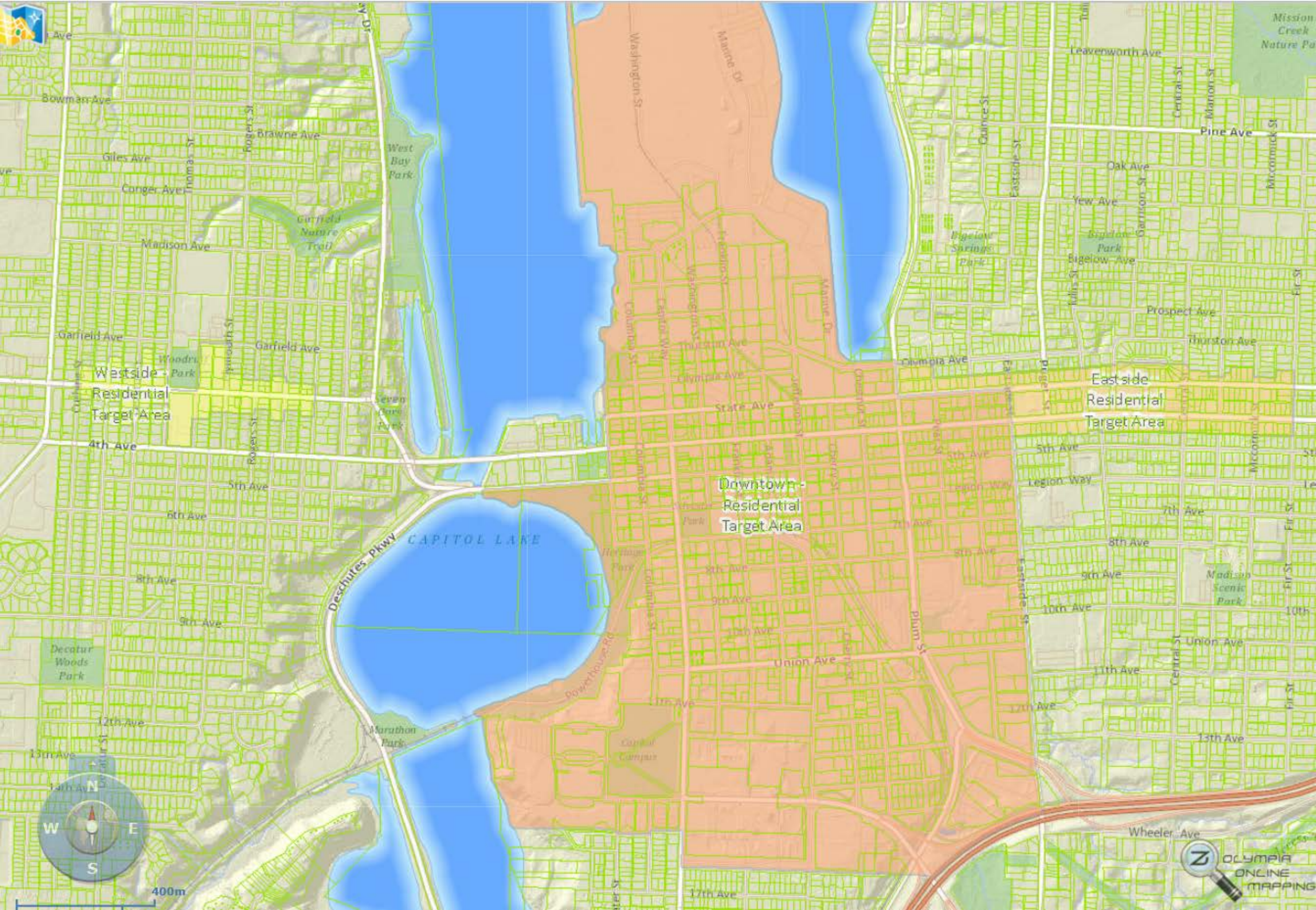
(Ord. 6618 §1, 2009; Ord. 5713 §1, 1997).

