Legislation Passed November 9, 2021

The Tacoma City Council, at its regular City Council meeting of November 9, 2021, adopted the following resolutions and/or ordinances. The summary of the contents of said resolutions and/or ordinances are shown below. To view the full text of the document, click on the bookmark at the left of the page.

**Resolution No. 40862**
A resolution designating two Environmental Services projects as Special Projects of Limited Duration, and designating general salary classifications and benefits for persons employed on the projects.

[Hugh Messer, Operations and Maintenance Division Manager; Michael P. Slevin III, P.E., Director, Environmental Services]

**Resolution No. 40863**
A resolution authorizing the execution of a Collective Bargaining Agreement with District Lodge No. 160, on behalf of Local Lodge No. 297 of the International Association of Machinists and Aerospace Workers, Rail Mechanics Unit, consisting of 16 budgeted full-time equivalent positions, retroactive to January 1, 2021, through December 31, 2023.

[Dylan Carlson, Senior Labor Relations Manager; Bill Fosbre, City Attorney]

**Resolution No. 40864**
A resolution authorizing the execution of a Collective Bargaining Agreement with District Lodge No. 160, on behalf of Local Lodge No. 297 of the International Association of Machinists and Aerospace Workers, Track Workers Unit, consisting of eight budgeted full-time equivalent positions, retroactive to January 1, 2021, through December 31, 2025.

[Dylan Carlson, Senior Labor Relations Manager; Bill Fosbre, City Attorney]

**Resolution No. 40865**
A resolution designating the name “Brewery Blocks” for an area bounded between South 21st Street and South 23rd Street, and between Pacific Avenue to the east and the yet-to-be-developed public thoroughfare known as the Prairie Line Trail to the west.

[Mayor Woodards]

**Amended Resolution No. 40866**
A resolution supporting the proposed changes to the Multi-Family Property Tax Exemption (“MFTE”), as recommended and approved by the Government Performance and Finance Committee; amending the City’s MFTE to align with state law; eliminating the eight-year MFTE in mixed-use centers designated “very high” opportunity based on the City’s Equity Index; requiring the City Council to revisit the changes to the MFTE program in three years; and directing the City Manager to explore other changes to enhance the City’s use of the MFTE.

[Council Member Hines]
Ordinance No. 28770
An ordinance amending Chapter 6A.110 of the Municipal Code, entitled “Property Tax Exemptions for Multi Family Housing”, to eliminate the eight year Multi Family Property Tax Exemption in mixed use centers designated “very high” opportunity, based on the City’s Equity Index, effective 90 days after passage of this ordinance.
[Council Member Hines]
RESOLUTION NO. 40862

A RESOLUTION relating to Special Projects; designating two Environmental Services Department projects as Special Projects of Limited Duration, and designating general salary classifications and benefits for persons employed on the projects pursuant to Tacoma Municipal Code 1.12.155, 1.24.187, and 1.30.300, and Section 6.1(h) of the Tacoma City Charter.

WHEREAS the following Environmental Services Department (“ES”) projects are hereby identified and designated as special projects of limited duration: (1) cleaning and CCTV of the collections systems; and (2) the updating and maintenance of mechanical and electrical drawings for ES facilities, and

WHEREAS project staff may be necessary to supplement permanent staffing levels on the foregoing projects which may include, but not be limited to: Sewer Worker, Sewer Equipment Operator, Senior Sewer Worker, and Electrical & Instrument Technician, and

WHEREAS, pursuant to the provisions of TMC 1.12.155, 1.24.187, and 1.30.300, and Tacoma City Charter Section 6.1(h), employees who are not regular employees and are hired as special project employees are unclassified and paid as provided for by ordinance or resolution of the City Council; Now, Therefore,

BE IT RESOLVED BY THE COUNCIL OF THE CITY OF TACOMA:

Section 1. That the two Environmental Services Department projects described herein are hereby designated as special projects of limited duration for a period of four years, ending December 31, 2026.
Section 2. That, in accordance with the provisions of TMC 1.12.155, 1.24.187, and 1.30.300, and Tacoma City Charter Section 6.1(h), employees who have been hired for special projects of limited duration shall be designated as unclassified special project employees as of the date of hire.

