

SHB 2620 - H AMD 1662

By Representative Walen

1 Strike everything after the enacting clause and insert the
2 following:

3 "NEW SECTION. **Sec. 1.** (1) This section is the tax preference
4 performance statement for the tax preferences contained in section 5,
5 chapter . . . , Laws of 2020 (section 5 of this act). This performance
6 statement is only intended to be used for subsequent evaluation of
7 the tax preferences. It is not intended to create a private right of
8 action by any party or be used to determine eligibility for
9 preferential tax treatment.

10 (2) The legislature categorizes these tax preferences as ones
11 intended to induce certain designated behavior by taxpayers, as
12 indicated in RCW 82.32.808(2) (a).

13 (3) It is the legislature's specific public policy objective to:

14 (a) Incentivize developers to construct or rehabilitate
15 multifamily housing;

16 (b) Incentivize local governments and multifamily housing owners
17 to maintain or expand existing income-restricted unit stock that have
18 been incentivized through the tax exemption provided under chapter
19 84.14 RCW via new authority to renew the property tax abatement in
20 exchange for continued or additional affordability; and

21 (c) Further encourage multifamily construction in cities and
22 certain unincorporated urban growth areas by expanding access to the
23 multifamily tax exemption program to a broader set of jurisdictions.

24 (4) It is the legislature's intent to provide the value of new
25 housing construction, conversion, and rehabilitation improvements
26 qualifying under chapter 84.14 RCW an exemption from ad valorem
27 property taxation for eight to twelve years or more, as provided for
28 in RCW 84.14.020, in order to provide incentives to developers to
29 construct or rehabilitate multifamily housing thereby increasing the
30 number of affordable housing units, or preserving the state's stock
31 of income-restricted units, for low-income to moderate-income
32 residents in certain urban growth areas.

1 (5) The legislature intends to extend the expiration date of the
2 tax preferences in section 5, chapter . . ., Laws of 2020 (section 5
3 of this act), if a review finds that:

4 (a) Projects receiving an initial eight-year or twelve-year
5 exemption regularly enter into subsequent twelve-year extensions in
6 exchange for continued or increased income restrictions on affordable
7 units; and

8 (b) At least twenty percent of the affordable housing is
9 developed and occupied by households earning:

10 (i) At or below eighty percent of the area median income, at the
11 time of occupancy, adjusted for family size for the city or county in
12 which the project is located;

13 (ii) Where the housing is intended for larger families in units
14 with multiple bedrooms and located in high-cost areas, up to one
15 hundred percent of the area median income, at the time of occupancy,
16 adjusted for family size for the city or county in which the project
17 is located; or

18 (iii) Where the housing is intended exclusively for owner
19 occupancy, up to one hundred fifteen percent of the area median
20 income, at the time of sale, adjusted for family size for the city or
21 county in which the project is located.

22 (6) In order to obtain the data necessary to perform the review
23 in subsection (4) of this section, the joint legislative audit and
24 review committee must refer to the annual reports compiled by the
25 department of commerce under RCW 84.14.100 and may refer to data
26 provided by counties or cities in which persons are utilizing the
27 preferences, the office of financial management, the department of
28 commerce, the United States department of housing and urban
29 development, and any other data sources, as needed by the joint
30 legislative audit and review committee.

31 **Sec. 2.** RCW 84.14.007 and 2014 c 96 s 2 are each amended to read
32 as follows:

33 It is the purpose of this chapter to encourage increased
34 residential opportunities, including affordable housing
35 opportunities, in residential targeted areas of cities (~~that are~~
36 ~~required to plan or choose to plan under the growth management act~~
37 ~~within urban centers~~)) where the governing authority of the affected
38 city has found there is insufficient housing opportunities, including
39 affordable housing opportunities. It is further the purpose of this

