

ORDINANCE NO. 024/2009

AN ORDINANCE OF THE CITY OF MONROE, WASHINGTON DESIGNATING PORTIONS OF THE DOWNTOWN PLANNING AREA AS AN URBAN CENTER FOR INCREASED RESIDENTIAL DEVELOPMENT, INCLUDING AFFORDABLE HOUSING, TO QUALIFY AFFORDABLE HOUSING PROJECTS FOR PROPERTY TAX EXEMPTIONS AUTHORIZED BY CHAPTER 84.14 RCW AND TO AMEND THE MONROE MUNICIPAL CODE BY REPEALING CHAPTER 18.74 AND ADOPTING A REVISED CHAPTER 18.74 – AFFORDABLE HOUSING DEVELOPMENT INCENTIVES; ADDING DEFINITIONS IN CHAPTER 18.02; REPEALING SECTIONS IN CHAPTERS 18.84 AND 18.86 RELATED TO AFFORDABLE HOUSING; AND AMENDING CHAPTERS 13.04, 13.08, 13.32, AND 20.12 FOR CONSISTENCY AND PROVIDING FOR SEVERABILITY AND FIXING A TIME WHEN THE SAME SHALL BECOME EFFECTIVE.

WHEREAS, the Monroe City Council has been reviewing ways to increase affordable housing in the city of Monroe; and

WHEREAS, the Monroe City Council adopted the Downtown Subarea Plan through Ordinance 2008/036; and

WHEREAS, the Monroe City Council would like to stimulate increased residential development, including affordable housing, in portions of the Downtown Planning Area and provide ad valorem property taxation exemptions for the value of new housing construction, conversion, and rehabilitation improvements for qualifying projects as allowed under Chapter 84.14 RCW and as proposed under Chapter 18.74 MMC; and

WHEREAS, the Monroe City Council held a duly advertised public hearing to consider the urban center for increased residential development designation on November 17, 2009; and

WHEREAS, the Monroe City Council would like to designate portions of the Downtown Planning Area, as shown in Exhibit A, including the Historic Main Neighborhood, Downtown Neighborhood, and Borlin Park Neighborhood as an urban center for increased residential development, including affordable housing, as allowed under Chapter 84.14 RCW; and

WHEREAS, the City Council has determined that it is in the community interest to adopt affordable housing incentives and related changes to the Monroe Municipal Code, provided as an optional Growth Management Element in Chapter 36.70A RCW; and

WHEREAS, the City issued a Determination of Non-significance for the proposed affordable housing standards on August 10, 2009; and

WHEREAS, on August 06, 2009, the proposal was submitted to the Washington State Department of Commerce and other state agencies for review; and

WHEREAS, the Monroe Planning Commission held a duly advertised public hearing on September 14, 2009 to consider the proposed amendments of the Monroe Municipal Code; and

WHEREAS, all persons desiring to comment on the proposal were given a full and complete opportunity to be heard; and

WHEREAS, the City Council reviewed the Planning Commission recommendation at the October 20, 2009 City Council meeting; and

WHEREAS, the City Council finds that the proposed codes, are in the public interest and are further consistent with the Comprehensive Plan;

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF MONROE, WASHINGTON, DO ORDAIN AS FOLLOWS:

Section 1. The Monroe City Council hereby designates the portions of the Downtown Planning Area, as shown in Exhibit A, including the Historic Main Neighborhood, Downtown Neighborhood, and Borlin Park Neighborhood as an urban center for increased residential development, including affordable housing, as allowed under Chapter 84.14 RCW.

Section 2. The Monroe City Council adopts the findings and conclusions recommended by City Staff and dated November 17, 2009 in support of the proposed urban center designation.

Section 3. The Monroe City Council adopts the Revised Monroe Planning Commission findings and conclusions in support of the proposed affordable housing regulations and dated November 10, 2009 by this ordinance.

Section 4. Sections MMC 13.04.322, 13.08.430, 13.32.120 are amended, as depicted in Exhibit B, attached hereto and incorporated by this reference as if set forth in full.

