



City of Lake Stevens Vision Statement

By 2030, we are a sustainable community around the lake with a vibrant economy, unsurpassed infrastructure and exceptional quality of life.

CITY COUNCIL WORKSHOP MEETING AGENDA BY REMOTE ACCESS ONLY VIA ZOOM Lake Stevens, Washington

<https://us02web.zoom.us/j/87517633125>

OR

**Dial by your location
+1 253 215 8782 US (Tacoma)**

Meeting ID: 875 1763 3125

Tuesday, September 1, 2020 – 7:00 p.m.

- Multi Family Tax Exemption Sabrina/Russ
- Resolution re Supporting Law Enforcement Mayor
- Legislative Priorities Gene
- Full-time Mayor Discussion Gene/Barb

* ITEMS ATTACHED

** ITEMS PREVIOUSLY DISTRIBUTED

ITEMS TO BE DISTRIBUTED

THE PUBLIC IS INVITED TO ATTEND BUT WILL NOT BE ALLOWED TO COMMENT

Special Needs

The City of Lake Stevens strives to provide accessible opportunities for individuals with disabilities. Please contact Human Resources, City of Lake Stevens ADA Coordinator, (425) 622-9400, at least five business days prior to any City meeting or event if any accommodations are needed. For TDD users, please use the state's toll-free relay service, (800) 833-6384, and ask the operator to dial the City of Lake Stevens City Hall number.

NOTICE: All proceedings of this meeting are audio recorded, except Executive Sessions.



LAKE STEVENS CITY COUNCIL
STAFF REPORT

Council Agenda Date: September 1, 2020

Subject: Multifamily Tax Exemption Code Amendment

Contact Sabrina Gassaway, Associate Planner **Budget** none
Person/Department: _____ **Impact:** _____

RECOMMENDATION(S)/ACTION REQUESTED OF COUNCIL:

Introduce Multifamily Tax Exemption Code Amendment

Background:

Washington State legislation, though RCW 84.14, offers a Multi-Family tax exemption program that cities can participate in through local ordinance adoption. The City of Lake Stevens with a population of over 15,000 is eligible to participate. The Lake Stevens City Council has expressed interest in participating in this program. The multi-family tax exemption (MFTE) is an incentive that cities can offer to developers to encourage the construction of market rate housing and affordable multifamily housing in predesignated targeted areas. The program offers two durations: an 8-year exemption and 12-year exemption. Projects in target areas that plan to build market rate multifamily units are eligible for the 8-year exemption and those projects that construct 20% of the units for low to moderate incomes are eligible for the 12-year exemption.

Per the RCW 84.14 requirements proposed MFTE code amendments must include provisions for an application process, requirements for addressing demolition of existing structures, and building limitations. Staff discussed the program options with the Planning Commission as described below:

- **Target Areas for MFTE:** The Downtown, Lake Stevens Center, and 20th Street SE subareas are being considered as target areas for the application of the multifamily tax exemption programs. In the Lake Stevens Downtown Subarea staff is recommending expanding the target area to include adjacent multifamily zoning and the Planned Business District north of the Downtown subarea.
- **MFTE Options:** The city can adopt one or both options provided in RCW 84.14 and include additional requirements that meet the needs of our community. Staff research of jurisdictions that have adopted MFTE programs show a majority adopting both programs and imposing minimum number of multifamily unit. The average based on the Cities surveyed was a minimum of 8-10 units.

Staff is proposing the code amendment be split between Title 3 Revenue and Finance and Title 14 Land Use of the Lake Stevens municipal code. The financial impact on the city would be derived

from the property taxes that the city collects on the residential units. Per the City's current Levy this would equal to approximately one-dollar tax revenue for the city per \$1,000 dollars of assessed value annually. In the case of a mixed-use project with a multifamily and commercial component the exemption would only apply to the multifamily portion of the project. The goal of this amendment would be to promote diverse housing options in Lake Stevens through the incentivizing of multifamily projects.

In discussing the proposal with Planning Commission, the commissioners discussed project size limitations and whether to consider adopting one or both program options. Concerns were raised on the impact this program would have on project review and code requirements. Staff clarified that this amendment would not impact the underlying zoning in any way and that project that took advantage of the MFTE program would be held to the same code standards as other projects. The MFTE program would be an optional incentive that developers could apply for during the application process.

ATTACHED:

1. Scope of Work
2. Draft Code Amendment Framework
3. Target Areas Map



Scope of Work

Subject: Multi-Family Tax Exemption Zoning Code Amendment (LUA2020-0110)
Chapter 14.38 Sub Areas

BACKGROUND/HISTORY:

Washington State legislation, through RCW 84.14, offers a Multi-Family tax exemption program that cities can participate in through local ordinance adoption. The City of Lake Stevens with a population of over 15,000 is eligible to participate. The Lake Stevens City Council has expressed interest in participating in this program.

Purpose of this Code Amendment:

The purpose of this code amendment is to:

- Provide regulations for limited exemptions from property taxation for multifamily housing in a residential targeted area
- Determine applicability and limitations of exemptions in line with RCW 84.14
- Provide more opportunities for housing for a variety of incomes
- Clarify thresholds for low and moderate incomes

Regulations affected:

- The regulations may be adopted in new chapters in Title 3 Revenue and Finance or Title 14 Land Use
- The project will require adoption of a resolution to identify the targeted areas and a code amendment process to set regulations.