Section 3. That the salaries and classifications set forth in the Compensation Plan of the City of Tacoma for permanent employees, or the closest classifications, shall be applied, contingent upon funding, to similar positions of the special project. The Compensation Plan is incorporated herein by reference as if fully set forth.

Section 4. That employees who have been hired or may be hired as special project employees herein shall receive benefits in accordance with and pursuant to the provisions of the Compensation Plan of the City of Tacoma. They shall be given a one-time binding and irrevocable election to participate in the City’s Retirement System pursuant to TMC 1.30. Special project employees hired to work on the identified special project shall not be eligible for longevity pay; and further, that should any current regular employee eligible for longevity pay be assigned to a special project, the employee so assigned shall continue to be eligible for longevity pay and shall become or remain a member of the City’s Retirement System pursuant to any applicable provisions of TMC 1.30, and contributions shall be paid therein by the City pursuant to TMC 1.30.360.
Section 5. That, inasmuch as the positions to be filled pursuant to this resolution are of a temporary nature and are unique in that they pertain only to the aforementioned special projects, they are deemed unclassified, temporary positions of limited duration and persons so employed in such positions shall have no claim to further or continued employment with the City of Tacoma after cessation of such special projects or after cessation of activities funded by said program, except pursuant to obtaining status as regular City of Tacoma employees under the provisions of the TMC or pursuant to further action of the City Council relating to these special projects.

Section 6. That all acts by agents or employees of the City consistent herewith are hereby ratified.

Section 7. That the City Manager is hereby authorized to direct the appropriate City officers to proceed with the necessary actions for the completion of these special projects.

Adopted ____________________

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Mayor

Attest:

____________________________
City Clerk

Approved as to form:

____________________________
Deputy City Attorney
RESOLUTION NO. 40863

A RESOLUTION related to collective bargaining; authorizing the execution of a three-year Collective Bargaining Agreement between the City and District Lodge #160, on behalf of Local Lodge #297 of the International Association of Machinists and Aerospace Workers, Rail Mechanics Unit, consisting of 16 budgeted full-time equivalent positions, effective retroactive to January 1, 2021, through December 31, 2023.

WHEREAS the City has, for years, adopted the policy of collective bargaining between the various labor organizations representing employees and the administration, and

WHEREAS this resolution allows for the execution of a three-year Collective Bargaining Agreement ("CBA") between the City and District Lodge #160, on behalf Local Lodge #297 of the International Association of Machinists and Aerospace Workers, Rail Mechanics Unit ("Union"), on behalf of the employees represented by said Union, and

WHEREAS the bargaining unit consists of approximately 16 budgeted, full-time equivalent ("FTE") positions assigned to Tacoma Public Utilities, and

WHEREAS the CBA provides that effective retroactive to January 1, 2021, all classifications will receive a general wage increase of 2 percent, and the classification of Railway Shop Worker will also receive a market-based adjustment of $1.00 per hour; effective January 1, 2022 and January 1, 2023, all classifications will receive a general wage increase of 2 percent; effective as soon as practicable following Council adoption of the CBA, the City will match the 457(b) deferred compensation contributions of employees up to a maximum matching contribution of 3 percent of base salary, subject to Internal Revenue Code.
maximum contributions for Section 457 plans; and that all bargaining unit
employees employed on the date of Council ratification will receive a $2,000 one-
time, lump sum payment in lieu of retroactivity on deferred compensation matching
funds, and

    WHEREAS other changes include: (1) modifying language to provide that
premiums paid for group life insurance and the amount paid for meal allowances
will be as prescribed by the Tacoma Joint Labor Agreement; (2) changing language
related to scheduling, shift bidding, and assignments; and (3) housekeeping
updates to reflect gender neutral language, and

    WHEREAS the CBA was considered and approved by the Public Utility
Board at its special meeting of October 27, 2021, and

    WHEREAS it appears in the best interests of the City that the CBA
negotiated by said Union and the City be approved; Now, Therefore,

BE IT RESOLVED BY THE COUNCIL OF THE CITY OF TACOMA:

That the proper officers of the City are hereby authorized to execute the
three-year Collective Bargaining Agreement between the City and District Lodge
#160, on behalf of Local Lodge #297 of the International Association of Machinists
and Aerospace Workers, Rail Mechanics Unit, effective retroactive to
January 1, 2021, through December 31, 2023, said document to be substantially in the form of the agreement on file in the office of the City Clerk.