Section 5. Chapter 18.02 MMC is amended to include new definitions related to affordable housing, as depicted in Exhibit B, attached hereto and incorporated by this reference as if set forth in full.

Section 6. Chapter 18.74 MMC is hereby repealed in its entirety and replaced with the revised Chapter 18.74 MMC – Affordable Housing Development Incentives, as depicted in Exhibit B, attached hereto and incorporated by this reference as if set forth in full.

Section 7. Sections MMC 18.84.010(E) & (F) and Section MMC 18.84.155 are hereby repealed.

Section 8. The Low - and Moderate- Income Housing category is hereby repealed in Section MMC 18.86.050.

Section 9. Sections MMC 20.12.030(A) and MMC 20.12.050(A)4 are amended, as depicted in Exhibit B, attached hereto and incorporated by this reference as if set forth in full.

Section 10. Severability. If any section, sentence, clause or phrase of this ordinance or any section of the Monroe Municipal Code adopted or amended hereby should be held to be invalid or unconstitutional by a court of competent jurisdiction, such invalidity or unconstitutionality shall not affect the validity or constitutionality of any other section, sentence, clause or phrase of this ordinance or code section.

Section 11. Effective Date. This ordinance, being an exercise of a power specifically delegated to the City legislative body, is not subject to referendum and shall take effect five (5) days after passage and publication of an approved summary thereof consisting of the title.

PASSED by the City Council and APPROVED by the Mayor of the City of Monroe, at a regular meeting held this 17th day of November 2009.

CITY OF MONROE, WASHINGTON


1st Reading: 11/17/09

Published: 11/24/09

Effective: 11/29/09


Donnetta Walser, Mayor

ATTEST/AUTHENTICATED:


Eadye Martinson, Deputy City Clerk

APPROVED AS TO FORM:


Phil Olbrechts

Exhibit A

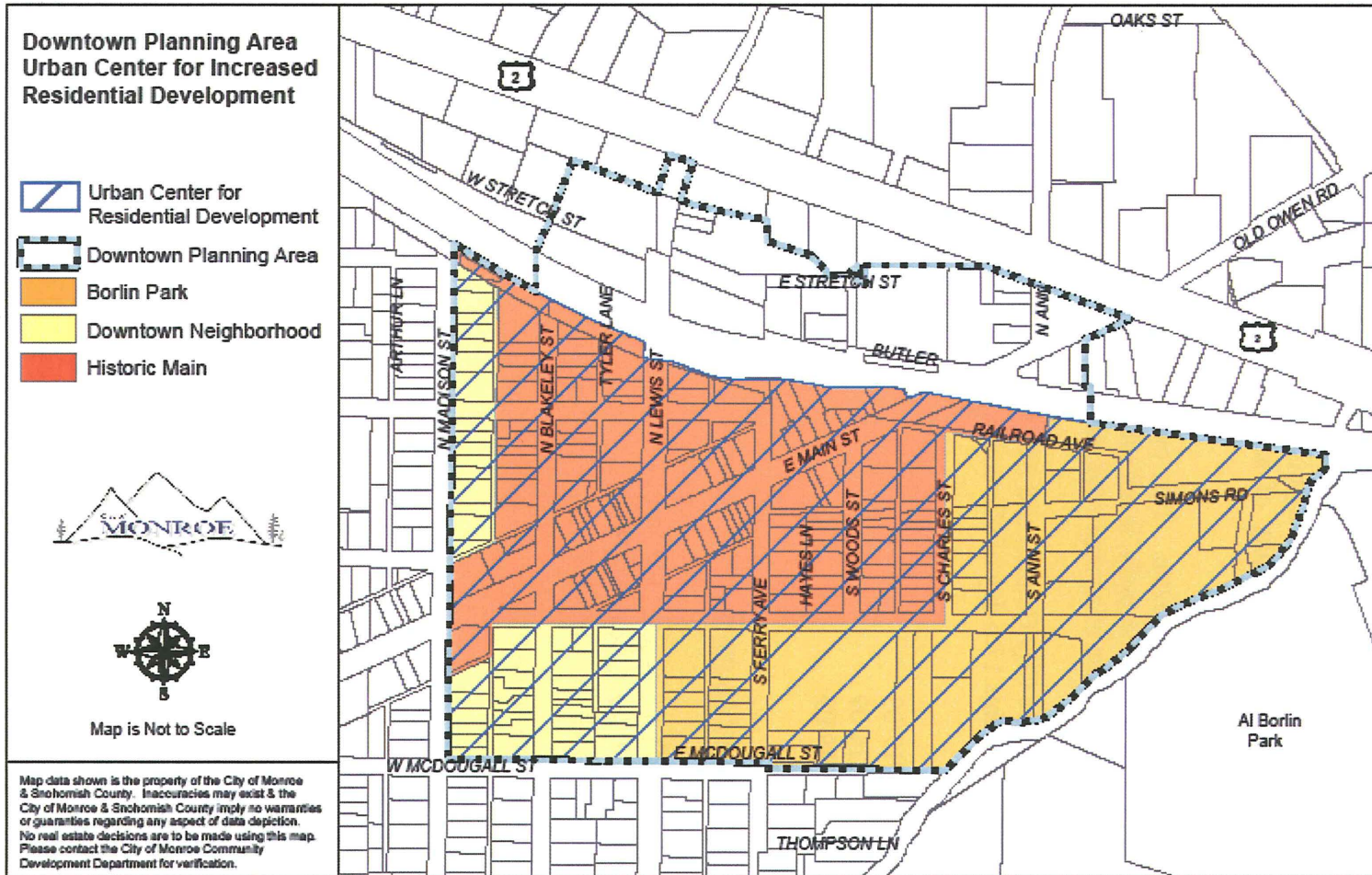


Exhibit B

Chapter 13.04 WATER REGULATIONS, RATES AND CHARGES

13.04.322 Senior citizen and disabled discount.

For senior citizens with very low income or disabled persons hereinafter defined, the single-family residential housekeeping unit charge shall be as established by the city council by periodic resolution. The rate established for seniors is restricted to single-family residences or other residences with a single water meter per unit primarily occupied by a senior citizen or senior citizens being fifty-five years of age or older having an annual household income of fifty percent (50%) or less of the area median income for Snohomish County, as published by the Washington State Office of Financial Management. In the event that such income determination is no longer published, the city may use such other reasonable methods of determining average median income as it may choose. Discount rate is restricted to minimum residential meter size. To qualify as a disabled person, the disability is defined as the inability to do any substantial gainful activity due to any medically determinable physical or mental impairment which can be expected to result in death, or which has lasted or can be expected to last for a continuous period of not less than twelve months. To qualify for the disabled discount, said rate is restricted to single-family residences primarily occupied by a disabled person. The discount rates provided for herein are available only upon application, which is required to be updated annually by the customer. (Ord. 003/2003)

Chapter 13.08 SEWER SYSTEM REGULATIONS

13.08.430 Senior citizen and disabled discount.

For senior citizens with very low income or disabled persons hereinafter defined, the single-family residential housekeeping unit charge shall be as established by the city council by periodic resolution. The rate established for seniors is restricted to single-family residences or other residences with a single water meter per unit primarily occupied by a senior citizen or senior citizens being fifty-five years of age or older having an annual household income of fifty percent (50%) or less of the area median income for Snohomish County, as published by the Washington State Office of Financial Management. In the event that such income determination is no longer published, the city may use such other reasonable methods of determining average median income as it may choose. Discount rate is restricted to minimum residential meter size. To qualify as a disabled person, the disability is defined as the inability to do any substantial gainful activity due to any medically determinable physical or mental impairment which can be expected to result in death, or which has lasted or can be expected to last for a continuous period of not less than twelve months. To qualify for the disabled discount, said rate is restricted to single-family residences primarily occupied by a disabled person. The discount rates provided for herein are available only upon application, which is required to be updated annually by the customer. (Ord. 003/2003; Ord. 914, 1989; Ord. 780, 1984; Ord. 722, 1981)