Timeline:

- Approximately 4 - 6 months for final adoption

Title 3 - Chapter 31 Multifamily Tax Exemption Program

- 3.31. Definitions
- 3.31. Application procedure and fee
- 3.31. Amendment to MFTE contacts
- 3.31. Final certificate
- 3.31. Annual Reporting
- 3.31. Severability
- 3.31. Conflict of Provisions

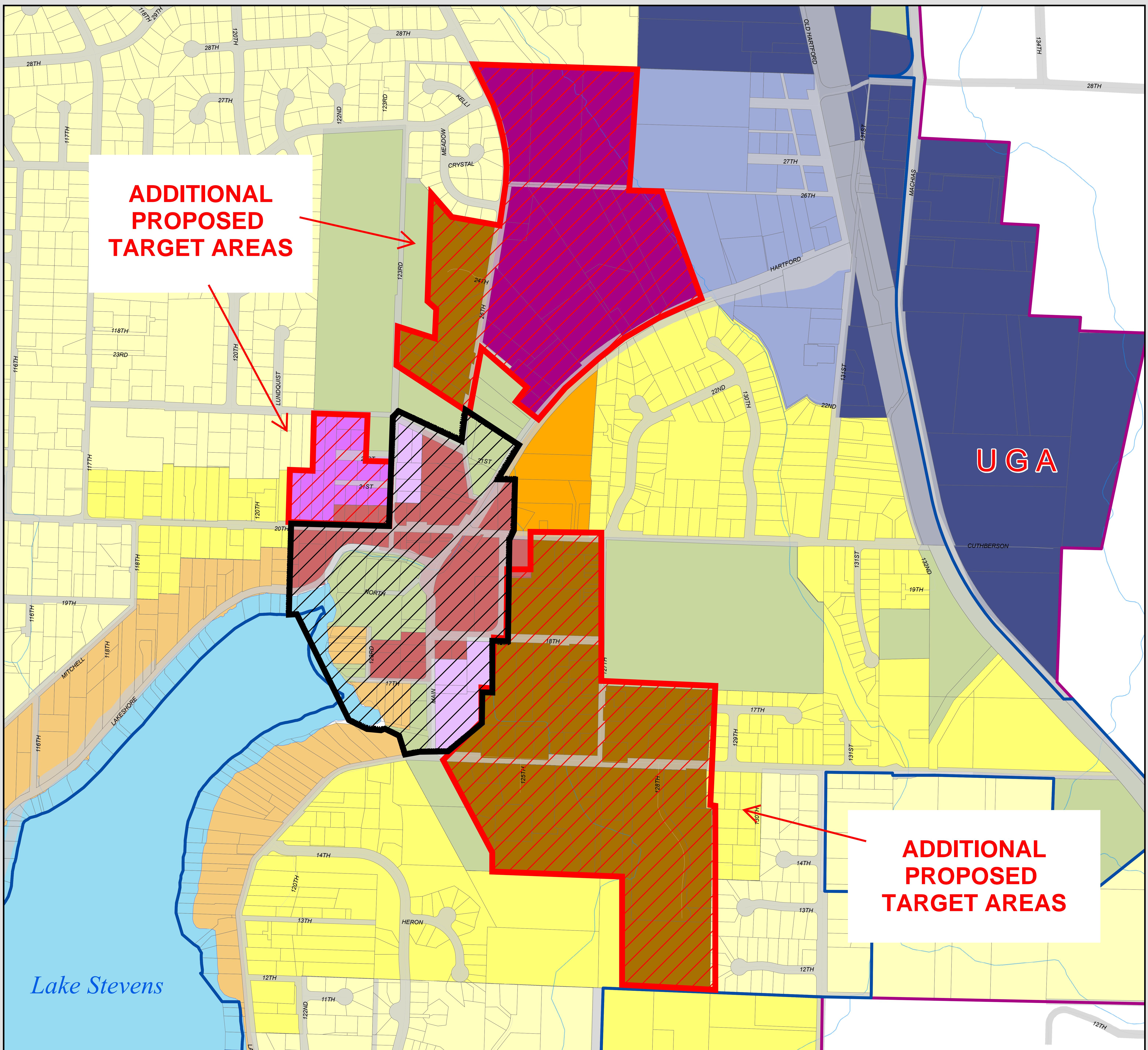
Title 14 - Chapter 14.44 Supplementary Use Regulations

- Part VI. Multifamily Housing Property Tax Exemption Program
 - 14.42.600 Purpose and Intent
 - 14.42.600 Target Areas
 - 14.42.600 Applicability
 - 14.42.600 Multifamily Residential Standards
 - 14.42.600 Application Review and Issuances



CITY OF
LAKE STEVENS
ZONING MAP

DOWNTOWN
SUB AREA
TARGET AREA



City Zoning

R4 (formerly SR)	Multi-Family Residential (MFR)
R6 (formerly UR)	MF Development Agreement (MDA)
R8-12 (formerly HUR)	Mixed Use (MU)
Waterfront Residential (WR)	Mixed-Use Neighborhood (MUN)
	Local Business (LB)

Neighborhood Business (NB)

Central Business District (CBD)	Business District (BD)
	Light Industrial (LI)
	Commercial District (CD)
	Planned Business District (PBD)
	Public / Semi-Public (P/PS)