1 chapter to stimulate the construction of new multifamily housing and
2 the rehabilitation of existing vacant and underutilized buildings for
3 multifamily housing in (~~(urban centers)~~) residential targeted areas
4 having insufficient housing opportunities that will increase and
5 improve residential opportunities, including affordable housing
6 opportunities (~~(, within these urban centers)~~). To achieve these
7 purposes, this chapter provides for special valuations in
8 (~~(residentially deficient urban centers)~~) designated residential
9 targeted areas for eligible improvements associated with multiunit
10 housing, which includes affordable housing. It is an additional
11 purpose of this chapter to allow unincorporated areas of (~~(rural)~~)
12 counties that are within urban growth areas to stimulate housing
13 opportunities (~~(and for certain counties to stimulate housing~~
14 ~~opportunities near college campuses)~~), to incentivize redevelopment
15 of areas in urban growth areas to promote transit supportive
16 densities and more efficient land use, and to promote dense, transit-
17 oriented, walkable college communities near college campuses.

18 NEW SECTION. **Sec. 3.** A new section is added to chapter 84.14
19 RCW to read as follows:

20 For purposes of this chapter, a governing jurisdiction must
21 utilize either the city or county area median income which results in
22 the greatest level of affordability for residents of income-
23 restricted units within the jurisdiction. A city may calculate its
24 own city-specific area median income, utilize data reported by the
25 United States department of housing and urban development, or may use
26 other generally accepted sources of data including, but not limited
27 to, data produced pursuant to RCW 36.70A.610.

28 **Sec. 4.** RCW 84.14.010 and 2017 c 52 s 16 are each amended to
29 read as follows:

30 The definitions in this section apply throughout this chapter
31 unless the context clearly requires otherwise.

32 (1) "Affordable housing" means residential housing that is rented
33 by a person or household whose monthly housing costs, including
34 utilities other than telephone, do not exceed thirty percent of the
35 household's monthly income. For the purposes of housing intended for
36 owner occupancy, "affordable housing" means residential housing that
37 is within the means of low or moderate-income households.

1 (2) "Campus facilities master plan" means the area that is
2 defined by the University of Washington as necessary for the future
3 growth and development of its campus facilities for campuses
4 authorized under RCW 28B.45.020.

5 (3) "City" means (~~(either (a) a city or town with a population of~~
6 ~~at least fifteen thousand, (b) the largest city or town, if there is~~
7 ~~no city or town with a population of at least fifteen thousand,~~
8 ~~located in a county planning under the growth management act, or (c)~~
9 ~~a city or town with a population of at least five thousand located in~~
10 ~~a county subject to the provisions of RCW 36.70A.215)) any city or~~
11 ~~town.~~

12 (4) "County" means (~~(a county with an unincorporated population~~
13 ~~of at least three hundred fifty thousand)) all counties fully~~
14 ~~planning under RCW 36.70A.040.~~

15 (5) "Governing authority" means the local legislative authority
16 of a city or a county having jurisdiction over the property for which
17 an exemption may be applied for under this chapter.

18 (6) "Growth management act" means chapter 36.70A RCW.

19 (7) "High cost area" means a county where the third quarter
20 median house price for the previous year as reported by the
21 Washington center for real estate research at Washington State
22 University is equal to or greater than one hundred thirty percent of
23 the statewide median house price published during the same time
24 period.

25 (8) "Household" means a single person, family, or unrelated
26 persons living together.

27 (9) "Low-income household" means a single person, family, or
28 unrelated persons living together whose adjusted income is at or
29 below eighty percent of the median family income adjusted for family
30 size, for the city or county where the project is located(~~(, as~~
31 ~~reported by the United States department of housing and urban~~
32 ~~development)). For cities located in high-cost areas, "low-income~~
33 ~~household" means a household that has an income at or below one~~
34 ~~hundred percent of the median family income adjusted for family size,~~
35 ~~for the city or county where the project is located.~~

36 (10) "Moderate-income household" means a single person, family,
37 or unrelated persons living together whose adjusted income is more
38 than eighty percent but is at or below one hundred fifteen percent of
39 the median family income adjusted for family size, for the city or
40 county where the project is located(~~(, as reported by the United~~

1 ~~States department of housing and urban development~~). For cities
2 located in high-cost areas, "moderate-income household" means a
3 household that has an income that is more than one hundred percent,
4 but at or below one hundred fifty percent, of the median family
5 income adjusted for family size, for the city or county where the
6 project is located.