Chapter 13.32 STORM WATER MANAGEMENT UTILITY

13.32.120 Senior citizen and disabled discount.

For senior citizens with very low income or disabled persons hereinafter defined, the single-family residential housekeeping unit charge shall be as established by the city council by periodic resolution. The rate established for seniors is restricted to single-family residences or other residences with a single water meter per unit primarily occupied by a senior citizen or senior citizens being fifty-five years of age or older having an annual household income of fifty percent (50%) or less of the area median income for Snohomish County, as published by the Washington State Office of Financial Management. In the event that such income determination is no longer published, the city may use such other reasonable methods of determining average median income as it may choose. Discount rate is restricted to minimum

residential meter size. To qualify as a disabled person, the disability is defined as the inability to do any substantial gainful activity due to any medically determinable physical or mental impairment which can be expected to result in death, or which has lasted or can be expected to last for a continuous period of not less than twelve months. To qualify for the disabled discount, said rate is restricted to single-family residences, primarily occupied by a disabled person. The discount rates provided for herein are available only upon application, which is required to be updated annually by the customer. (Ord. 003/2003; Ord. 1102, 1996; Ord. 914, 1989; Ord. 780, 1984; Ord. 722, 1981)

Chapter 18.02 DEFINITIONS

"Additional Incentive(s)" means a reduction or a modification of site development standards outlined in MMC 18.74.030(D) that provide incentives beyond density bonuses to encourage the development of affordable housing developments.

"Affordable Housing" means either owner-occupied housing units or rental housing units with housing costs no more than thirty percent (30%) of a household's gross monthly income to households whose total income from all sources is at or below eighty percent (80%) of the area median income (AMI) at the initial time of purchase or rental.

"Area Median Income (AMI)" means the median yearly income for the average-sized household in Snohomish County, as published by the Washington State Office of Financial Management. In the event that such income determination is no longer published, the city may use such other reasonable methods of determining average median income as it may choose.

"Density Bonus" means a density increase over the otherwise maximum residential density.

"Density Bonus Units" means those residential units granted pursuant to the provisions of this chapter, which exceed the maximum residential density for the zoning district.

"Housing Cost" means the sum of actual or projected monthly payments associated with owner-occupied housing units or rental housing units that may include rent, principal and interest on a mortgage loan, loan insurance fees, property taxes and assessments, fire and casualty insurance, property maintenance and repairs, homeowner association fees, and a reasonable allowance for utilities.

"Housing Development" means a project consisting of single-family dwelling units, multifamily dwelling units, and manufactured/mobile homes for sale or rent, pursuant to this chapter.

"Low-income Household" means a household with an income between eighty percent (80%) and fifty-one percent (51%) of the area median income for Snohomish County.

"Maximum Residential Density" means the maximum number of residential units permitted in an individual zoning district, at the time of application, excluding the provisions of this chapter. If the housing development is within a planned residential development, the maximum residential density shall be determined on the basis of the maximum density of the underlying zone.

"Moderate-income Household" means a household with an income between eighty-one percent (81%) and ninety-five percent (95%) of the area median income for Snohomish County.

"Very low-Income Household" means a household with an income of fifty percent (50%) or less of the area median income for Snohomish County.

Chapter 18.74
AFFORDABLE HOUSING DEVELOPMENT INCENTIVES

18.74.010 Purpose and Intent

The purpose of this chapter is to implement the Growth Management Act (RCW 36.70A) and the housing and land use goals and policies of the Monroe Comprehensive Plan for all economic segments of the community. This chapter provides incentives for developers to create housing, throughout the city, that will be affordable to lower income families.