Adopted __________________________

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Mayor

Attest:

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City Clerk

Approved as to form:

______________________________
Deputy City Attorney

Requested by Public Utility Board
Resolution No. U-11284
RESOLUTION NO. 40864

A RESOLUTION related to collective bargaining; authorizing the execution of a five-year Collective Bargaining Agreement between the City and District Lodge #160, on behalf of Local Lodge #297 of the International Association of Machinists and Aerospace Workers, Track Workers Unit, consisting of eight budgeted full-time equivalent positions, effective retroactive to January 1, 2021, through December 31, 2025.

WHEREAS the City has, for years, adopted the policy of collective bargaining between the various labor organizations representing employees and the administration, and

WHEREAS this resolution allows for the execution of a five-year Collective Bargaining Agreement ("CBA") between the City and District Lodge #160, on behalf of Local Lodge #297 of the International Association of Machinists and Aerospace Workers, Track Workers Unit ("Union"), on behalf of employees represented by said Union, and

WHEREAS the bargaining unit consists of approximately eight budgeted, full-time equivalent ("FTE") positions assigned to Tacoma Public Utilities, and

WHEREAS the CBA will provide for a wage increase of 2 percent retroactive to January 1, 2021, and, effective in the first pay period after Council ratification of the agreement, the classification of Railway Track Maintenance Worker will receive an additional 13.5 percent market based adjustment; and the classifications of Railway Track Inspector, Railway Track Maintenance Supervisor, and Railway Track Equipment Mechanic-Welder will be re-aligned to 10 percent above the
Railway Track Maintenance Worker classification; and effective January 1 of each of the calendar years of 2022, 2023, 2024, and 2025, a general wage increase of 2 percent will be applied, and

WHEREAS other changes include: (1) an update to Article 12 – Non-Discrimination; modifying language to provide that the amount paid for meal allowances will be prescribed by Section 6.16 of the Tacoma Joint Labor Agreement; (2) changes to language related to scheduling of shift assignments; and (3) other housekeeping updates to reflect gender neutral language, and

WHEREAS the CBA was considered and approved by the Public Utility Board at its special meeting of October 27, 2021, and

WHEREAS it appears in the best interests of the City that the CBA negotiated by said Union and the City be approved; Now, Therefore,

BE IT RESOLVED BY THE COUNCIL OF THE CITY OF TACOMA:

That the proper officers of the City are hereby authorized to execute the five-year Collective Bargaining Agreement between the City and District Lodge #160, on behalf of Local Lodge #297 of the International Association of Machinists and Aerospace Workers, Track Workers Unit, effective retroactive to
January 1, 2021, through December 31, 2025, said document to be substantially in
the form of the agreement on file in the office of the City Clerk.

Adopted

Mayor

Attest:

City Clerk

Approved as to form:

Deputy City Attorney

Requested by Public Utility Board
Resolution No. U-11285
RESOLUTION NO. 40865

BY REQUEST OF MAYOR WOODARDS, AND COUNCIL MEMBERS THOMS AND WALKER

A RESOLUTION relating to place name designations; designating a place name of “Brewery Blocks” for an area bounded between South 21st Street and South 23rd Street, and between Pacific Avenue to the east and the yet-to-be-developed public thoroughfare known as the Prairie Line Trail to the west.

WHEREAS on September 15, 2021, the Mayor’s Office received a request from Horizon Partners Northwest and neighborhood proponents for a “Brewery Blocks” place name designation, with the proposed “Brewery Blocks” boundary described as being bounded between South 21st Street and South 23rd Street, and between Pacific Avenue to the east, and the yet-to-be-developed public thoroughfare known as the Prairie Line Trail to the west, and

WHEREAS, on September 29, 2021, in accordance with the current policy on place names as part of City Council Resolution No. 40408 in August 2019, this naming request was forwarded to the Infrastructure, Planning, and Sustainability (“IPS”) Committee to provide oversight of the naming request process and to develop a recommendation for the request for consideration of the City Council, and