7 (11) "Multiple-unit housing" means a building having four or more
8 dwelling units not designed or used as transient accommodations and
9 not including hotels and motels. Multifamily units may result from
10 new construction or (~~rehabilitated~~) rehabilitation or conversion of
11 vacant, underutilized, or substandard buildings to multifamily
12 housing.

13 (12) "Owner" means the property owner of record.

14 (13) "Permanent residential occupancy" means multiunit housing
15 that provides either rental or owner occupancy on a nontransient
16 basis. This includes owner-occupied or rental accommodation that is
17 leased for a period of at least one month. This excludes hotels and
18 motels that predominately offer rental accommodation on a daily or
19 weekly basis.

20 (14) "Rehabilitation improvements" means modifications to
21 existing structures, that are vacant for twelve months or longer,
22 that are made to achieve a condition of substantial compliance with
23 existing building codes or modification to existing occupied
24 structures which increase the number of multifamily housing units.

25 (15) "Residential targeted area" means an area within an urban
26 center or urban growth area that: (a) (i) Is zoned to allow an average
27 minimum density equivalent to fifteen dwelling units or more per
28 gross acre; or (ii) for cities with a population over twenty
29 thousand, is zoned to allow an average minimum density equivalent to
30 twenty-five dwelling units or more per gross acre; and (b) has been
31 designated by the governing authority as a residential targeted area
32 in accordance with this chapter. With respect to designations after
33 July 1, 2007, "residential targeted area" may not include a campus
34 facilities master plan.

35 (~~(16) ("Rural county" means a county with a population between~~
36 ~~fifty thousand and seventy-one thousand and bordering Puget Sound.~~

37 ~~(17))~~ "Substantial compliance" means compliance with local
38 building or housing code requirements that are typically required for
39 rehabilitation as opposed to new construction.

1 (~~(18)~~) (17) "Urban center" means a compact identifiable
2 district where urban residents may obtain a variety of products and
3 services. An urban center must contain:

4 (a) Several existing or previous, or both, business
5 establishments that may include but are not limited to shops,
6 offices, banks, restaurants, governmental agencies;

7 (b) Adequate public facilities including streets, sidewalks,
8 lighting, transit, domestic water, and sanitary sewer systems; and

9 (c) A mixture of uses and activities that may include housing,
10 recreation, and cultural activities in association with either
11 commercial or office, or both, use.

12 **Sec. 5.** RCW 84.14.020 and 2007 c 430 s 4 are each amended to
13 read as follows:

14 (1)(a) The value of new housing construction, conversion, and
15 rehabilitation improvements qualifying under this chapter is exempt
16 from ad valorem property taxation, as follows:

17 (i) For properties for which applications for certificates of tax
18 exemption eligibility are submitted under this chapter (~~(84.14-RCW)~~)
19 before July 22, 2007, the value is exempt for ten successive years
20 beginning January 1 of the year immediately following the calendar
21 year of issuance of the certificate; and

22 (ii) For properties for which applications for certificates of
23 tax exemption eligibility are submitted under this chapter (~~(84.14~~
24 ~~RCW)~~) on or after July 22, 2007, the value is exempt:

25 (A) For eight successive years beginning January 1st of the year
26 immediately following the calendar year of issuance of the
27 certificate; or

28 (B) For twelve successive years beginning January 1st of the year
29 immediately following the calendar year of issuance of the
30 certificate, if the property otherwise qualifies for the exemption
31 under this chapter (~~(84.14-RCW)~~) and meets the conditions in this
32 subsection (1)(a)(ii)(B). For the property to qualify for the twelve-
33 year exemption under this subsection, the applicant must commit to
34 renting or selling at least twenty percent of the multifamily housing
35 units as affordable housing (~~(units)~~) to only low-income households
36 or to low-income and moderate-income households, the applicant must
37 provide units for a variety of household sizes by providing
38 affordable units of different sizes substantially proportional to the
39 property as a whole, and the property must satisfy that commitment

1 and any additional affordability and income eligibility conditions
2 adopted by the local government under this chapter. In the case of
3 projects intended exclusively for owner occupancy, the minimum
4 requirement of this subsection (1)(a)(ii)(B) may be satisfied solely
5 through housing affordable to moderate-income households.