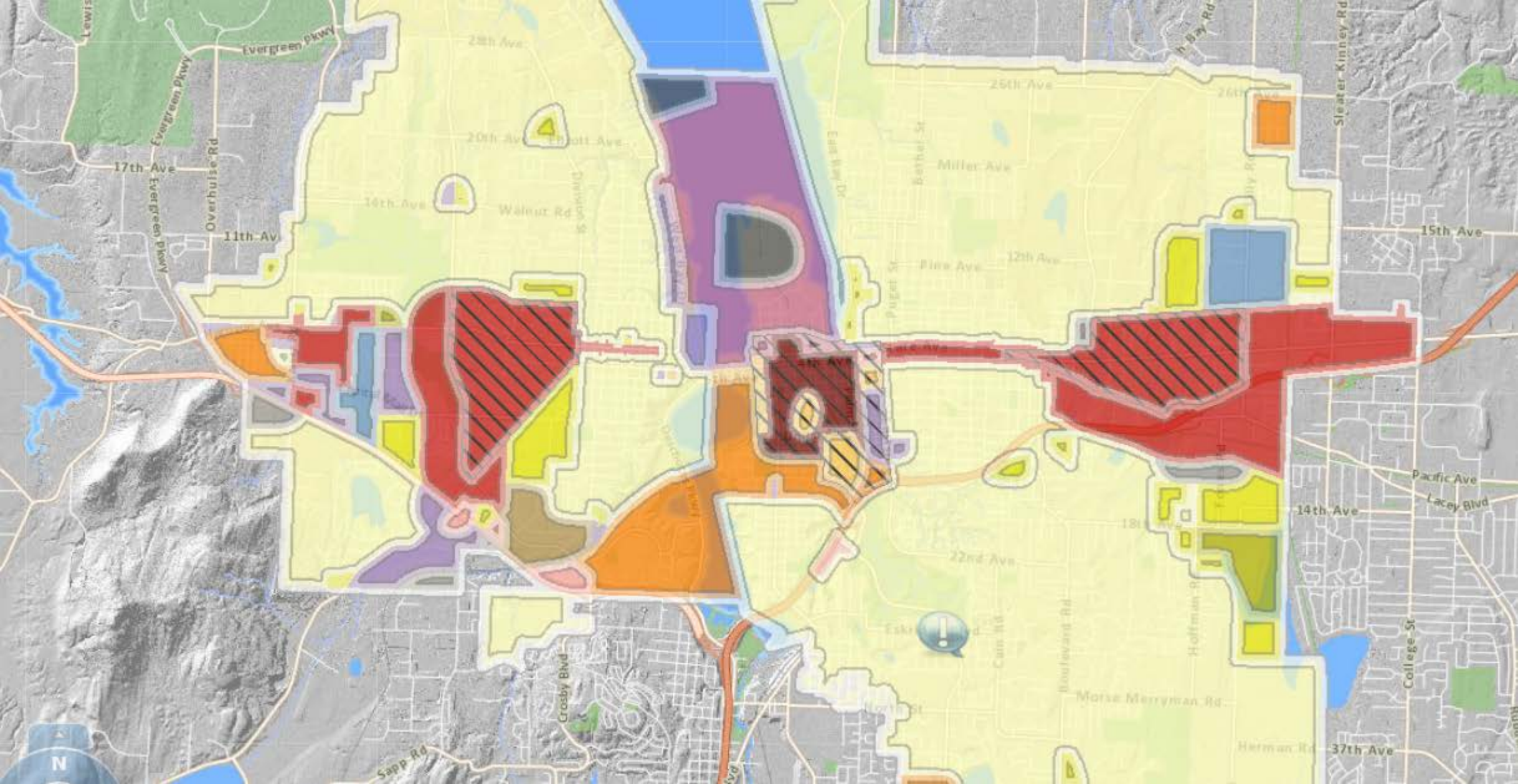
5.86.120 Cancellation of tax exemption

If the Director determines the owner is not complying with the terms of the contract or this ordinance, the tax exemption will be canceled. This cancellation may occur in conjunction with the annual review or at any other time when noncompliance has been determined. If the owner intends to convert the multi-family housing to another use, the owner must notify the Director and the Thurston County Assessor within sixty (60) calendar days of the change in use.

- A. Effect of Cancellation. If a tax exemption is canceled due to a change in use or other noncompliance, the provisions of RCW [84.14.110](#)  (1) will apply.
- B. Notice and Appeal. Upon determining that a tax exemption is to be canceled, the Director shall notify the property owner by mail, return receipt requested. The property owner may appeal the determination by filing a notice of appeal with the Director within thirty (30) calendar days, specifying the factual and legal basis for the appeal. The Hearing Examiner will conduct a hearing at which all affected parties may be heard and all competent evidence received. The Hearing Examiner will affirm, modify, or repeal the decision to cancel the exemption based on the evidence received. An aggrieved party may appeal the Hearing Examiner's decision to the Thurston County Superior Court.

(Ord. 5713 §1, 1997).





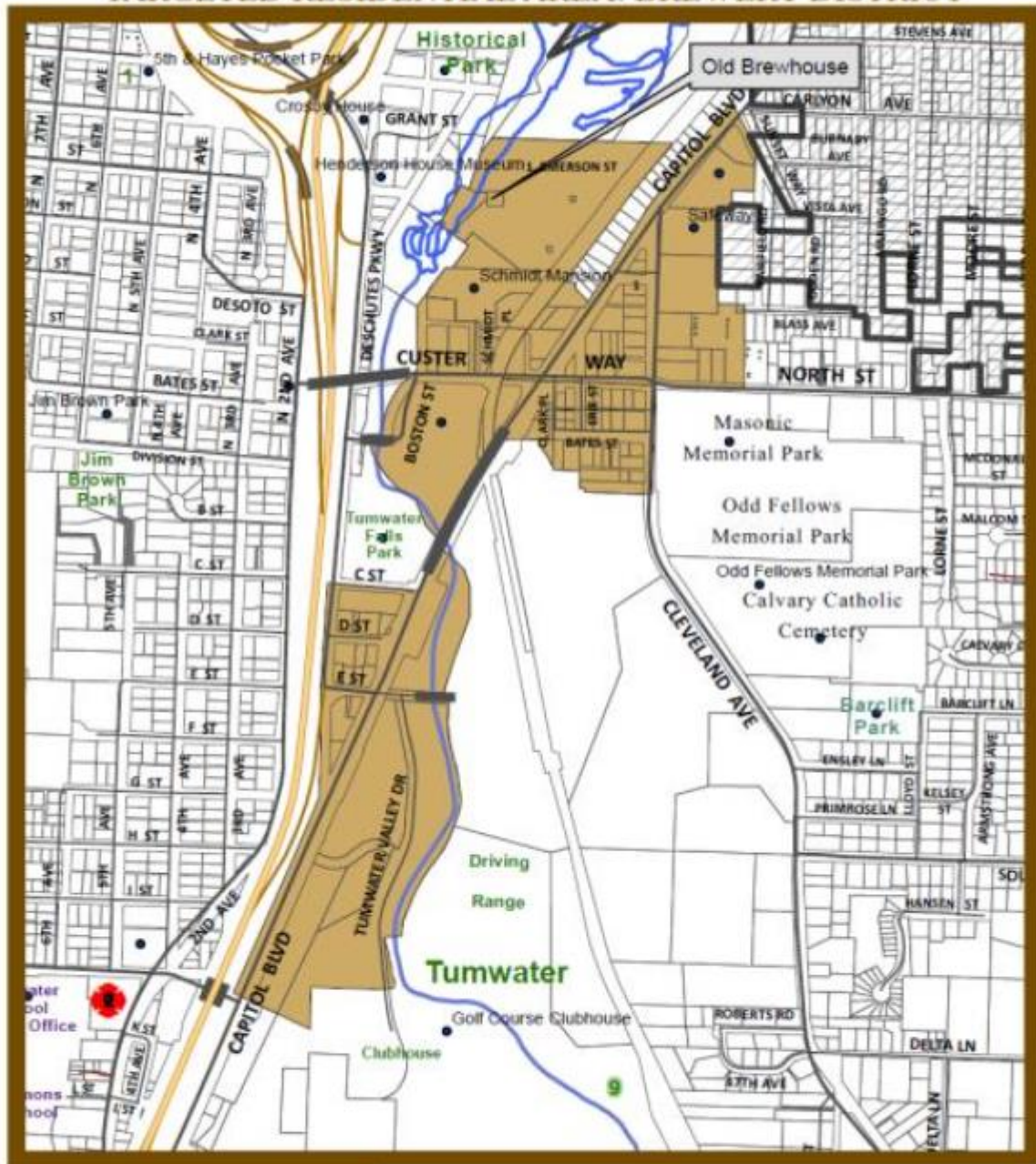
City of Olympia Multi-Family Tax Exemption Program – Summary of Approved Projects (as of 4/6/2018)