WHEREAS during their September 29, 2021, meeting, the IPS Committee approved a motion to forward the naming request for “Brewery Blocks” to the City Council, and also requested informal public outreach on the “Brewery Blocks” place name request, in order to share awareness of the request as well as provide an opportunity to comment for community members, and
WHEREAS, on October 27, 2021, the IPS Committee received an informational briefing on the community outreach conducted, and expressed concurrence to move forward with their motion to send the naming request to the City Council, and

WHEREAS the proponents of the naming request estimate that 17 properties would be included in the area proposed for the “Brewery Blocks” designated place name, and the written request provides maps and detailed information on involved properties, including their historic uses and former brewery sites located within the area, and

WHEREAS naming requests do not impact land use regulations or put any additional requirements or restrictions on impacted properties, and the application appears to include all necessary components outlined in the City’s naming policy; Now, Therefore,
BE IT RESOLVED BY THE COUNCIL OF THE CITY OF TACOMA:

That the proper officers of the City are hereby authorized to designate the area bounded between South 21st Street and South 23rd Streets, and between Pacific Avenue to the east, and the yet-to-be-developed public thoroughfare known as the Prairie Line Trail to the west, as the “Brewery Blocks.”

Adopted __________________________

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Mayor

Attest:

______________________________
City Clerk

Approved as to form:

______________________________
City Attorney
RESOLUTION NO. 40866

BY REQUEST OF COUNCIL MEMBERS HINES, HUNTER, THOMS, AND WALKER

A RESOLUTION supporting the proposed changes to the Multifamily Property Tax Exemption ("MFTE"), as recommended and approved by the Government Performance and Finance Committee; amending the City’s MFTE to align with state law; eliminating the eight-year MFTE in mixed-use centers designated “very high” opportunity based on the City’s Equity Index; requiring the City Council to revisit the changes to the MFTE program in three years; and directing the City Manager to explore other changes to enhance the City’s use of the MFTE.

WHEREAS, on June 22, 2021, after discussion on proposed Ordinance No. 28770, to eliminate the eight-year Multifamily Property Tax Exemption (“MFTE”) in mixed-use centers designated “very high” opportunity based on the City’s Equity Index in order to increase affordable housing in the more expensive areas of the City, the City Council referred the entire MFTE program to the Government Performance and Finance Committee (“GPFC”) for review and recommendations to the City Council, and

WHEREAS, in order to better understand the perspective of users of the MFTE program, Council Member Hines was joined by Council Member Walker to hold a roundtable discussion with key stakeholders from the private multifamily housing development sector, and

WHEREAS, on September 7, 2021, 15 stakeholders who use the MFTE program, or are closely affiliated with those that do, convened to share their experience and provide feedback on any potential changes to the program, and

WHEREAS, on September 21, 2021, GPFC and staff from the City’s Community and Economic Development and Media and Communications
Departments provided an overview of the MFTE program, including the historical context of the program; the current context of the program; a summary of changes proposed but not adopted by the City Council in 2019; and changes made to the program by the Washington State Legislature in 2021, and

WHEREAS, on October 5, 2021, GPFC heard directly from stakeholders from the development community on their perspectives on the MFTE program, how it has worked for them to date, the challenges they see with the program, and their views on potential changes, and

WHEREAS, on October 19, 2021, GPFC heard directly from a stakeholder of the finance community on their perspective of the MFTE program, how the MFTE interacts with financing, the process and considerations for financing projects in Tacoma, and their views on the future, and, at that time, GPFC discussed potential changes to the MFTE program and began to establish consensus, and

WHEREAS, on November 2, 2021, GPFC approved the following recommended changes, which also includes items which were discussed at the Study Session on the same day:

1. Expand the 12-year and 20-year MFTE along key corridors and those areas included as “neighborhood nodes” as defined through the Home in Tacoma process where multifamily housing is currently allowed;
2. Expand the 12-year and 20-year MFTE to areas rezoned as “mid-scale” through the Home in Tacoma process;
3. Implement elements of Senate Bill 5287 (Chapter 187, Laws of 2021) required in order to take action;
4. Authorize the use of the 12-year or 20-year MFTE for projects using a Development Regulation Agreement on parcels one acre or larger;
5. Require the City Council to revisit these changes to the MFTE program in three years;