6 (b) The exemptions provided in (a)(i) and (ii) of this subsection
7 do not include the value of land or nonhousing-related improvements
8 not qualifying under this chapter.

9 (2) When a local government adopts guidelines pursuant to RCW
10 84.14.030(2) and includes conditions that must be satisfied with
11 respect to individual dwelling units, rather than with respect to the
12 multiple-unit housing as a whole or some minimum portion thereof, the
13 exemption may, at the local government's discretion, be limited to
14 the value of the qualifying improvements allocable to those dwelling
15 units that meet the local guidelines.

16 (3) In the case of rehabilitation of existing buildings, the
17 exemption does not include the value of improvements constructed
18 prior to the submission of the application required under this
19 chapter. The incentive provided by this chapter is in addition to any
20 other incentives, tax credits, grants, or other incentives provided
21 by law.

22 (4) This chapter does not apply to increases in assessed
23 valuation made by the assessor on nonqualifying portions of building
24 and value of land nor to increases made by lawful order of a county
25 board of equalization, the department of revenue, or a county, to a
26 class of property throughout the county or specific area of the
27 county to achieve the uniformity of assessment or appraisal required
28 by law.

29 (~~(At the conclusion of the exemption period, the new or~~
30 ~~rehabilitated housing cost shall)) The value of the new housing
31 construction, conversion, or rehabilitation improvements must be
32 considered as new construction for the purposes of chapters 84.55 and
33 36.21 RCW as though the property was not exempt under this chapter.~~

34 (6) For properties that qualified for, satisfied the conditions
35 of, and utilized the exemption under subsection (1)(a)(ii)(A) of this
36 section, following the initial eight-year exemption period, the
37 exemption period may be extended for an additional twelve years,
38 provided that the local government adopts qualifying guidelines for
39 such an extension. The local government may adopt and implement more
40 stringent requirements, including limits that apply to a higher

1 percentage of units than the minimum conditions required for the
2 exemption as provided under subsection (1)(a)(ii)(B) of this section
3 in order to qualify for an extension. For the property to qualify for
4 an extension under this subsection (6), the applicant must meet at a
5 minimum the locally adopted requirements for the property to qualify
6 for an exemption under subsection (1)(a)(ii)(B) of this section.

7 (7) For properties that qualified for, satisfied the conditions
8 of, and utilized the exemption under subsection (1)(a)(ii)(B) of this
9 section, following the initial twelve-year exemption period, the
10 exemption period may be extended for an additional twelve years,
11 provided that the local government adopts qualifying guidelines for
12 such an extension. The local government may adopt and implement more
13 stringent requirements, including limits that apply to a higher
14 percentage of units than the minimum conditions required for the
15 exemption as provided under subsection (1)(a)(ii)(B) of this section
16 in order to qualify for an extension. For the property to qualify for
17 an extension under this subsection (7), the applicant must meet at a
18 minimum the locally adopted requirements for the property to qualify
19 for an exemption under subsection (1)(a)(ii)(B) of this section.

20 (8)(a) At the end of both the tenth and eleventh years of an
21 exemption provided under (1)(a)(ii)(B) of this section, applicants
22 must provide tenants of rent-restricted units with notification of
23 intent to apply for an additional exemption period, or intent to
24 increase rents at the close of the exemption. Applicants must also
25 notify tenants of available options adopted pursuant to RCW
26 84.14.060(2).

27 (b) At the end of both the tenth and eleventh years of an
28 extended exemption provided under subsection (6) or (7) of this
29 section, applicants must provide tenants of rent-restricted units
30 with notification of intent to increase rents at the close of the
31 exemption. Applicants must also notify tenants of available options
32 adopted pursuant to RCW 84.14.060(2).