Intake Date	Status	Project Address	Parcel #	# of Units	Applicant	Verified Actual Cost (estimated if not yet complete)	Tax Exempt Date Begin	Tax Exempt End
03/10/98	Comp	213 - 4th Ave E (Chinatown Apts)	7850-24-00301	7	John Lui & Bing Lui	\$264,341.00	2000	2009
03/27/98	Comp	410 [& 510] Capitol Way N [(Boardwalk Apts)]	9100-01-00000; 7850-94-00100; 7850-10-00100	288	Capitol Way Associates Limited Partnership	\$18,265,451.00	2000	2009
03/25/99	Comp	823 - 829 Jefferson St SE	6870-00-00800	4	Wind River Development Group Inc	\$299,558.00	2000	2009
11/03/00	Comp	602 - 13th Ave SE	4370-02-00802; 6830-01-00801	4	Terence K Bentler	\$468,497.00	2001	2010

11/27/01	Comp	623 Eastside St SE (Capitol Steps Apts)	7820-48-00600	26	Wedgewood Tacoma Partnership Ltd	\$3,418,097.35	2005	2014
11/04/02	Comp	911 - 5th Ave SE & 509 & 507 Quince St SE	7820-30-00100; 7820-30-00200; 7820-30-00300; 7820-30-00400; 7820-30-00500	5	Gary Altman	\$667,346.00	2005	2014
05/30/03	Comp	715, 717, & 719 - 11th Ave SE	7820-58-00300	28	Robert W Greenway	\$2,575,000.00	2006	2015
08/11/14	Comp	600 Franklin St SE	7850-36-00100	19	Urban Olympia 3 LLC	\$1,699,562.00	2016	2023
	Comp	123 4th Ave East	7850-0-500100 7850-05-00400 7850-05-00500	138	Columbia Heights Partners LLC	\$28,208,782.00	2017	2024

05/20/15	Comp	321 Legion Way SE	7850-36-00300	36	Urban Olympia 3 LLC	\$5,678,562.00	2018	2025
05/20/15	Comp	512 12th Ave SE	6880-00-00700	43	3rd Gen Investment Group LLC	\$5,272,072.00	2018	2025
12/01/17	Appl	924 State Ave East	7820-27-00700	4	924 State LLC	\$740,000.00	TBD	TBD
08/07/17	Appl	322 5th Ave East	7850-34-00500	48	Urban Olympia 4 LLC	\$8,189,289.00	TBD	TBD
TOTALS				680		\$75,746,557.35		

MULTI-FAMILY TAX EXEMPTION PROGRAM TARGETED RESIDENTIAL AREA: BREWERY DISTRICT

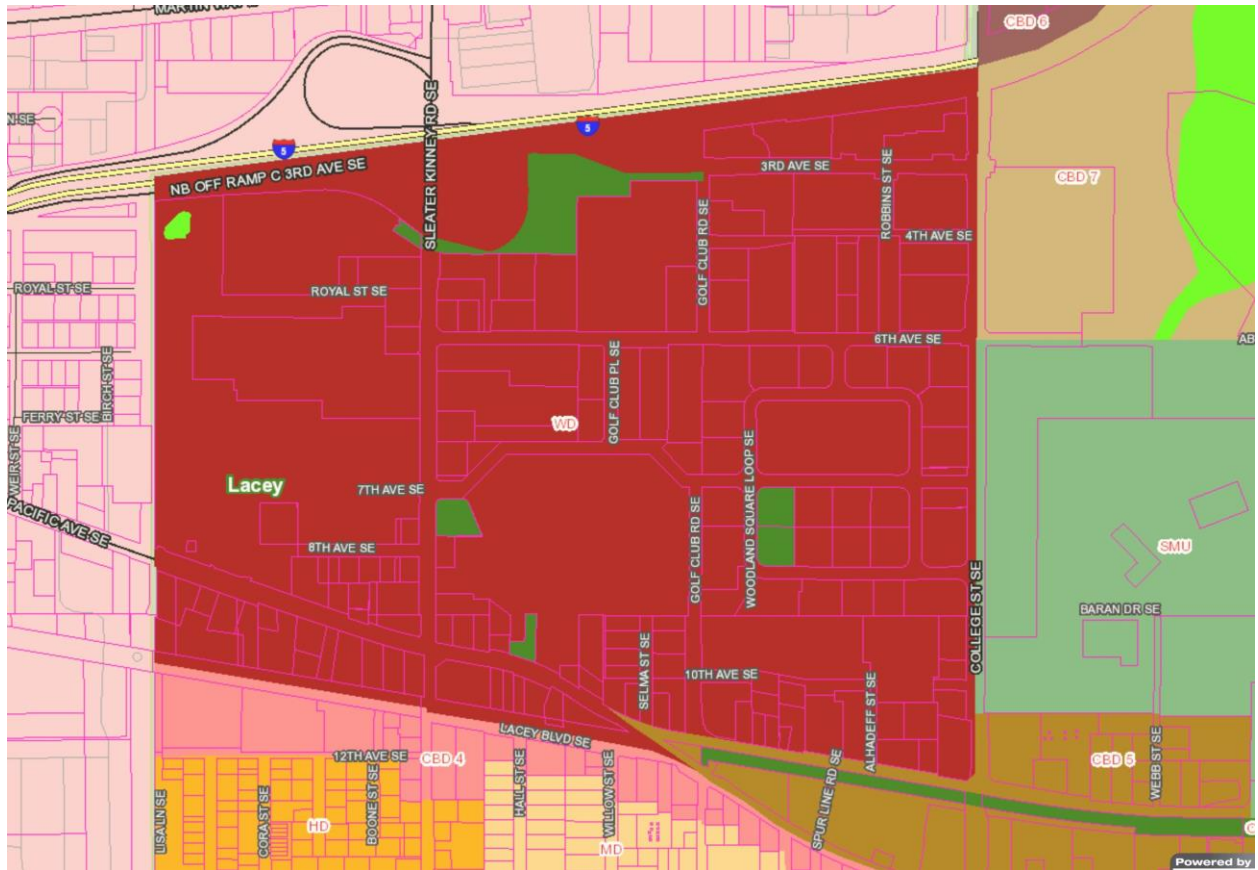


This map last updated: 2/15/2017
This map was created by the City of Tumwater
Community Development Department, using ArcGIS
10.3.1.

