

ORDINANCE NO. 4885

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF ELLENSBURG, WASHINGTON RELATING TO CHAPTER 2.30 “MULTIFAMILY TAX INCENTIVES,” EXPANDING THE RESIDENTIAL TARGETED AREA, AND AMENDING SECTIONS 2.30.010, 2.030.015, 2.30.020, 2.30.040 AND 2.30.060 OF THE ELLENSBURG CITY CODE.

WHEREAS, the City of Ellensburg is a non-charter code city under Title 35A of the Revised Code of Washington; and

WHEREAS, the Ellensburg City Council, pursuant to RCW 35A.11.020 through RCW 35A.13.230, has authority given to any class of municipality or to all municipalities of this state, and all powers possible for a city or town to have under the Constitution of this state, and not specifically denied to code cities by law, which may be exercised regarding the regulation or use of real property of all kinds; and

WHEREAS, Kittitas County and the City of Ellensburg plan under Washington’s Growth Management Act, Chapter 36.70A RCW; and

WHEREAS, the City of Ellensburg is the largest city or town in Kittitas County; and

WHEREAS, RCW 35A.63.100 authorizes the Ellensburg City Council, by ordinance or other action to the extent the City Council deems necessary or appropriate, to implement or give effect to the comprehensive plan or parts thereof in developing the City of Ellensburg and in regulating the use of land herein; and

WHEREAS, Chapter 84.14 RCW authorizes local government to adopt multi-unit housing guidelines and designate residential targeted areas for the purpose of qualifying for certain ad valorem tax exemptions; and

WHEREAS, the City Council held a public hearing on the matter of expanding the residential targeted area for the multifamily tax exemption to include the Central Commercial II zone at its regular meeting on January 3, 2022; and

WHEREAS, the Ellensburg City Council finds that its Central Commercial Zone and Central Commercial II Zone as defined by Chapter 15.300.020 ECC (official zoning map) and ECC 15.300.050(E), and 15.300.050(F) of the Ellensburg City Code are each considered urban centers as defined by RCW 84.14.010(17), because they are both compact identifiable districts in the City where urban residents live and may obtain a variety of products and services; and

WHEREAS, the Ellensburg City Council further finds that these two Central Commercial Zones contain several existing business establishments, adequate public facilities, and a mixture of uses and activities including housing, recreation, cultural activities in association with commercial and office uses, that make them urban centers under RCW 84.14.010(17); and

WHEREAS, the Ellensburg City Council finds that the two Central Commercial Zones as defined above lack sufficient available, desirable, and convenient residential housing to meet the needs of the public who would likely live in such urban centers, if desirable, attractive and livable places to live were available, and

WHEREAS, the Ellensburg City Council finds that it will assist in achieving the purposes of Chapter 84.14 RCW by providing special ad valorem tax exemptions for eligible improvements associated with multi-unit housing in the two Central Commercial Zones defined above, and

WHEREAS, the Ellensburg City Council finds that amending the existing multifamily housing tax incentive code in accordance with Chapter 84.14 RCW provides options for affordable housing to qualify, and to provide more detail as to the process in reviewing, approving and monitoring the special ad valorem tax exemption, and

NOW, THEREFORE, the City Council of the City of Ellensburg, Washington does hereby ordain as follows:

**Section 1. Section 2.30.010 of the Ellensburg City Code, as last amended by Section 1 of Ordinance 4678, is hereby amended to read as follows:**

**2.30.010 Purpose.**

The purpose of this chapter is to provide limited exemptions from ad valorem property taxation for multifamily housing in the downtown area and is intended to:

- A. Encourage increased residential opportunities within the two central commercial zones as defined by Chapters 15.300.020 ECC (official zoning map), ECC 15.300.050(E), and 15.300.050(F);
- B. Stimulate new construction or rehabilitation of existing vacant and underutilized buildings for multifamily housing in the central commercial zones to increase and improve housing opportunities; and
- C. Assist in directing future population growth to the central commercial zones, thereby reducing development pressure on single-family residential neighborhoods. [Ord. 4678 § 1, 2014; Ord. 4488 § 4, 2007.]

**Section 2. Section 2.30.015 of the Ellensburg City Code, as last amended by Section 2 of Ordinance 4678, is hereby amended to read as follows:**

**Section 2.30.015 Definitions.**

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

“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 30 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.

“Director” means the city of Ellensburg community development director or his/her designee.

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

“Low-income household” means a single person, family, or unrelated persons living together whose adjusted income is at or below 80 percent of the median family income adjusted for family size, for the county, city, or metropolitan statistical area, 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 100 percent of the median family income adjusted for family size, for the county where the project is located.~~

“Moderate-income household” means a single person, family, or unrelated persons living together whose adjusted income is more than 80 percent but is at or below 115 percent of the median family income adjusted for family size, for the county, city, or metropolitan statistical area, 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 100 percent, but at or below 150 percent, of the median family income adjusted for family size, for the county where the project is located.~~

“Multiple-unit housing” means a building or a group of buildings having four or more dwelling units not designed or used as transient accommodations and not including hotels and motels. Multifamily units may result from new construction or rehabilitated or conversion of vacant, underutilized, or substandard buildings to multifamily housing.

“Owner” means the property owner of record.

“Permanent residential occupancy” means multiunit 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.

“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 multifamily housing units.

“Residential targeted area” means an area within an urban center that has been designated by the governing authority as a residential targeted area in accordance with this chapter. With respect to designations after July 1, 2007, “residential targeted area” may not include a campus facilities master plan.