18.74.020 Affordable Housing – Standards

- A. The provisions of this chapter are available to new developments or new or renovated units in an existing development meeting the definitions of affordable or low-income housing in Chapter 18.02 MMC, and the requirements of this chapter.
 - 1. The maximum housing costs for rented units including basic utilities shall not exceed thirty percent (30%) of the income limit for the affordable housing unit.
 - 2. The maximum sales price for any affordable housing unit shall not exceed eighty percent (80%) of the average median sales price for a comparable home, in a market rate housing development, within southeast Snohomish County, as documented in the most current Northwest Multiple Listing Services Report.
- B. Affordable housing units must be owned and/or managed by a public or private non-profit (501(c)(3) organization, county, state, or federal agency with an established history of developing and managing quality affordable housing.
- C. Affordable units within market rate developments should be constructed concurrently with non-restricted units and shall be provided in a range of sizes with consistent interior and exterior appearance and with a similar number of bedrooms, comparable to those units available to other residents.
- D. In market rate developments, developers shall build affordable units on-site; the affordable units should be dispersed within the housing development.
- E. In the case of developments constructed solely to provide affordable housing, whether owner-occupied or rental, the development shall provide housing units consistent with market rate units available to other residents.

18.74.030 Development Incentives

- A. The City shall provide a density bonus and additional incentive(s), for qualified housing developments, upon the written request of a developer and as consistent with this chapter.
- B. The development incentives shall contribute significantly to the economic feasibility of providing the affordable units. Proponents seeking a modification of development standards shall show that such modifications are necessary to make the housing development economically feasible.
- C. Density Bonuses – the maximum residential density shall be determined at the following levels, in conjunction with the minimum lot sizes shown in MMC 18.74.030(D)1, as applicable.
 - 1. To calculate the number of possible dwelling units/lots remove 20 percent of the area for roads, gutters, curbs, sidewalks, and retention areas and then divide by the minimum lot size to determine the base density. MMC 18.10.140, footnote 4 defines the base density calculation for the R4 zoning district. To determine the base density in the Historic Main and Borlin Park neighborhoods multiply the site area, represented in acres, by 20. Then for all zones multiply the base density by the density bonus to determine the residential density. This calculation identifies the maximum residential density possible; in some cases, this density may not be achievable due

to unique site considerations including critical areas, topography, right-of-way dedication, stormwater requirements, etc.

2. The bonus units will be divided between additional market rate units and affordable units according to the matrix below.
3. When calculating the maximum residential density, any resulting fraction .50 or over shall be rounded up to the next whole number and any fraction .49 or under shall be rounded down to the preceding whole number. For example in the UR6000 zone, a one-acre site could achieve nine units including six base units, one affordable unit, and two bonus units ($43,560 \text{ sq ft} \times .80 = 34,848 \text{ sq ft} / 6000 \text{ sq ft} = 5.8 \text{ units} \times 1.50 = 8.7$ or 9 total units) in a development targeting very low-income households.

Affordable Housing Density Bonus Matrix

Target Household	Market Rate Density Bonus ¹	Affordable Housing Density Bonus ²
Rental or owned units affordable to households with incomes at or below very low-income	2 additional market rate units, per affordable unit, up to 50% density bonus	Up to a 50% density bonus
Rental or owned units affordable to households with incomes at or below low-income	1.5 additional market rate units, per affordable unit, up to 40% density bonus	Up to a 40% density bonus
Rental or owned units affordable to households with incomes at or below moderate-income	1 additional market rate unit, per affordable unit, up to 20% density bonus	Up to a 20% density bonus

1. Within a planned residential development (PRD), the PRD shall receive a bonus of two additional market rate units or lots for each affordable housing unit provided within a proposed PRD, up to fifteen percent above the maximum residential density otherwise permitted on the PRD development site.

2. Affordable Housing Density Bonuses – in the case of developments constructed solely to provide affordable housing, whether owner-occupied or rental, the developer shall receive additional affordable housing units or lots (equal to the bonus provided for market rate developments) within a proposed development and/or subdivision above the maximum density otherwise permitted.