The map shows the Tumwater area with various streets and landmarks. A red dot is located near the Tumwater City Hall. The map includes labels for Barnes Lake, Valley Golf, and various schools and businesses. A numbered list of 18 green dots is overlaid on the map, indicating specific locations of interest. The dots are numbered 1 through 18, with 18 being the highest number. The map also shows major roads like I-5 and I-17, and local streets like 2nd Ave, 3rd St, 4th St, 5th St, 6th St, 7th St, 8th St, 9th St, 10th St, 11th St, 12th St, 13th St, 14th St, 15th St, 16th St, 17th St, 18th St, 19th St, 20th St, 21st St, 22nd St, 23rd St, 24th St, 25th St, 26th St, 27th St, 28th St, 29th St, 30th St, 31st St, 32nd St, 33rd St, 34th St, 35th St, 36th St, 37th St, 38th St, 39th St, 40th St, 41st St, 42nd St, 43rd St, 44th St, 45th St, 46th St, 47th St, 48th St, 49th St, 50th St, 51st St, 52nd St, 53rd St, 54th St, 55th St, 56th St, 57th St, 58th St, 59th St, 60th St, 61st St, 62nd St, 63rd St, 64th St, 65th St, 66th St, 67th St, 68th St, 69th St, 70th St, 71st St, 72nd St, 73rd St, 74th St, 75th St, 76th St, 77th St, 78th St, 79th St, 80th St, 81st St, 82nd St, 83rd St, 84th St, 85th St, 86th St, 87th St, 88th St, 89th St, 90th St, 91st St, 92nd St, 93rd St, 94th St, 95th St, 96th St, 97th St, 98th St, 99th St, 100th St, 101st St, 102nd St, 103rd St, 104th St, 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A horizontal scale bar labeled "Feet" at the right end. It has four major tick marks labeled "0", "400", "800", and "1,600". The bar is divided into four equal segments by these tick marks.

Lacey Multi-Family Residential Target Area (shown in red):





City Council

Impact Fee Abatement Briefing

Agenda Date: 6/19/2018
Agenda Item Number: 2.B
File Number: 18-0371

Type: study session **Version:** 2 **Status:** Study Session

Title

Impact Fee Abatement Briefing

Recommended Action

Committee Recommendation:

The Land Use and Environment Committee considered this issue on April 18, 2018. The committee discussed the matter and raised questions about its implementation. They recommended moving discussion forward to a City Council Study Session.

City Manager Recommendation:

Receive the information, and provide staff with feedback and direction regarding possible approaches to impact fee waivers and exemptions. Briefing only; no action requested.

Report

Issue:

Whether to receive a briefing on impact fee abatement and provide staff with feedback and direction regarding approaches to impact fee waivers and exemptions.

Staff Contact:

Keith Stahley, Director Community Planning and Development Department 360.753.8227

Presenter(s):

Keith Stahley, Director Community Planning and Development Department

Background and Analysis:

The City of Olympia charges impact fees to defray the costs that new development has on the City's infrastructure. The City charges impact fees for parks as well as transportation. These fees are used as one of the funding sources to help to construct new parks and transportation facilities. The City also collects impact fees for the Olympia School District.

Impact fees are a commonly used funding source for infrastructure construction in the State of Washington. Most cities in the urban part of the state collect impact fees. In Thurston County the cities of Olympia and Tumwater collect impact fees as does Thurston County. The City of Lacey does not collect impact fees; however, it does collect State Environmental Policy Act mitigation fees that serve a similar purpose.

Some communities choose to reduce impact fees for affordable housing projects. This practice is known as an Impact Fee Abatement or as an Impact Fee Waivers and Exemption.

Impact fee waivers or exemptions are less commonly used; however, many other cities throughout the state have adopted impact fee waiver and exemption regulations. A summary of communities and their regulations is attached. The Revised Code of Washington Chapter 82.02.060 Impact Fees that authorizes impact fee waivers and reductions is included in the summary.

An exemption may be granted under RCW 82.02.060(3) by local governments for low-income housing. A partial exemption of not more than 80 percent of impact fees may be granted, in which event there is no “explicit requirement” to pay the exempt portion of the fee from public funds “other than impact fee accounts.” On the other hand, a local government may provide a full waiver (which staff interprets to be 100 percent of impact fees), in which event the “remaining percentage of the exempted fee must be paid from public funds other than impact fee accounts.” Staff interprets this language to mean that the City would have to fund 20 percent of the impact fee with public funds (other than from impact fee accounts).

RCW 82.02.060(3) also conditions the exemption by requiring the developer to record a covenant that prohibits using the property for any purpose “other than for low-income housing,” and said covenant must address price restrictions and household income limits for the low-income housing. Subsection (3) also requires that if the property is converted to a use other than for low-income housing, the property owner must pay the applicable impact fees in “effect at the time of conversion.” These covenants must be recorded with the Auditor. The City’s exemption must also acknowledge that a school district who receives impact fees “must approve any exemption under subsection (2) of [RCW 82.02.060] or . . . subsection (3).”

Finally, per RCW 82.02.060, “low-income housing” means “housing with a monthly housing expense, that is no greater than thirty percent of eighty percent of the median family income adjusted for family size, for the county where the project is located, as reported by the United States department of housing and urban development.”

Neighborhood/Community Interests:

Affordable housing is an issue of community-wide interest.

Options:

1. Receive the briefing and provide feedback and direction to staff on next steps.
2. Receive the briefing and do not provide feedback and direction to staff on next steps.
3. Do not receive the briefing.

Financial Impact:

In 2018 impact fees for a single family dwelling including parks, transportation and school fees total \$14,381 in the City of Olympia. Impact fees for a multiple family unit are \$8,678 and for a multiple family unit in Downtown are \$3,892. Staff estimates that approximately 40 units per year may qualify for this exemption reducing impact collections by between \$155,680 to \$575,240 depending on the location and type of unit constructed.

Members of the Housing Action Team are working on a model that will allow different scenarios to be examined to see what the effect is on a housing project pro forma for changes in impact fees and degrees of affordability. This tool won't be available until this summer.

Attachments:

Summary Impact Fee Waiver and Exemption Regulations and RCW Chapter 82.02.060.

2018 Impact Fee Schedule

2018 Fee Schedule for Single Family Development

Notes from the Municipal Research and Services Center

Here are some sample code provisions that exempt low-income housing from impact fees:

A. Low-income Housing May be Exempt from Impact Fee

- Bainbridge Island Municipal Code, [Chapter 15.30 TRANSPORTATION IMPACT FEES](#), Subsection 15.30.070(9)
- Bellevue Municipal Code, [Chapter 22.16 TRANSPORTATION IMPACT FEE PROGRAM](#), Subsection 22.16.070(B)(2)
- Gig Harbor Municipal Code, [Chapter 19.12 IMPACT FEES*](#), Section 19.12.160

B. Low-income Housing May be Exempt from a Percentage of the Impact Fee

- Covington Municipal Code, [Chapter 19.20 IMPOSITION OF IMPACT FEES](#), Section 19.20.080 - may request to be exempt from up to 80 percent of the impact fees imposed on a low-income housing units to be developed.
- Kirkland Municipal Code, [Chapter 27.04 TRANSPORTATION IMPACT FEES*](#), Section 27.04.050(7) - Low-income housing may request an exemption of 80 percent of the required impact fee.
- Mercer Island Municipal Code, [Chapter 19.19 TRANSPORTATION IMPACT FEES](#), Section 19.19.070 - Reconstruction, remodeling or construction of low-income housing units may request an exemption of 80 percent of the required impact fee.