“Substantial compliance” means compliance with local building or housing code requirements that are typically required for rehabilitation as opposed to new construction. [Ord. 4678 § 2, 2014.]

**Section 3. Section 2.30.020 of the Ellensburg City Code, as last amended by Section 3 of Ordinance 4678, is hereby amended to read as follows:**

**2.30.020 Residential targeted area designated.**

The Central Commercial zone and Central Commercial II zone as defined by Chapter ECC 15.300.020 ECC (official zoning map), and ECC 15.300.050(E), and ECC 15.300.050(F) are hereby designated as the residential targeted areas for the city of Ellensburg pursuant to RCW 84.14.040. [Ord. 4678 § 3, 2014; Ord. 4488 § 4, 2007.]

**Section 4. Section 2.30.040 of the Ellensburg City Code, as last amended by Section 5 of Ordinance 4678, is hereby amended to read as follows:**

**2.30.040 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 the central commercial zone or central commercial II zone as defined by Chapters ECC 15.300.020 ECC (official zoning map), and ECC 15.300.050(E), and ECC 15.300.050(F).

B. Tenant Displacement. The project must not displace existing residential tenants of structures that are proposed for redevelopment, unless the applicant has provided each existing tenant housing of comparable size, quality, and price and a reasonable opportunity to relocate. Existing dwelling units proposed for rehabilitation must fail to comply with one or more standards of applicable building or housing codes in ECC Title 3, the rehabilitation improvements shall achieve a condition of substantial compliance with the applicable building, construction, and housing codes contained in ECC Title 3 and all uniform codes adopted pursuant to ECC Title 3. Applications for new construction cannot be submitted for vacant property upon which an occupied residential rental structure previously stood during any portion of the 12-month period immediately preceding submission of the application, unless the applicant had provided each displaced tenant housing of comparable size, quality, and price and a reasonable opportunity to relocate.

C. Business Displacement. The project must not displace existing commercial space, occupied or unoccupied, located on the first floor of structures that are proposed for redevelopment, except for the limited purposes of providing:

1. Stairway and/or elevator ingress and egress to and from the street front and/or alley; or
2. The provision of garage, parking or loading areas on alley frontages, so long as such displacement does not exceed 25 percent of the existing commercial space.

D. Size. The project must include at least four units of multifamily housing within a residential structure, a group of buildings, or as part of a mixed-use development. A minimum of four new units must be constructed or at least four additional multifamily units must be added to existing occupied multifamily housing. Existing multifamily housing that has been vacant for 12 months or more does not have to provide additional units.

E. Permanent Residential Housing. At least 50 percent of the space designated for multifamily housing must be provided for permanent residential occupancy.

F. Proposed Completion Date. New construction multifamily housing and rehabilitation improvements must be scheduled to be completed within three years from the date of approval of the application.

G. 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. New construction must comply with the International Construction Code. The project must also comply with any other standards and guidelines adopted by the city council for the area in which the project will be developed. [Ord. 4678 § 5, 2014; Ord. 4488 § 4, 2007.]

**Section 5. Section 2.30.060 of the Ellensburg City Code, as last amended by Section 6 of Ordinance 4678, is hereby amended to read as follows:**

**2.30.060 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.

A. Approval. The director or designee may approve the application if they find that:

1. A minimum of four new units are being constructed or in the case of occupied rehabilitation or conversion within 12 months of occupancy, a minimum of four additional multifamily units are being developed.

2. The proposed project either is, or will be at the time of completion, in conformance with all applicable local plans and regulations that apply at the time the application is approved.

3. The owner has complied with all standards and guidelines adopted by the city under this chapter.

4. The site is located within the central commercial zone or central commercial II zone as defined by Chapters ECC 15.300.020 ECC (official zoning map), and ECC 15.300.050(E), and ECC 15.300.050(F)..

B. 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 which shall contain a statement by the director that the property has complied with ECC 2.30.050 and 2.30.060. The conditional certificate expires three years from the date of approval.

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 10 days of the denial. An applicant may appeal a denial to the city council within 30 days of receipt of notice. The appeal before city council will be based on the record made before the director. 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. [Ord. 4678 § 6, 2014; Ord. 4488 § 4, 2007.]

**Section 6. Severability.** If any portion of this ordinance is declared invalid or unconstitutional by any court of competent jurisdiction, such holding shall not affect the validity of the remaining portions of this ordinance.

**Section 7. Effective Date.** This ordinance shall take effect and be in force five (5) days after its passage, approval and publication.

**Section 8. Corrections.** Upon the approval of the City Attorney, the City Clerk and the codifiers of this ordinance are authorized to make necessary corrections to this ordinance including, but not limited to, the correction of scrivener's/clerical errors, references, ordinance numbering, section/subsection numbers and any references thereto.

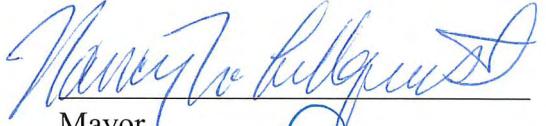
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The foregoing ordinance was passed and adopted at a regular meeting of the City Council on the 18th day of January, 2022.

Attest:

  
\_\_\_\_\_  
Nancy Le Filguez  
Mayor  
  
\_\_\_\_\_  
Beth Leader  
City Clerk

Approved as to form:

  
\_\_\_\_\_  
[redacted]

City Attorney

Publish: 1-22-2022

I, Beth Leader, City Clerk of said City, do hereby certify that Ordinance No. 4885 is a true and correct copy of said Ordinance of like number as the same was passed by said Council, that Ordinance No. 4885 was published as required by law.

  
\_\_\_\_\_  
Beth Leader