Light Industrial (LI)
General Industrial (GI)
GI Development Agreement (GIDA)

Boundary

City of Lake Stevens

Parcels

Unincorporated UGA

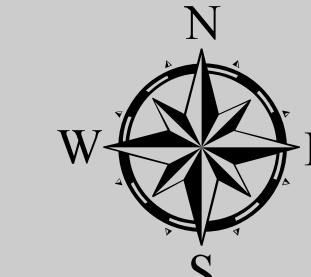
Right-of-Way

Subarea Boundaries

- 20th Street SE Corridor
- Lake Stevens Center
- Downtown

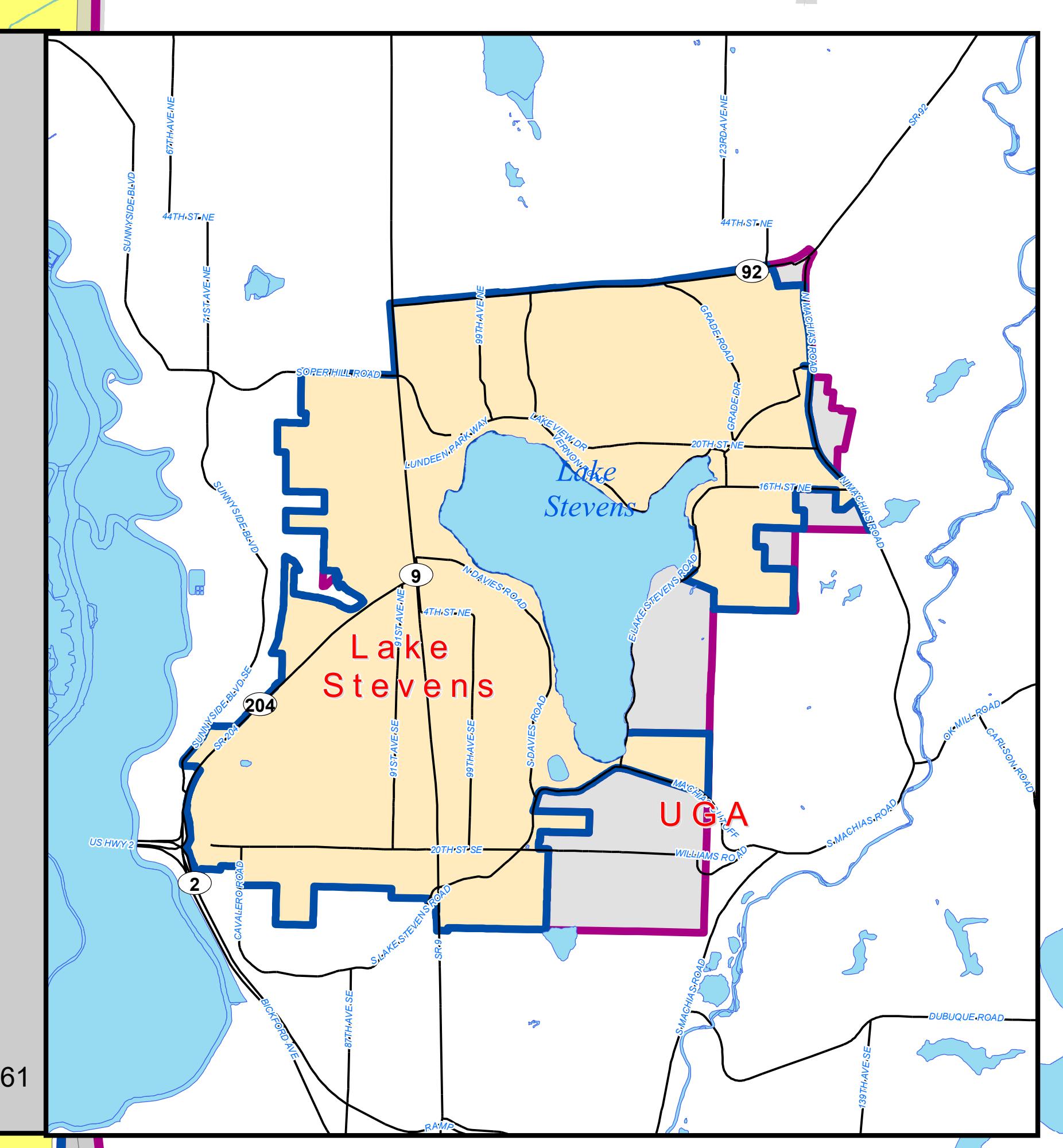
Features

- Waterbody
- Stream



0 250 500 1,000 Feet

Updated via:
Ordinance No. 1061



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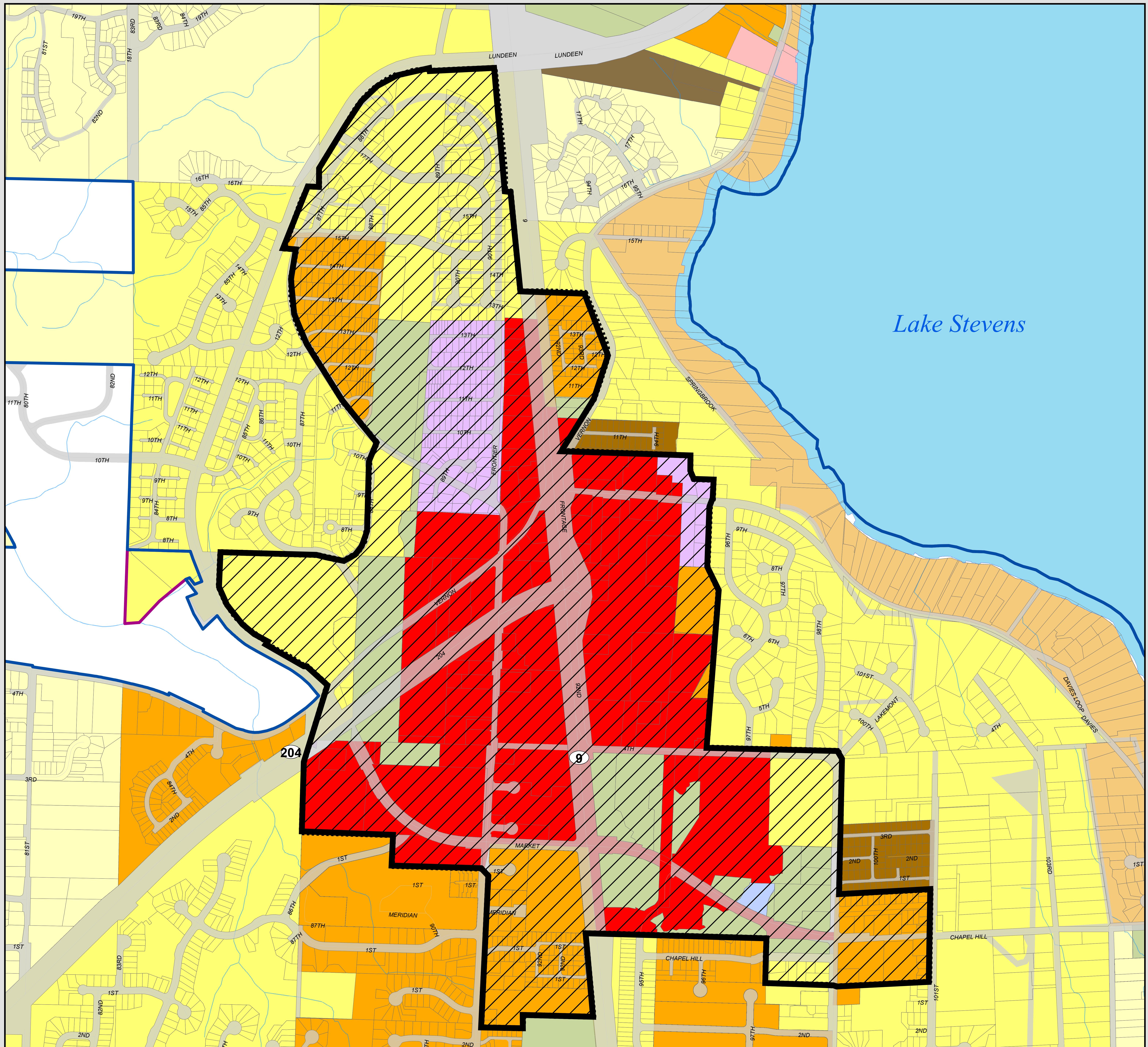
Data Sources: Snohomish County (2019), City of Lake Stevens (2019)