City of Bellingham:

Chapter 19 “Impact Fees” of the BMC:

B. Upon application by the owner, a partial exemption of not more than **80 percent of park impact fees**, with no explicit requirement to pay the exempted portion of the fee from public funds, may be granted to a low-income housing development, as defined below:

1. The director of planning and community development, after consultation with the director of parks, may grant an exemption to a low-income housing project listed in an annual consolidated action plan approved by city council.
2. The city council may grant an exemption to a low-income housing project not included in an annual consolidated action plan.

3. The decision to grant, partially grant or deny an exemption shall be based on the public benefit of the specific project, the extent to which the applicant has sought other funding sources, the financial hardship to the project of paying the impact fees, the impacts of the project on public facilities and services, and the consistency of the project with adopted city plans and policies relating to low-income housing.

4. An exemption granted under this subsection must be conditioned upon requiring the developer to record a covenant approved by the director of planning and community development that prohibits using the property for any purpose other than for low-income housing. At a minimum, the covenant must address price restrictions and household income limits for the low-income housing, and require that, if the property is converted to a use other than for low-income housing as defined in the covenant, the property owner must pay the applicable impact fees in effect at the time of any conversion. Covenants required by this subsection must be recorded with the Whatcom County auditor.

5. “Low-income housing” means housing with a monthly housing expense that is no greater than 30 percent of 80 percent of the median family income adjusted for family size, for Bellingham, as reported by the United States Department of Housing and Urban Development. [Ord. [2015-07-029](#) § 1; Ord. [2009-04-020](#); Ord. [2007-10-080](#); Ord. [2006-02-012](#)].

E. Upon application by the owner, a partial exemption of not more than **80 percent of transportation impact fees**, with no explicit requirement to pay the exempted portion of the fee from public funds, may be granted to a low-income housing development, as defined below:

1. The director of planning and community development, after consultation with the director of public works, may grant an exemption to a low-income housing project listed in an annual consolidated action plan approved by city council.

2. The city council may grant an exemption to a low-income housing project not included in an annual consolidated action plan.

3. The decision to grant, partially grant or deny an exemption shall be based on the public benefit of the specific project, the extent to which the applicant has sought other funding sources, the financial hardship to the project of paying the impact fees, the impacts of the project on public facilities and services, and the consistency of the project with adopted city plans and policies relating to low-income housing.

4. An exemption granted under this subsection must be conditioned upon requiring the developer to record a covenant approved by the director of planning and community development that prohibits using the property for any purpose other than for low-income housing. At a minimum, the covenant must address price restrictions and household income limits for the low-income housing, and require that, if the property is converted to a use other than for low-income housing as defined in the covenant, the property owner must pay the applicable impact fees in effect at the time of any conversion. Covenants required by this subsection must be recorded with the Whatcom County auditor.

5. “Low-income housing” means housing with a monthly housing expense that is no greater than 30 percent of 80 percent of the median family income adjusted for family size, for Bellingham, as reported by the United States Department of Housing and Urban Development. [Ord. [2016-08-031](#) § 3; Ord. [2015-07-029](#) § 2; Ord. [2011-01-003](#); Ord. [2009-04-021](#); Ord. [2006-11-106](#)].

2. Upon application by the owner, a partial exemption of not more than **80 percent of school impact fees**, with no explicit requirement to pay the exempted portion of the fee from public funds, may be granted to a low-income housing development, as defined below:

a. The director of planning and community development, after approval by the Bellingham School District, may grant an exemption to a low-income housing project listed in an annual consolidated action plan approved by city council.

b. The city council, after approval by the Bellingham School District, may grant an exemption to a low-income housing project not included in an annual consolidated action plan.

c. The decision of the director of planning and community development or the city council, as applicable, to grant, partially grant or deny an exemption shall be based on the public benefit of the specific project, the extent to which the applicant has sought other funding sources, the financial hardship to the project of paying the impact fees, the impacts of the project on school facilities and services, and the consistency of the project with adopted city plans and policies relating to low-income housing.

d. An exemption granted under this subsection must be conditioned upon requiring the developer to record a covenant approved by the director of planning and community development that prohibits using the property for any purpose other than for low-income housing. At a minimum, the covenant must address price restrictions and household income limits for the low-income housing, and require that, if the property is converted to a use other than for low-income housing as defined in the covenant, the property owner must pay the applicable impact fees in effect at the time of any conversion. Covenants required by this subsection must be recorded with the Whatcom County auditor.

e. "Low-income housing" means housing with a monthly housing expense that is no greater than 30 percent of 80 percent of the median family income adjusted for family size, for Bellingham, as reported by the United States Department of Housing and Urban Development.

3. To avoid delay pending resolution of the adjustment or appeal, school impact fees may be paid under protest in order to obtain a development approval.

4. Failure to exhaust this administrative remedy shall preclude appeals of the school impact fee pursuant to subsection (B) of this section.

City of Vancouver, Washington

Section 20.915.080 Impact Fee Exemptions, Reductions, and Waivers.

A. Exemptions from impact fees. The following developments shall be exempt from the requirement for payment of impact fees: publicly operated elementary, middle, junior high and senior high schools, and administrative, maintenance and other facilities of a school district and facilities of an Educational Service District.

B. Exemption or waiver from impact fees for low income housing pursuant to RCW 82.02.060(2).

Pursuant to RCW 82.02.060(2), the Review Authority may grant a total or partial exemption or waiver from impact fees for housing developments containing up to three dwelling units and qualifying as low-income housing as defined in this Chapter, to be owned and occupied by, or leased to, low-income persons.

Requests for exemption and/or waiver for four or more dwelling units must be approved by the City Council. No such impact fee exemption and/or waiver shall be granted for any low income housing that has been granted a property tax exemption pursuant to VMC 3.22, Multi-family Tax Abatement. Any such exemption or waiver shall be subject to:

1. Provision being made for payment of the impact fee from public funds other than impact fee accounts; and
2. Adequate documentation that the housing meets appropriate standards regarding household income, rent levels, sales price, location, and number of units;

C. Alternative exemption from impact fees for low-income housing pursuant to RCW 82.02.060(3).

Pursuant to RCW 82.02.060(3), the City Council may grant an alternative exemption for low-income housing under this Subsection C. No such impact fee exemption and/or waiver shall be granted for any low income housing that has been granted a property tax exemption pursuant to VMC 3.22, Multi-family Tax Abatement

1. The City Council may either:
 - a. Grant a partial exemption of not more than eighty percent of impact fees, in which case there is no requirement to pay the exempted portion of the fee from public funds other than impact fee accounts; or
 - b. Provide a full waiver, in which case the remaining percentage of the exempted fee must be paid from public funds other than impact fee accounts; and
2. Compliance with all of the requirements of Subsection D of VMC 20.915.080 is required.