D. Additional Incentives – additional incentives include a reduction or a modification of site development standards, provided in Title 18 MMC, in developments that provide affordable units, as outlined in this subsection.

1. New residential lots created in single-family and multifamily subdivisions that contain affordable units may be reduced in conformance with the Affordable Housing Lot Size Matrix below.

2. In the case of a PRD, the minimum lot size for bonus units and affordable units will be the lesser of the lot sizes shown in the Affordable Housing Lot Size Matrix (below) or those defined in MMC 18.84.080(A) – Table 1.

Affordable Housing Lot Size Matrix

Zone	Standard Lot Sizes	Minimum Affordable Housing Lot Sizes in Square Feet ¹
MR6000 / PO / DN		
Very low-income	4000	2600
Low-income		2800
Moderate-income		3200
UR6000		
Very low-income	6000	3900
Low-income		4200
Moderate-income		4800
UR9600		
Very low-income	9600	6240
Low-income		6720
Moderate-income		7680
R4		
Very low-income	7500	4875
Low-income		5250
Moderate-income		6000
SR15000		
Very low-income	15000	9750
Low-income		10500
Moderate-income		12000

1. Duplexes are permitted on lots at least one and one-half times the minimum lot area.
3. The proponent may increase the maximum lot coverage up to an additional 10 percent above the maximum standard. For example, if the existing lot coverage for the zone were 50 percent, the revised lot coverage would become 60 percent.
4. The proponent may reduce on-site parking to 1.2 stalls per affordable unit in a multifamily development or three-quarters of a parking space per affordable unit in an affordable senior development.
 - a. An proponent may request a greater administrative modification of the minimum required number of parking spaces by providing a parking study, prepared by a qualified professional, substantiating that parking demand can be met with a reduced parking requirement.
 - b. The proponent may also request administrative modifications to parking design standards when they can demonstrate that modifications still meet on-site parking needs.
5. In the Downtown Neighborhood, the proponent may construct attached affordable housing units up to a four-plex, on a single lot, in conformance with the Affordable Housing Lot Size

Matrix. This incentive is only for use by a housing development exclusively providing affordable units. The development shall provide housing units consistent with market rate units available to other residents.

- E. Criteria for Additional Incentives – The Director may approve one or more additional incentives, defined in 18.74.030(D), if the proponent meets all three of the following criteria:
 - 1. The additional incentive is necessary to provide sufficient economic incentive to offset the cost of providing the affordable housing units;
 - 2. The additional incentive is necessary to achieve the permitted density, including the bonus units and affordable units; and
 - 3. The additional incentive is consistent with public health, safety, and welfare and specifically does not create any safety hazard.

18.74.040 Affordable Housing – Tax Exemptions

- A. The value of new housing construction, conversion, and rehabilitation improvements for affordable housing multifamily projects may be exempt from ad valorem property taxation for the maximum time specified in RCW 84.14.020 to the extent the project complies with Chapter 84.14 RCW as now or hereafter amended. The project must comply with the design and site utilization standards of Chapter 18.74 MMC and Chapter 18.12 MMC. Demolition must comply with City building codes and all other applicable development standards.
- B. The Community Development Department shall issue a certificate of affordability following the recording of covenants as required in MMC 18.74.050 and a finding by the Director or designee that the project meets the criterion of RCW 84.14.060, as now or hereafter amended.
- C. An applicant for a certificate of affordability may appeal a denial to the Monroe City Council if the appeal is in writing and filed with the Director within 30 days of denial. The appeal before the City Council shall be based upon the record made before the Director with the burden of proof on the applicant to show that there was no substantial evidence to support the denial. The decision of the City Council shall be final. Applications for certificates of affordability and appeals thereto shall not be subject to Title 21 MMC and shall be governed by the procedures imposed by RCW 84.14 RCW.