6. Eliminate the eight-year MFTE in mixed-use centers designated “very high” opportunity based on the City’s Equity Index (Ordinance No. 28770);

7. Apply 70 percent of the median family income adjusted for family size for Pierce County as reported by the United States Department of Housing and Urban Development for affordable housing units, percentage to be revisited each year when data is updated; and

8. Direct the City Manager to explore: (1) a requirement for a minimum number of units to use the eight-year MFTE; (2) requiring affordable rents to be lower than market-rate rents; (3) continuing support for fast-tracking the permit process for affordable housing; (4) a program to help local businesses get access to new commercial spaces in buildings utilizing the MFTE; and (5) requiring a minimum size, including a minimum height, on MFTE projects, and

WHEREAS the proposed recommendations were presented by Council Member Hines at the November 2, 2021 Study Session, and

WHEREAS, during the November 2, 2021, Study Session, the City Council discussed the value of commercial businesses in the “neighborhood nodes” as defined through the Home in Tacoma process where multifamily housing is currently allowed, and

WHEREAS staff will propose changes to the Tacoma Municipal Code as appropriate to ensure these changes are made; Now, Therefore,

BE IT RESOLVED BY THE COUNCIL OF THE CITY OF TACOMA:

Section 1. That the City Council hereby supports the proposed changes to the Multifamily Property Tax Exemption (“MFTE”), as recommended and approved by the Government Performance and Finance Committee, with an additional requirement that buildings using a 12- or 20-year MFTE in “neighborhood nodes”
as defined through the Home in Tacoma process would be required to incorporate a commercial use on the first floor of the project.

Section 2. That the City Council shall revisit the changes to the MFTE program in three years.

Section 3. That the City Manager is hereby directed to explore (1) a requirement for a minimum number of units to use the eight-year MFTE; (2) requiring affordable rents to be lower than market-rate rents; (3) continuing support for fast-tracking the permit process for affordable housing; (4) a program to help local businesses get access to new commercial spaces in buildings utilizing the MFTE; and (5) requiring a minimum size, including a minimum height, on MFTE projects.

Section 4. That the City Manager shall direct staff to propose amendments to the Tacoma Municipal Code as needed to ensure the program changes are made.

Adopted ____________________________

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Mayor

Attest: ____________________________

______________________________
City Clerk

Approved as to form: ____________________________

______________________________
Deputy City Attorney
ORDINANCE NO. 28770

BY REQUEST OF MAYOR WOODARDS AND COUNCIL MEMBERS HINES AND WALKER

AN ORDINANCE relating to the property tax exemption for the development of multi-family housing in designated residential target areas; amending Chapter 6A.110 of the Tacoma Municipal Code, entitled “Property Tax Exemptions for Multi-Family Housing,” to provide for the elimination of the eight-year Multi-Family Property Tax Exemption in mixed-use centers designated “very high” opportunity, based on the City’s Equity Index, to become effective 90 days after passage of this ordinance.

WHEREAS the City has one of the most competitive real estate markets for housing in the country and, after years of stalled housing development, is seeing much-needed investment and construction of large, multi-family housing projects in areas designated by the City Council as target areas for growth under the City’s One Tacoma Comprehensive Plan, and

WHEREAS these target areas are called Mixed-Use Centers (“MUCs”), with 18 MUCs located throughout the City, and

WHEREAS the City uses the Multi-Family Property Tax Exemption (“MFTE”) to encourage growth in MUCs; over the past five years, nearly 2,000 units have been added through this program, with another 4,300 units currently in the construction pipeline, and

WHEREAS the MFTE financially incentivizes development in these areas by exempting property taxes for eight or 12 years on assessed improvements which create four or more additional housing units, and

WHEREAS the eight-year MFTE is the standard exemption with no affordable housing requirement, and the 12-year MFTE requires that at least
20 percent of the units be reserved for households that earn 80 percent or less
than the Area Median Income ("AMI"), which is published annually by the
Department of Housing and Urban Development ("HUD"), and