D. An exemption for low-income housing granted under Subsection B or C of this section must comply with all of the following conditions:

1. The developer shall record a covenant with the Clark County Auditor. The covenant must:

a. Prohibit using the property for any purpose other than for low-income housing.

b. Require that if the property is converted to a use other than for low-income housing, the property owner must pay the applicable impact fees in effect at the time of conversion.

c. Define low-income housing as housing for which the monthly housing expense is no greater than thirty percent of eighty percent of the median family income adjusted for family size for Clark County, Washington, as reported by the United States Department of Housing and Urban Development.

2. When the City grants an exemption for low-income housing granted under Subsection B or C of this section, it may not collect revenue lost through the granting of the exemption by increasing impact fees unrelated to the exemption.

3. A school district that receives school impact fees collected by the City must consent in writing prior to City approval of any exemption from school impact fees granted under Subsection B or C of this section. Failure of a school district to provide consent in writing within 30 days of written request for approval by the City shall constitute disapproval of the requested exemption.

RCW 82.02.060

Impact fees—Local ordinances—Required provisions.

The local ordinance by which impact fees are imposed:

(1) Shall include a schedule of impact fees which shall be adopted for each type of development activity that is subject to impact fees, specifying the amount of the impact fee to be imposed for each type of system improvement. The schedule shall be based upon a formula or other method of calculating such impact fees. In determining proportionate share, the formula or other method of calculating impact fees shall incorporate, among other things, the following:

(a) The cost of public facilities necessitated by new development;

(b) An adjustment to the cost of the public facilities for past or future payments made or reasonably anticipated to be made by new development to pay for particular system improvements in the form of user fees, debt service payments, taxes, or other payments earmarked for or proratable to the particular system improvement;

(c) The availability of other means of funding public facility improvements;

(d) The cost of existing public facilities improvements; and

(e) The methods by which public facilities improvements were financed;

(2) May provide an exemption for low-income housing, and other development activities with broad public purposes, from these impact fees, provided that the impact fees for such development activity shall be paid from public funds other than impact fee accounts;

(3) May provide an exemption from impact fees for low-income housing. Local governments that grant exemptions for low-income housing under this subsection (3) may either: Grant a partial exemption of not more than eighty percent of impact fees, in which case there is no explicit requirement to pay the exempted portion of the fee from public funds other than impact fee accounts; or provide a full waiver, in which case the remaining percentage of the exempted fee must be paid from public funds other than impact fee accounts. An exemption for low-income housing granted under subsection (2) of this section or this subsection (3) must be conditioned upon requiring the developer to record a covenant that, except as provided otherwise by this subsection, prohibits using the property for any purpose other than for low-income housing. At a minimum, the covenant must address price restrictions and household income limits for the low-income housing, and that if the property is converted to a use other than for low-income housing, the property owner must pay the applicable impact fees in effect at the time of conversion. Covenants required by this subsection must be recorded with the applicable county auditor or recording officer. A local government granting an exemption under subsection (2) of this section or this subsection (3) for low-income housing may not collect revenue lost through granting an exemption by increasing impact fees unrelated to the exemption. A school district who receives school impact fees must approve any exemption under subsection (2) of this section or this subsection (3);

(4) Shall provide a credit for the value of any dedication of land for, improvement to, or new construction of any system improvements provided by the developer, to facilities that are identified in the capital facilities plan and that are required by the county, city, or town as a condition of approving the development activity;

(5) Shall allow the county, city, or town imposing the impact fees to adjust the standard impact fee at the time the fee is imposed to consider unusual circumstances in specific cases to ensure that impact fees are imposed fairly;

(6) Shall include a provision for calculating the amount of the fee to be imposed on a particular development that permits consideration of studies and data submitted by the developer to adjust the amount of the fee;

(7) Shall establish one or more reasonable service areas within which it shall calculate and impose impact fees for various land use categories per unit of development; and

(8) May provide for the imposition of an impact fee for system improvement costs previously incurred by a county, city, or town to the extent that new growth and development will be served by the previously constructed improvements provided such fee shall not be imposed to make up for any system improvement deficiencies.

For purposes of this section, "low-income housing" means housing with a monthly housing expense, that is no greater than thirty percent of eighty percent of the median family income adjusted for family size, for the county where the project is located, as reported by the United States department of housing and urban development.

[[2012 c 200 § 1](#); [1990 1st ex.s. c 17 § 44.](#)]



IMPACT FEES effective January 1, 2018

What are Impact Fees?

- ◆ An impact fee is a tax on development used to pay for its proportionate share of the impacts to public facilities. The City of Olympia collects impact fees for transportation, parks, and school facilities.
- ◆ Impact fees are charged only for new construction or changes in building use that create a need for street improvements, schools or parks facilities. (See pages 2 and 3 for fee schedules.)

When are Impact Fees Paid?

- ◆ Impact fees are based on the rates in effect on the date a complete building permit application is submitted and are collected by the City at the time a building permit is issued.
- ◆ Impact fees may be deferred until prior to final inspection subject to executed *Impact Fee Deferral Agreement* in a form acceptable to the City Attorney and an administrative fee of \$50. The City retains the full authority to withhold inspections and to suspend, revoke or refuse to issue occupancy and other building permits and to commence enforcement actions due to non-payment of impact fees. (OMC 15.04.040.H)

Exceptions:

- ◆ Fee payers may request credits, reductions, refunds, or exemptions:
 - ◆ Credits can be granted for the value of dedicated land, improvements, or construction provided by the fee payer if the land, improvements, and/or facility are within the City's adopted Capital Facilities Plan. The amount of the credit cannot exceed the impact fees that would have been due from the project. Any claim for a credit must be made to the Director of the Community Planning and Development Department no later than 20 calendar days after the submission of an application for a building permit.
 - ◆ Reductions in transportation impact fees may also be requested for Transportation Demand Management (TDM) and Commute Trip Reduction (CTR) measures. Such credits may be given at the discretion of the Director for certain operational or physical TDM improvements that reduce the impact on the City's transportation system. See page 4 for details.
 - ◆ Refunds are available if the impact fees paid are not spent or encumbered within six years of when the fees were paid. Refunds must be requested within one year of the date the right to claim the refund arises.
 - ◆ Exemptions are listed in the impact fee code. Fee payers may request that the Director of Community Planning and Development (or Olympia School District for school impact fees) determine whether a particular development falls within an exemption defined in the code.
 - ◆ All requests for credits, reductions, refunds, or exemptions must be in writing and filed with the Director of Community Planning and Development at the address below.