Revision Date: November 2019



CITY OF
LAKE STEVENS
ZONING MAP

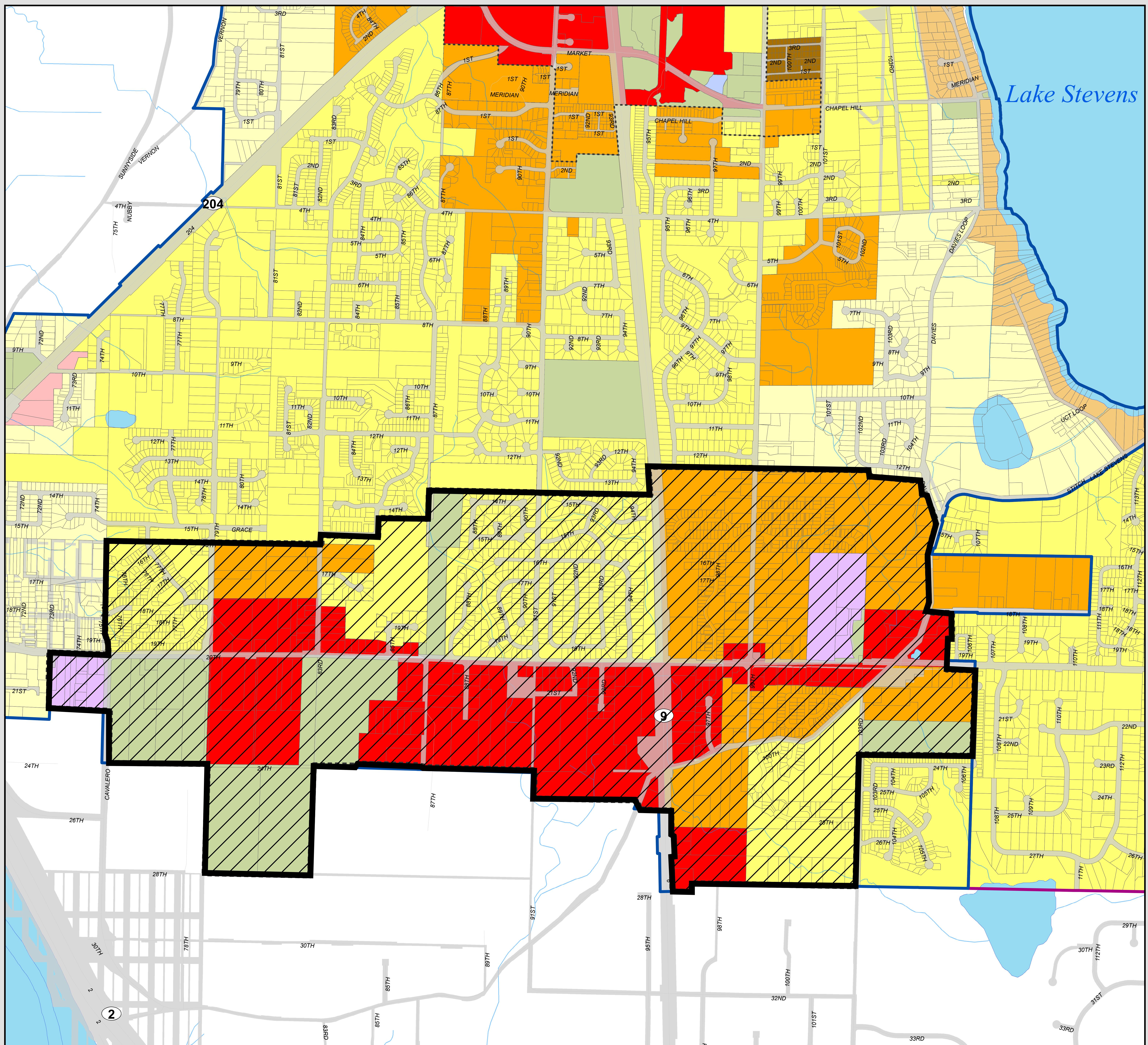
LAKE STEVEN
CENTER SUB AREA
TARGET AREA





CITY OF
LAKE STEVENS
ZONING MAP

20th STREET
SUB AREA
TARGET AREA



City Zoning

R4 (formerly SR)	Multi-Family Residential (MFR)	Neighborhood Business (NB)	Business District (BD)
R6 (formerly UR)	MF Development Agreement (MDA)	Central Business District (CBD)	Light Industrial (LI)
R8-12 (formerly HUR)	Mixed Use (MU)	Commercial District (CD)	General Industrial (GI)