   WHEREAS, for the affordability requirement, the annual rents charged are
to be no more than 30 percent of the 80 percent median income, with rents set
by HUD each year, and

   WHEREAS, while the City provides the tax exemption, this investment pays
dividends over the life of the housing project and the City recuperates more than it
invests through increased sales and construction taxes, and

   WHEREAS, of the 2,000 units created through the MFTE in the past five
years, only 130 were required to be affordable; and of the 4,300 units to be
developed, only 264 will be required to be affordable, and

   WHEREAS affordable housing is needed across the City, but especially in
areas where the wealth-gap is greatest and where opportunity is highest, and

   WHEREAS the City’s highest opportunity areas, most notably those in the
North End, are the most challenging to access for low- and moderate-income
households, and

   WHEREAS the City’s Equity Index is a tool used by the City to identify
disparities in the city, based on census block group data, and uses 29 indicators
within five social determinant categories based on the Tacoma 2025 Strategic Plan
to determine where the greatest community needs are located, and
WHEREAS census block group scores are labeled on a scale from “very high” to “very low” opportunity areas, and

WHEREAS “opportunity” is defined as a situation or condition that places individuals in a position to be more likely to succeed or excel, and

WHEREAS, currently, the Proctor District and Point Ruston are the only MUCs completely located in “very high” opportunity areas, and

WHEREAS, given the market-driven high demand for housing in Tacoma, incentives do not need to be offered in “very high” opportunity areas that do not include affordability requirements, as they are the most desirable places for developers to build, and

WHEREAS MUCs with a portion designated “very high opportunity,” but not completely “very high” opportunity, such as Westgate, are excluded from this policy, and

WHEREAS the City proposes to delay the effective date of this ordinance until 90 days after passage by the City Council; Now, Therefore,

BE IT ORDAINED BY THE CITY OF TACOMA:

Section 1. That the eight-year Multi-Family Property Tax Exemption in mixed-use centers designated “very high” opportunity, based on the City’s Equity Index, is hereby eliminated.
Section 2. That Chapter 6A.110 of the Tacoma Municipal Code, entitled
“Property Tax Exemptions for Multi-Family Housing,” is hereby amended to read
as set forth in the attached Exhibit “A.”

Section 3. That this ordinance and attached Exhibit “A” shall become
effective 90 days after passage of this ordinance.

Passed ____________________________

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Mayor

Attest:

______________________________
City Clerk

Approved as to form:

______________________________
Deputy City Attorney
EXHIBIT “A”

CHAPTER 6A.110
PROPERTY TAX EXEMPTIONS FOR MULTI-FAMILY HOUSING

Sections:
6A.110.010 Definitions.

6A.110.010 Definitions.
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. (TMC Section 13.17.010)
B. “Owner” means the property owner of record. (TMC Section 13.17.010)
C. “Mixed-use center” means a center designated as such in the land use element of the City’s comprehensive plan. A mixed-use center is a compact identifiable district containing several business establishments, adequate public facilities, and a mixture of uses and activities, where residents may obtain a variety of products and services. (TMC Section 13.17.010)
D. “Director” means the Director of the Community and Economic Development Department or authorized designee. (TMC Section 13.17.010)
E. “Permanent residential occupancy” means multifamily housing that provides either rental or owner occupancy for a period of at least one month. This excludes hotels and motels that predominately offer rental accommodation on a daily or weekly basis. (TMC Section 13.17.010)
F. “Rehabilitation improvements” means modifications to existing structures that are vacant for 12 months or longer, that are made to achieve a condition of substantial compliance with existing building codes or modification to existing occupied structures which increase the number of multi-family housing units. (TMC Section 13.17.010)
G. “Residential target area” means an area within a mixed-use 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.
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.
L. “Campus facilities master plan” means the area that is defined by the University of Washington as necessary for the future growth and development of its campus facilities for branch campuses authorized under RCW 28B.45.020.