TRANSPORTATION IMPACT FEE RATE SCHEDULE

Effective January 1, 2018

<i>Land Uses</i>	<i>Unit of Measure</i>	<i>Fee</i>
RESIDENTIAL		
Single Family (Detached)	Dwelling	\$3,450
Multifamily –Townhouse, Duplex	Dwelling	\$2,261
Senior Housing & Accessory Dwelling Unit	Dwelling	\$856
Mobile Home	Dwelling	\$2,035
COMMERCIAL – SERVICES		
Bank	Sq ft/GFA	\$23.35
Daycare	Sq ft/GFA	\$24.33
Hotel/Motel	Room	\$2,366
Service Station ¹	Fueling position	\$9,961
Quick Lubrication Vehicle Shop	Servicing Positions	\$6,088
Automobile Care Center	Sq ft/GLA	\$5.06
Movie Theatre	Seat	\$135
Health Club	Sq ft/GFA	\$8.09
Marina	Berth	\$523
INSTITUTIONAL		
Elementary/Jr High/High School	Student	\$205
University/College	Student	\$452
Church	Sq ft/GFA	\$2.01
Hospital	Sq ft/GFA	\$3.67
Asst Living, Nursing Home, Group Home	Bed	\$607
INDUSTRIAL		
Light Industry/Manufacturing/Industrial Park	Sq ft/GFA	\$4.27
Warehousing/Storage	Sq ft/GFA	\$1.61
Mini Warehouse	Sq ft/GFA	\$1.31
RESTAURANT		
Restaurant	Sq ft/GFA	\$14.06
Fast Food Restaurant	Sq ft/GFA	\$32.18
Coffee/Donut Shop with Drive-Through Window	Sq ft/GFA	\$27.42
Coffee/Donut Shop with Drive-Through Window and No Indoor Seating	Sq ft/GFA	\$10.57
COMMERCIAL RETAIL		
Retail Shopping Center		
Up to 49,999 sq ft	Sq ft/GLA	\$6.07
50,000 – 99,999 sq ft	Sq ft/GLA	\$5.36
100,000 - 199,999 sq ft	Sq ft/GLA	\$5.27
200,000 – 299,999 sq ft	Sq ft/GLA	\$4.82
300,000 – 399,999 sq ft	Sq ft/GLA	\$5.74
Over 400,000 sq ft	Sq ft/GLA	\$6.48
COMMERCIAL OFFICE		
Administrative Office		
Up to 99,999 sq ft	Sq ft/GFA	\$12.17
100,000 – 199,999 sq ft	Sq ft/GFA	\$7.42
200,000 - 299,999 sq ft	Sq ft/GFA	\$6.47
300,000 sq ft and over	Sq ft/GFA	\$6.06
Medical Office/Clinic	Sq ft/GFA	\$12.67

<i>Land Uses</i>	<i>Unit of Measure</i>	<i>Fee</i>
OTHER RETAIL USES		
Supermarket >5,000 sq ft	Sq ft/GFA	\$12.56
Convenience Market < 5,000 sq ft	Sq ft/GFA	\$32.91
Furniture Store	Sq ft/GFA	\$0.35
Car Sales – New/Used	Sq ft/GFA	\$9.50
Nursery/Garden Center	Sq ft/GFA	\$10.06
Pharmacy/Drugstore	Sq ft/GFA	\$6.62
Hardware/Bldg Materials Store <25,000 sq ft	Sq ft/GFA	\$5.58
Discount Merchandise Store (free standing)	Sq ft/GFA	\$6.16
Video Rental	Sq ft/GFA	\$10.25
Home Improvement Superstore >25,000 sq ft	Sq ft/GFA	\$2.80
Miscellaneous Retail Sales	Sq ft/GLA	\$5.79
DOWNTOWN FEES²		
Multifamily Residential – Townhouse, Duplex	Dwelling	\$990
Senior Housing & Accessory Dwelling Unit	Dwelling	\$375
Asst Living, Nursing Home, Group Home	Bed	\$362
Hotel/Motel	Room	\$1,411
Movie Theatre	Seat	\$87
Marina	Berth	\$312
Downtown Services/Retail ³	Sq ft/GLA	\$3.82
DOWNTOWN ADMININSTRATIVE OFFICE²		
Up to 99,999 sq ft	Sq ft/GFA	\$8.41
100,000 – 199,999 sq ft	Sq ft/GFA	\$5.13
200,000 - 299,999 sq ft	Sq ft/GFA	\$4.47
300,000 sq ft and over	Sq ft/GFA	\$4.19
Medical Office/Clinic	Sq ft/GFA	\$8.75
Industrial Park	Sq ft/GFA	\$2.95
Warehousing/Storage	Sq ft/GFA	\$1.11
Mini Warehouse	Sq ft/GFA	\$0.90

Notes:

For uses with Unit of Measure in “sq ft/GFA” or “sq ft/GLA,” impact fee is dollars per square foot.

¹ Service Station can include Mini Mart (less than or equal to 2,500 sq. ft.) and/or Car Wash. Mini Mart greater than 2,500 sq. ft. is calculated separately.

² Downtown: As defined in Olympia Municipal Code 15.040.020.O.

³ Downtown Services/Retail include Retail Stores, Restaurants, Supermarkets, Convenience Markets, Video Rentals, Banks, Health Clubs, Day Cares, and Libraries.