Waterfront Residential (WR)	Mixed-Use Neighborhood (MUN)	Planned Business District (PBD)	GI Development Agreement (GIDA)
Local Business (LB)	Local Business (LB)	Public / Semi-Public (P/PS)	

Boundary

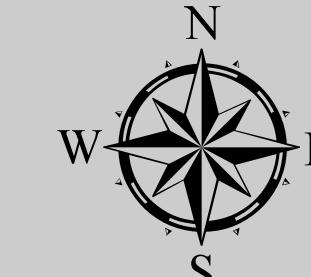
 City of Lake Stevens	 Parcels
 Unincorporated UGA	 Right-of-Way

Subarea Boundaries

 20th Street SE Corridor	 Waterbody
 Lake Stevens Center	 Stream
 Downtown	

Features

- Waterbody
- Stream



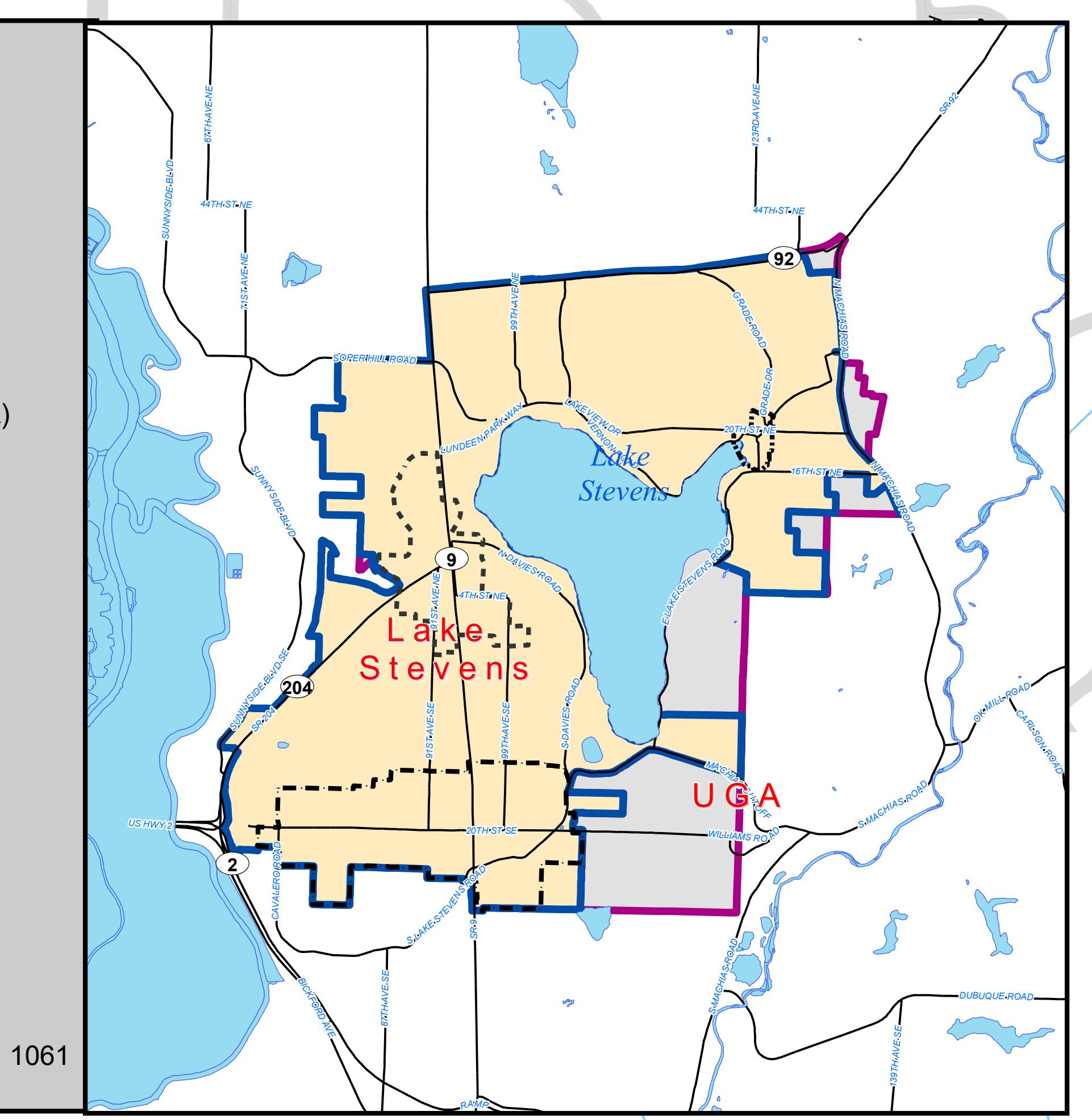
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Data Sources: Snohomish County (2019), City of Lake Stevens (2019)