33 **Sec. 6.** RCW 84.14.040 and 2014 c 96 s 4 are each amended to read
34 as follows:

35 (1) The following criteria must be met before an area may be
36 designated as a residential targeted area:

37 (a) The area must be within a city, or for a county, within an
38 urban center, as determined by the governing authority, and must be
39 zoned to allow an average minimum density equivalent to fifteen

1 dwelling units or more per gross acre, or for cities with a
2 population over twenty thousand, be zoned to allow an average minimum
3 density equivalent to twenty-five dwelling units or more per gross
4 acre;

5 (b) The area must lack, as determined by the governing authority,
6 sufficient available, desirable, and convenient residential housing,
7 including affordable housing, to meet the needs of the public who
8 would be likely to live in the urban center, if the affordable,
9 desirable, attractive, and livable places to live were available;

10 (c) The providing of additional housing opportunity, including
11 affordable housing, in the area, as determined by the governing
12 authority, will assist in achieving one or more of the stated
13 purposes of this chapter; and

14 (d) If the residential targeted area is designated by a county,
15 the area must be located in an unincorporated area of the county that
16 is within an urban growth area under RCW 36.70A.110 and the area must
17 be: (i) In a (~~rural~~) county, served by a sewer system and
18 designated by a county prior to January 1, 2013; (~~or~~) (ii) in a
19 county that includes a campus of an institution of higher education,
20 as defined in RCW 28B.92.030, where at least one thousand two hundred
21 students live on campus during the academic year; or (iii) until July
22 1, 2024, in a county seeking to promote transit supportive densities
23 and efficient land use in an area that is located within a designated
24 urban growth area and within one-quarter of a mile of a corridor
25 where bus service is scheduled at least every twenty minutes for no
26 less than ten hours per weekday and is in service or is planned for
27 service to begin within five years of designation.

28 (2) For the purpose of designating a residential targeted area or
29 areas, the governing authority may adopt a resolution of intention to
30 so designate an area as generally described in the resolution. The
31 resolution must state the time and place of a hearing to be held by
32 the governing authority to consider the designation of the area and
33 may include such other information pertaining to the designation of
34 the area as the governing authority determines to be appropriate to
35 apprise the public of the action intended.

36 (3) The governing authority must give notice of a hearing held
37 under this chapter by publication of the notice once each week for
38 two consecutive weeks, not less than seven days, nor more than thirty
39 days before the date of the hearing in a paper having a general
40 circulation in the city or county where the proposed residential

1 targeted area is located. The notice must state the time, date,
2 place, and purpose of the hearing and generally identify the area
3 proposed to be designated as a residential targeted area.

4 (4) Following the hearing, or a continuance of the hearing, the
5 governing authority may designate all or a portion of the area
6 described in the resolution of intent as a residential targeted area
7 if it finds, in its sole discretion, that the criteria in subsections
8 (1) through (3) of this section have been met.

9 (5) After designation of a residential targeted area, the
10 governing authority must adopt and implement standards and guidelines
11 to be utilized in considering applications and making the
12 determinations required under RCW 84.14.060. The standards and
13 guidelines must establish basic requirements for both new
14 construction and rehabilitation, which must include:

15 (a) Application process and procedures;

16 (b) Income and rent standards for affordable units;

17 (c) Requirements that address demolition of existing structures
18 and site utilization; and

19 ~~((e))~~ (d) Building requirements that may include elements
20 addressing parking, height, density, environmental impact, and
21 compatibility with the existing surrounding property and such other
22 amenities as will attract and keep permanent residents and that will
23 properly enhance the livability of the residential targeted area in
24 which they are to be located.