18.74.050 Affordable Housing Agreements and Covenant

- A. All affordable units developed under this chapter shall remain affordable, as defined in this chapter, for a period of not less than fifty (50) years, or the minimum period required under applicable state law.
- B. Prior to the issuance of any certificate of occupancy, the proponent shall record an agreement specifying the affordable nature of the units, in a form approved by the city, with the Snohomish County Auditor's office.
- C. The agreement shall be a covenant running with the land, binding on the assigns, heirs, and successors of the proponent and owners of the property. The agreement shall specify the terms and conditions of the affordable units to assure that the units remain affordable as required under this section and the agreement shall include at a minimum the following:
 - 1. The total number of units approved for the housing development, including the number of target units.
 - 2. A description of the household income group to be accommodated by the housing development and the standards for determining the corresponding affordable rent or affordable sales price and housing cost.
 - 3. The location, unit sizes (square feet), and number of bedrooms of target units.
 - 4. Tenure of use restrictions for affordable units
 - 5. A schedule for completion and occupancy of affordable units.

6. A description of any additional incentive(s).
 7. A description of remedies for breach of the agreement by either party (the city may identify tenants or qualified purchasers as third party beneficiaries under the agreement).
 8. Other provisions to ensure implementation and compliance with this chapter.
- D. In the case of for-sale housing developments, the agreement shall provide conditions governing the initial sale and use of affordable units during the applicable restriction period:
1. Affordable units shall, upon initial sale, be sold to eligible lower income households at an affordable sales price and housing cost;
 2. Affordable Units shall be owner-occupied by eligible lower-income households, or by qualified residents in the case of senior citizen housing; and
 3. The initial purchaser of each affordable unit shall execute an instrument or agreement approved by the city restricting the sale of the target unit in accordance with this ordinance during the applicable use restriction period.
- E. In the case of rental housing developments, the agreement shall provide conditions governing the use of affordable rental units during the use restriction period:
1. The rules and procedures for qualifying tenants, establishing affordable rent, filling vacancies, and maintaining target units for qualified tenants;
 2. Provisions requiring owners to verify tenant incomes and maintain books and records to demonstrate compliance with this chapter; and
 3. Provisions requiring owners to submit an annual report to the city, which includes the name, address, and income of each person occupying target units, and which identifies the bedroom size and monthly rent or cost of each target unit.
- F. Any developer of a project under this chapter shall demonstrate that a public or private non-profit 501(c)(3) organization, county, state, or federal agency is responsible for tracking and enforcing the affordability requirements. Said entity shall report on compliance with the affordability requirements to the city annually, or as requested.

Chapter 20.12
TRANSPORTATION IMPACT FEES

20.12.030 Definitions.

A. The following definitions shall apply for purposes of this chapter:

"Very Low-income housing" means a household with an income of fifty percent (50%) or less of the area median income for Snohomish County as published by the Washington State Office of Financial Management. In the event that such income determination is no longer published, the city may use such other reasonable methods of determining average median income as it may choose.

20.12.050 Exemptions.

A. Except as provided below, the following shall be exempt from the payment of impact fees under this chapter:

4. Very low-income housing; provided, that any requested exemption for very low-income housing shall be subject to the provisions of this subsection.
 - a. Prior to qualifying for the exemption authorized in this subsection, the owner shall execute a lien, covenant or other contractual provision against the underlying property in a form satisfactory to the city attorney. The lien, covenant, or other contractual provision shall expressly provide that the dwelling unit(s) at issue will be used exclusively for very low-income housing for a period no less than fifteen years. The lien, covenant, or other contractual provision shall be recorded against the title of the underlying property with Snohomish County at the owner's expense. The lien, covenant, or other contractual provision shall run with the land and shall apply fully to subsequent owners and assigns of the underlying property.
 - b. If, during the effective period of the lien, covenant or other contractual period, the dwelling unit(s) at issue are ultimately used for a purpose other than very low-income housing, the amount of impact fees originally exempted shall become immediately due and payable to the city, together with interest at the rate of twelve percent per annum calculated from the date of building permit issuance.
 - c. Any impact fees exempted pursuant to this subsection shall be paid into the transportation impact fee fund from public sources other than impact fees or interest thereupon.