Revision Date: November 2019



RESOLUTION NO.
**A RESOLUTION RECOGNIZING AND SUPPORTING POLICE
OFFICERS AND LAW ENFORCEMENT PROFESSIONALS**

Whereas, Federal, State, and local police officers, sheriffs, and other law enforcement officers across the United States serve with valor, dignity, and integrity; and

Whereas, law enforcement officers are charged with pursuing justice for all individuals, while performing their duties with fidelity to the constitutional and civil rights of the public they serve; and

Whereas, law enforcement officers swear an oath to uphold the public trust even though, through the performance of the duties of a law enforcement officer, the officers may become targets for acts of violence; and

Whereas, law enforcement officers have bravely continued to meet the call of duty to ensure the security of their neighborhoods and communities at the risk of their own personal safety in the time of a viral pandemic and racial unrest; and

Whereas, the resolve to service is clearly demonstrated by law enforcement officers across the country who have tragically fallen ill or passed away in the line of duty; and

Whereas, officers who behave in ways contrary to their oaths or betray the public trust should be held fully accountable and face the consequences therefore; but at the same time, the overwhelming majority of decent, honorable and selfless law enforcement officers should not be judged by the actions of a few; and

Whereas, within our own community, the Lake Stevens Police Department has consistently demonstrated a commitment to achieve and maintain the highest levels of training and certification, by, for example, becoming a State accredited police agency; having several officers attend and graduate from the United States FBI Academy, who bring back training and information of benefit to the entire department; and by providing many times more officer training hours each year than are required by the State of Washington; and

Whereas, the Lake Stevens Police Department has an exemplary record of engagement with the City's community members, participating in numerous community policing activities including: National Night Out, The Child Safety Seat program; Child ID Cards, Lake Marine Education Patrols, and an uplifting School Resource Program; and

Whereas, the Lake Stevens Police Department has adopted three pillars to guide their decisions, actions and results: 1) constitutionally correct action; 2) morally and ethically sound engagement; and 3) restrained tactics that are strictly within their delegated authority. It is the goal of the Lake Stevens Police Department to recognize the worth and diversity of individuals and cultures, showing neither undue favor or bias; exercising just practices in all they do; and

Whereas, the Lake Stevens Police Department has an outstanding and recognized record of police service and being on the front lines of crime prevention, investigations, and arrests, clearing a far higher percentage of cases than State or National averages; and

Whereas, law and order in any community must be a collaboration between the citizens of that community, the police and elected officials; and

Whereas, recent experience has shown that crime will begin to rise as officers become less willing to initiate contacts with the public due to lack of community and official support; and

Whereas, Police officers must have the backing of their community and elected leaders to do their job effectively.

Now therefore;

Be It Resolved, by the Lake Stevens City Council, as follows:

This Board, on behalf of the City of Lake Stevens:

(1) expresses unwavering support for law enforcement officers of the City of Lake Stevens and across the United States who act ethically and with integrity in the pursuit of preserving safe and secure communities; and

(2) recognizes the need to ensure that law enforcement officers have the equipment, training, and resources that are necessary in order to protect the health and safety of the officers while the officers protect the public; and

(3) recognizes the law enforcement community for continual unseen acts of sacrifice and heroism, especially amid current issues faced by the United States; and

(4) acknowledges police officers and other law enforcement personnel, especially those who have made the ultimate sacrifice, should be remembered and honored; and

(5) expresses condolences and solemn appreciation to the loved ones of each law enforcement officer who has made the ultimate sacrifice in the line of duty; and

(6) expresses its strong support for the dedication of the Lake Stevens Police Department to respect all individuals regardless of race or culture, and to adopt and emphasize constitutional, ethical, and unbiased law enforcement practices; and

(7) encourages the citizens of Lake Stevens and people of the United States to remain aware of the essential mission law enforcement personnel undertake in service to their communities and to honor and respect the ongoing efforts of the overwhelmingly decent and honorable members of the law enforcement community in furtherance of that mission, even at risk of their own personal safety.