A. Intent. Limited 8 or 12-year exemptions from ad valorem property taxation for multi-family housing in mixed-use centers are intended to:
1. Encourage increased residential opportunities within mixed-use centers designated by the City Council as residential target areas;
2. Stimulate new construction or rehabilitation of existing vacant and underutilized buildings for multifamily housing in residential target areas to increase and improve housing opportunities;
3. Assist in directing future population growth to designated mixed-use centers, thereby reducing development pressure on single-family residential neighborhoods; and
4. Achieve development densities which are more conducive to transit use in designated mixed-use centers.
B. Duration of Exemption. The value of improvements qualifying under this chapter will be exempt from ad valorem property taxation for eight or twelve successive years (depending on whether the property includes affordable housing component as described in subsection E and F below) beginning January 1 of the year immediately following the calendar year of issuance of the Final Certificate of Tax Exemption.
C. Limits on Exemption. The exemption does not apply to the value of land or to the value of improvements not qualifying under this chapter, nor does the exemption apply to increases in assessed valuation of land and non-qualifying 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 chapter.
D. Rehabilitation Provisions. Property proposed to be rehabilitated must fail to comply with one or more standards of the applicable state or local building or housing codes on or after July 23, 1995.
E. Eight-year exemption Project Eligibility. A proposed project must meet the following requirements for consideration for a property tax exemption:
1. Location. The project must be located within a residential target area, as designated in Section 13.17.020. Potential projects to be sited within the boundaries of the University of Washington Tacoma “campus facilities master plan” within the Downtown Tacoma Mixed-Use Center will not be considered.
2. Size. The project must include at least four units of multi-family housing within a residential structure or as part of a mixed-use development. A minimum of four new units must be constructed or at least four additional multi-family units must be added to existing occupied multi-family housing. Existing multi-family housing that has been vacant for 12 months or more does not have to provide additional units so long as the project provides at least four units of new, converted, or rehabilitated multi-family housing.
3. Permanent Residential Occupancy. At least 50 percent of the space designated for multi-family housing must be provided for permanent residential occupancy, as defined in Section 13.17.010.
4. Proposed Completion Date. New construction multi-family housing and rehabilitation improvements must be scheduled to be completed within three years from the date of approval of the application.
5. 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. Rehabilitation and conversion improvements must comply with the City’s minimum housing code. New construction must comply with the Uniform Building Code. 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.
6. Vacancy Requirement. Existing dwelling units proposed for rehabilitation must have one or more violations of the City’s Minimum Building and Structures Code, TMC 2.01. If the property proposed to be rehabilitated is
not vacant or in the case of applications for property to be developed as new construction which currently has residential rental structure on it, an applicant must provide each existing household a 90-day move notice as well as provide housing of comparable size, quality, and price which meets the Uniform Physical Condition Standards or a similar standard acceptable to the City. If any household being provided a 90-day move notice is qualified as a low-income household, the applicant will provide the household with moving expenses according to the current Department of Transportation Fixed Residential Moving Costs Schedule.

7. Until August 31, 2009, no applications for any multi-family style developments in the Tacoma Mall Mixed-use Center, as identified in TMC 13.17.020 and as outlined on the Generalized Land Use Plan and in the Comprehensive Plan legal descriptions, which are incorporated herein by reference and on file in the City Clerk’s Office, will be accepted for this property tax exemption.

8. No applications for any multi-family style developments in Proctor or Point Ruston Mixed-use Centers, as identified in TMC 13.17.020 and as outlined on the Generalized Land Use Plan and in the Comprehensive Plan legal descriptions, which are incorporated herein by reference and on file in the City Clerk’s Office, will be accepted for this property tax exemption.

F. Twelve-year exemption Project Eligibility. A proposed project must meet the following requirements for consideration for a twelve year property tax exemption:

1. All requirements set forth in subsection E above; and

2. The applicant must commit to renting or selling at least twenty percent of the multifamily housing units as affordable housing units to low and moderate-income households respectively, and the property must satisfy that commitment and any additional affordability and income eligibility conditions adopted by the local government under this chapter. 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.

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

1. File with the Community and Economic Development Department the required application along with the required fees. The application fee to the City shall be $1,000 for four units, plus $100 per additional multi-family unit, up to a maximum total fee to the City of $5,000. If the application shall result in a denial by the City, the City will retain that portion of the fee attributable to its own administrative costs and refund the balance to the applicant.