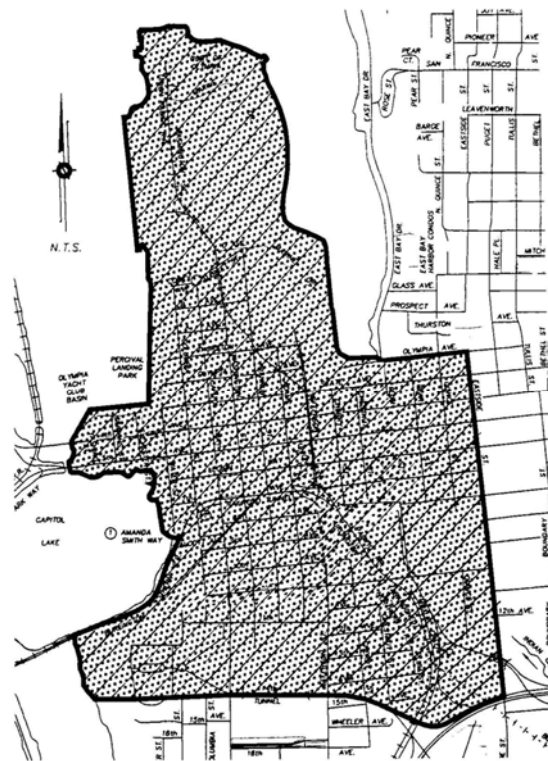
PARK IMPACT FEE
(Per Dwelling Unit)
(Applies to residential development only)
Effective January 1, 2018

HOUSING TYPE	IMPACT FEE
Single Family (including manufactured homes on individual lots)	\$5,581
Duplex (per unit)	\$3,796
Multifamily (including Townhouses)	\$3,796
Units in Senior Housing Developments (including single family units)	\$2,233
Downtown Multifamily (including Townhouses)	\$2,902
Mobile Home in Mobile Home Parks	\$2,233
Accessory Dwelling Units (only separate structures)	\$2,233
Single-room Occupancy	\$2,233

SCHOOL IMPACT FEE
(Per Dwelling Unit)
(Applies to residential development only)
Effective January 1, 2018

HOUSING TYPE	FEE PER UNIT
Single Family - detached	\$5,350
Multifamily per unit (including Townhouses)	\$2,621
Downtown Multifamily per unit (including Townhouses) [Not required.]	\$0.00

DOWNTOWN IMPACT FEE AREA



There are five (5) options regarding the amount of impact fee to pay.

1. Pay the amount as shown on this rate schedule.
2. Prior to obtaining a building permit, submit a request to the Director of Community Planning and Development (CP&D) for the City to provide an independent fee calculation for you. There is a \$500 fee for this calculation.
3. Submit your own independent fee calculation. The fee for review of this calculation is \$500 plus payment of any review costs (a second \$500 is required as a deposit toward such costs).
4. Appeal Process: Prior to an impact fee appeal, the fee payer must first make a Request for Director's Review on form available from CP&D. This request must be submitted in writing within 14 days of payment of the impact fee at issue. A written determination will be made by the Director and that determination may be appealed to the Olympia Hearing Examiner. See OMC 15.04.090 and OMC 18.75.040 for more information.
5. Include in the project proposal Transportation Demand Management (TDM) and Commute Trip Reduction (CTR) measures that reduce peak-hour traffic and, thus, reduce the need to build some transportation improvements. Eligible projects may reduce transportation impact fee assessments by providing:

ACTION	REDUCTION
Operational Improvements:	
<ul style="list-style-type: none"> Commercial development which would be occupied by employees subject to Commute Trip Reduction ordinance or evidence to voluntarily comply with Commute Trip Reduction ordinance. 	2%
Physical Improvements:	
<ul style="list-style-type: none"> Installation of onsite sheltered bus stop or bus stop within ¼ mile of site with adequate walkways as determined by Transportation Division staff. 	2%
<ul style="list-style-type: none"> Installation of preferential carpool/vanpool parking facilities. 	2%
<ul style="list-style-type: none"> Underbuild median parking requirements by at least 20. 	2%
Other:	
<ul style="list-style-type: none"> Other operational or physical Transportation Demand Management measures identified by the developer (with supporting documentation). 	Up to 5% based upon peak-hour trip reductions
Maximum Reduction	Up to 10%

This form has been approved for use by the Olympia Community Planning and Development (CPD) Department.



12/1/2016

Keith Stahley, Director,
Community Planning and Development

Date



PERMIT FEES TO BUILD A SINGLE FAMILY HOME

Approximately how much are the permits and fees to build a single-family home in the City of Olympia?
(EFFECTIVE JANUARY 1, 2018, FEES ARE BASED ON CURRENT 2018 RATES)

BUILDING PERMIT

(BASED ON A 2,500 SQ. FT. HOME WITH A 480 SQ. FT. GARAGE AND 180 SQ. FT. PORCH/DECK W/ROOF.)¹

PERMIT FEES	IN SUBDIVISION	INFILL LOT
BUILDING PERMIT	\$ 3,076.85	\$ 3,076.85
PLAN CHECK FEE	2,092.26	2,092.26
STATE PERMIT FEE	4.50	4.50
ELECTRICAL	178.00	178.00
MECHANICAL	245.00	245.00
PLUMBING	245.00	245.00
FIRE SPRINKLER	382.32	382.32
DRIVEWAY	0.00	158.00
WATER METER	331.00	331.00
SEWER LATERAL	147.00	147.00
CONSTRUCTION WATER	50.00	50.00
SEWER TAP	0.00	368.00
RIGHT-OF-WAY	0.00	368.00
EROSION CONTROL	205.00	205.00
TECH FEE	275.30	310.16
SUBTOTAL PERMIT FEES	\$ 7,232.23	\$ 8,161.09
IMPACT FEES		
TRANSPORTATION IMPACT FEE	3,450.00	3,450.00
PARKS IMPACT FEE	5,581.00	5,581.00
SCHOOL IMPACT FEE	5,350.00	5,350.00
SUBTOTAL IMPACT FEES	\$14,381.00	\$14,381.00
UTILITY FEES		
WATER GENERAL FACILITIES CHARGE (GFC)	4,433.00	4,443.00
STORMWATER GFC	1,235.00	1,235.00
SEWER GFC	3,442.00	3,442.00
LOTT CAPACITY DEVELOPMENT CHARGE	5,810.79	5,810.79
WATER SERVICE INSTALL DEPOSIT	0.00	2,500.00
SUBTOTAL UTILITY FEES	\$14,920.79	\$17,420.79
TOTAL FEES²	\$36,534.02	\$39,962.88

NOTES:

¹ VALUATION OF \$309,454.20 FOR RESIDENTIAL DWELLING IS BASED UPON:

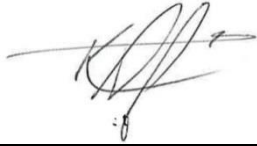
2,500 SQ. FT. HOUSE X \$113.85 PER SQ. FT. = \$284,625.00

480 SQ. FT. GARAGE X \$45.09 PER SQ. FT. = \$21,643.20

180 SQ. FT. DECK/PORCH W/ROOF X \$45.09 PER SQ. FT. = \$8,116.20

²SOME PARCELS/LOTS MAY BE SUBJECT TO OTHER FEES.

This form has been approved for use by the Olympia Community Planning and Development (CPD) Department.



Keith Stahley, Director,
Community Planning and Development

1/1/2018

Date