Done and Resolved this _____ day of _____, 2020.

City of Lake Stevens – 2021 Legislative Agenda **Top-Priority Issues at a Glance**

Top Priority Issues -- Impacting Lake Stevens Directly

Transportation Investments

Lake Stevens applauds the leadership of its 44th District delegation – particularly with “Connecting Washington” funds for rebuilding the State Route 9/State Route 204 Interchange and allocations toward other critical projects such as SR 9 roundabouts, 20th Street peak-access lanes, the Village Way access, the South Lake Stevens Road trail extension, and more. Additionally, the “Forward Washington” proposals of 2019 and 2020 have sought to move the needle on key projects within Lake Stevens including the U.S. 2 Trestle. These investments are mission-critical for a city of 33,000 that has finite resources yet is being asked to accommodate unprecedented levels of growth. Heading into the 2021 Session, Lake Stevens has identified these transportation project and program priorities to work on with area lawmakers:

- ❖ ***U.S. 2 Trestle Improvements and Replacement:*** As lawmakers ramp up discussions over a possible new-revenue transportation investment package, Lake Stevens urges the Legislature to ensure that any package include funding to improve the U.S. 2 Trestle – and ultimately to replace the deteriorating westbound structure. The City will look for continued opportunities to emphasize the critical need to act on and fund the Trestle.
- ❖ ***20th Street and Main Intersection:*** The City requests \$1 million toward this key intersection to bring all major downtown roads together for better flow and access. Lake Stevens is starting a 10 percent design of this intersection and seeks state funds to use toward right-of-way and construction. The project could be underway in Spring 2022.
- ❖ ***Funding of South Lake Stevens Road and Downtown Multi-Use Paths that make key connections for the local community:*** The City requests \$2.5 million to continue the city's downtown multi-use path to the south and northwest, which will help implement the Downtown Lake Stevens Subarea Plan. Additionally, the City seeks \$3 million to continue the highly popular South Lake Stevens Road multi-use path from 20th Street to State Route 9. Approximately 4,500 linear feet of trail has been constructed under Phase 1 of this project, thanks to Connecting Washington funds. This request would allow for an 8- to 10-foot wide path and a vegetated barrier separating trail users from motorists. Lake Stevens also is prepared to support additional South Lake Stevens Road trail extensions that may be requested by Snohomish County.
- ❖ ***Direct Distributions, Support of Critical Grant Programs, Local Options, Culverts, Reforms:*** Lake Stevens will also strive to ensure the following are included in any transportation package developed by the 2021 Legislature:
 - ✓ *Direct Distribution of additional funds:* If the Legislature decides to increase gas taxes as part of a package, Lake Stevens urges that a portion of the increase be dedicated to direct per-capital distributions to cities and counties;
 - ✓ *Critical Grant Programs:* The City strongly believes that any transportation package must also enhance funding for grant programs critical to local governments, including those administered by the Transportation Improvement Board (TIB), Safe Routes to Schools, Bicycle and Pedestrian Grants, Complete Streets, Regional Mobility Grants, etc;
 - ✓ *Local Options:* Lake Stevens will strongly support efforts to establish new local funding options for cities and counties, particularly in the wake of Initiative 976 provisions that repealed the Vehicle License Fee components of Transportation Benefit Districts (TBDs);
 - ✓ *Funding for culvert removals:* Lake Stevens will urge lawmakers to remember that funding for culverts and fish-passed should include monies for both state and local culverts through a watershed-based approach.
 - ✓ *Reforms:* In the discussion of new revenue, there also will very likely be discussions of ways to reform the transportation system and more efficiently and effectively use existing dollars set aside for state and local governments. Lake Stevens supports the idea of seeking additional system reforms and efficiencies.

Capital Budget/Quality of Life

The City of Lake Stevens greatly appreciates the help its 44th Legislative District Delegation in securing previous funds to assist with capital investments in the local community, especially those that spurred the Civic Center redevelopment including the new Mill building on Main Street. The 2021 Session is one where lawmakers will have approximately \$3.1 billion in overall bonding capacity and will seek to develop a robust Capital Budget as a stimulus tool to help create new jobs and investments as a COVID-19 recovery tool. Capital investments also promote equity and social justice by providing all citizens with equal access to areas such as parks, Civic Centers, Farmers' Markets, etc. Lake Stevens requests the following:

- ❖ **Civic Center/Downtown Revitalization:** The City requests \$2.1 million to help fund the next stage of the multi-phase Civic Center redevelopment, which will allow the construction of a “festival street” (parallel to Main Street). The festival street will house Main Street-type developments such as a relocated museum and the historic Grimm House. The City already has allocated local resources toward design and engineering and design of this phase of the Civic Center work is 90 percent complete. Lake Stevens would be prepared to have this project underway as early as Summer 2021.