2. A complete application shall include:
   a. A completed City of Tacoma application form setting forth the grounds for the exemption;
   b. Preliminary floor and site plans of the proposed project;
   c. A statement acknowledging the potential tax liability when the project ceases to be eligible under this chapter;
   d. For rehabilitation projects and for new development on property upon which an occupied residential rental structure previously stood, the applicant shall also submit an affidavit stating that each existing household was sent a 90-day move notice and that each household was provided housing of comparable size, quality, and price which meets the Uniform Physical Condition Standards or a similar standard acceptable to the City.
   e. For any household being provided a 90-day move notice that qualifies as a low-income household, the applicant will also submit an affidavit stating that moving expenses have been or will be provided according to the current Department of Transportation Fixed Residential Moving Costs Schedule.
   f. In addition, for rehabilitation projects, the applicant shall secure from the City verification of the property’s noncompliance with the City’s Minimum Building and Structures Code, TMC 2.01.
   g. Verification by oath or affirmation of the information submitted.
H. 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 90 days of receipt of a complete application.

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

2. 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 days of the denial. An applicant may appeal a denial to the City Council within 30 days of receipt of notice. On appeal, 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.

I. Extension of Conditional Certificate. The Conditional Certificate may be extended by the Director for a period not to exceed 24 consecutive months. The applicant must submit a written request stating the grounds for the extension, accompanied by a $50.00 processing fee. An extension may be granted if the Director determines that:

1. The anticipated failure to complete construction or rehabilitation within the required time period is due to circumstances beyond the control of the owner;
2. The owner has been acting and could reasonably be expected to continue to act in good faith and with due diligence; and
3. All the conditions of the original contract between the applicant and the City will be satisfied upon completion of the project.

J. 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 Community and Economic Development Department the following:

1. A statement of expenditures made with respect to each multi-family housing unit and the total expenditures made with respect to the entire property;
2. A description of the completed work and a statement of qualification for the exemption; and
3. A statement that the work was completed within the required three-year period or any authorized extension.
4. If applicable, a statement that the project meets the affordable housing requirements as described in subsection F above.

Within 30 days of receipt of all materials required for a Final Certificate, the Director shall determine which specific improvements satisfy the requirements of this chapter.

K. Issuance of Final Certificate. If the Director determines that the project has been completed in accordance with the contract between the applicant and the City and has been completed within the authorized time period, the City shall, within ten days, file a Final Certificate of Tax Exemption with the Pierce County Assessor.

1. Denial and Appeal. The Director shall notify the applicant in writing that a Final Certificate will not be filed if the Director determines that:
   a. The improvements were not completed within the authenticated time period;
   b. The improvements were not completed in accordance with the contract between the applicant and the City; or
c. The owner’s property is otherwise not qualified under this chapter.

2. Within 14 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 Section 1.23.070 of the Tacoma Municipal Code. The applicant may appeal the Hearing Examiner’s decision in Pierce County Superior Court, if the appeal is filed within 30 days of receiving notice of that decision.

L. Annual Compliance Review. Within 30 days after the first anniversary of the date of filing the Final Certificate of Tax Exemption, and each year thereafter, for a period of eight or twelve years, the property owner shall file a notarized declaration with the Director indicating the following:

1. A statement of occupancy and vacancy of the multi-family units during the previous year;

2. A certification that the property continues to be in compliance with the contract with the City; and, if applicable, a certification of affordability based on documentation that the property is in compliance with the affordable housing requirements as described in section 6.A.110.020.F;

3. A description of any subsequent improvements or changes to the property.

City staff shall also conduct on-site verification of the declaration. Failure to submit the annual declaration may result in the tax exemption being canceled.

M. Cancellation of Tax Exemption. If the Director determines the owner is not complying with the terms of the contract, 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 Pierce County Assessor within 60 days of the change in use.

1. Effect of Cancellation. If a tax exemption is canceled due to a change in use or other noncompliance, the Pierce County Assessor may impose an additional tax on the property, together with interest and penalty, and a priority lien may be placed on the land, pursuant to State legislative provisions.

2. Notice and Appeal. Upon determining that a tax exemption is to be canceled, the Director shall notify the property owner by certified mail. The property owner may appeal the determination by filing a notice of appeal with the City Clerk within 30 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 Pierce County Superior Court.