Protecting, Enhancing, and Flexing Vital Fiscal Resources for Cities and Counties

As the state looks to address a four-year, \$8.8 billion shortfall that is projected for its Operating Budget, the City of Lake Stevens will prioritize these fiscal resource efforts in response:

- ❖ **Marijuana Excise Tax Revenues - Explore Refinements and/or Local Options:** It is the City's understanding that adjustments to 'sin taxes' will be on the table as state lawmakers analyze a blend of cuts, transfers, and new-revenue ideas to address the above-referenced \$8.8 billion funding gap. In terms of marijuana excise tax revenues, Lake Stevens would like to explore a collaborative effort with its 44th District lawmakers to re-examine a current system that relies heavily on a per-capita formula to distribute funds down to cities and counties. That system does little to assist cities such as Lake Stevens which have a significant amount of marijuana canopy that is grown by wholesale processors. The City wants to explore whether a previously-envisioned three-tiered taxing structure, or local options that can be adopted by local communities, could be integrated into state statute.
- ❖ **Protect State-Shared Revenues:** The City of Lake Stevens urges legislators to refrain from 'solving' their budget woes by reducing or eliminating key state-shared revenues such as liquor taxes, marijuana excise taxes, municipal criminal justice assistance, etc. These are vital for cities and counties and cutting them would only exacerbate budget shortfalls being felt at the local level.
- ❖ **Fiscal Flexibility:** Lake Stevens will strongly support fiscal flexibility legislation being sponsored by Reps. Gerry Pollet (D-Seattle/46th Dist.) and Keith Goehner (R-Dryden/12th Dist.) that would enable more flexible and broad-based usage of funds such as Real Estate Excise Tax (REET), lodging tax, criminal justice sales tax, and levy lid lifts to help survive the severe budget challenges brought on by the global COVID-19 pandemic.
- ❖ **Policing Reforms:** Lake Stevens is receptive to potential 2021 policing reform bills that would ask local law enforcement to make more use of mental health professionals and training. However, the City urges lawmakers to bear in mind that significant funding components must accompany these policy initiatives.

City of Lake Stevens – 2021 Legislative Agenda
“Support/Oppose” & “Track/Monitor”

Budget and Fiscal Matters

- **Oppose** any new unfunded or “under-funded” mandates and protect local revenue authority.
- **Monitor** legislative initiatives that may emerge to replace the 1 percent property tax cap on local governments with a system that is based on inflation and population growth. The Legislature must decide in 2021 whether a temporary, 4-year adjustment to the *state’s* 1 percent limit should be extended, or extended and expanded to include local taxing districts, or simply sunsetted.

Criminal Justice/Public Safety/Fire/Courts

- **Support** policing reforms ideas such as a statewide use-of-force data base, additional training, and other adjustments, so long as the Legislature recognize funding obligations that must accompany these changes.
- **Oppose** legislation that would undermine or weaken drug and property seizure and forfeiture laws which help local law enforcement agencies combat illegal drug-trafficking and narcotics operations.

Economic Development/Infrastructure/Housing/Affordable Housing

- **Support** continued efforts to establish either a property-tax-based Tax Increment Financing (TIF) tool or a new funding infusion for Local Revitalization Financing (LRF). These tools are important to help cities in recruiting and retaining jobs, particularly in competition with other states.
- **Support** legislation and funding to extend rental assistance for individuals and families in danger of falling into homelessness by the economic upheaval that has accompanied the COVID-19 pandemic.

Land-Use/Growth Management Act (GMA)

- **Support** initiatives to revise state laws to program updates to GMA, Shoreline, and Critical Area plans on an every-10-years schedule so that they sync up with the 10-year census population updates.
- **Oppose** legislation that would mandate Growth Management Act (GMA) changes, such as the addition of new elements for comprehensive plans, unless there is specific funding accompanying such requirements.
- **Support** legislation that continues to modernize outdated annexation statutes and enable cities to more efficiently provide urban-level services to those areas that want to be a part of municipalities.

Local Government in General/Miscellaneous

- **Support** initiatives that can help reduce costs for cities and counties or make service delivery more efficient.

Parks and Recreation

- **Support** legislation being put forth by the Washington Recreation and Park Association (WRPA) to give parks and recreation agencies additional local funding options, particularly for ongoing operating needs, key capital investments, and maintenance backlogs.

Personnel, Pension, and other Human Resource Issues

- **Monitor** bills or budget initiatives that might lower pension contribution rates in the short-term while leading to steeper rate hikes in the long-term.

City of Lake Stevens - 2021 Federal-Issue Priorities

- **Top Priority:** Continue to seek funding opportunities for the U.S. 2 Trestle, particularly within transportation reauthorization and infrastructure legislation being considered by Congress and if Congress re-establishes any type of project earmarking process;
- **Priority:** Strongly support legislation to enhance transportation and infrastructure funding, resources, and tools. Both a Transportation Act Reauthorization ("Invest in America") and a more comprehensive infrastructure package ("Moving Forward Act") have passed the U.S. House, but neither are expected to progress further until after the November General Election at earliest;
- **Priority:** Strong support for legislation by U.S. Senator Maria Cantwell (D-WA) and U.S. Rep. Suzan DelBene (D-WA/1st District) to add significant funding and eligibility for the Low-Income Housing Tax Credit (LIHTC) program;