25 (6) The governing authority may adopt and implement ~~((either))~~
26 as conditions to ~~((eight-year exemptions or as conditions to an~~
27 ~~extended exemption period under RCW 84.14.020(1)(a)(ii)(B), or~~
28 ~~both,))~~ any exemption granted pursuant to RCW 84.14.020 more
29 stringent income eligibility, rent, or sale price limits, including
30 limits that apply to a higher percentage of units, than the minimum
31 conditions for an extended exemption period under RCW
32 84.14.020(1)(a)(ii)(B). Additionally, a governing authority may adopt
33 and implement, as a contractual prerequisite to any exemption granted
34 pursuant to RCW 84.14.020, a requirement that applicants pay at least
35 the prevailing rate of hourly wage established under chapter 39.12
36 RCW for journey level and apprentice workers on residential and
37 commercial construction, payroll record requirements consistent with
38 RCW 39.12.120(1), and apprenticeship utilization requirements
39 consistent with RCW 39.04.310. For any multiunit housing located in
40 an unincorporated area of a county, a property owner seeking tax

1 incentives under this chapter must commit to renting or selling at
2 least twenty percent of the multifamily housing units as affordable
3 housing units to low and moderate-income households. In the case of
4 multiunit housing intended exclusively for owner occupancy, the
5 minimum requirement of this subsection (6) may be satisfied solely
6 through housing affordable to moderate-income households.

7 (7) After designation of a residential targeted area, the
8 governing authority must notify the county assessor's office of the
9 county in which the residential targeted area is located and the
10 department of commerce of the intention to offer the tax exemption
11 provided under this chapter with a potential expiration date.

12 **Sec. 7.** RCW 84.14.060 and 2014 c 96 s 5 are each amended to read
13 as follows:

14 (1) The duly authorized administrative official or committee of
15 the city or county may approve the application if it finds that:

16 (a) A minimum of four new units are being constructed or in the
17 case of occupied rehabilitation or conversion a minimum of four
18 additional multifamily units are being developed;

19 (b) If applicable, the proposed multiunit housing project meets
20 the affordable housing requirements as described in RCW 84.14.020;

21 (c) The proposed project is or will be, at the time of
22 completion, in conformance with all local plans and regulations that
23 apply at the time the application is approved;

24 (d) The owner has complied with all standards and guidelines
25 adopted by the city or county under this chapter, including
26 jurisdiction-specific income and rent standards; (~~and~~)

27 (e) The site is located in a residential targeted area of an
28 urban center or urban growth area that has been designated by the
29 governing authority in accordance with procedures and guidelines
30 indicated in RCW 84.14.040; and

31 (f)(i) Except as provided in subsection (5) of this section, the
32 city or county has conducted an analysis of the project's benefit to
33 the public with and without a property tax exemption. Such an
34 analysis must include, but not be limited to, an assessment of
35 displacement of existing residents, gentrification of existing
36 neighborhoods, and the project's contribution to the housing needs of
37 the community.

38 (ii) Except as provided in subsection (5) of this section, for
39 projects applying for the exemption under RCW 84.14.020(1)(a)(ii)(B),

1 the analysis must additionally assess the proposed rent levels for
2 income-restricted units at the time of issuance of the exemption
3 compared to fair market rents of other units offered for rent within
4 the same building. If income-restricted rent levels do not result in
5 rents lower than the fair market rent, the project may not receive an
6 exemption under RCW 84.14.020(1)(a)(ii)(B), but may apply for an
7 exemption under RCW 84.14.020(1)(a)(ii)(A). In order to perform this
8 assessment, jurisdictions may refer to information produced by the
9 Washington center for real estate research pursuant to RCW
10 36.70A.610.

11 (2) For all newly exempted projects after July 1, 2020, with a
12 specific rent-restricted affordable housing requirement pursuant to
13 RCW 84.14.020, and developments qualifying for an extended exemption
14 under RCW 84.14.020 (6) and (7), as a condition of approval of an
15 application under this section, a local jurisdiction must enter into
16 an agreement with the project applicant to implement a program to
17 ensure tenants occupying rent-restricted units are able to find
18 stable housing at the close of the exemption. This program must
19 include, but is not limited to:

20 (a) At the close of the exemption, a gradual monthly rent
21 increase from the specified affordable rate to market rate over a
22 period of months equivalent to the number of years that a tenant
23 resided within a rent-restricted unit; or

24 (b) At the close of the exemption, relocation assistance for
25 those tenants that otherwise qualify for assistance under RCW
26 59.18.440 including, but not limited to, advance payments required
27 for moving into a new residence, and any application fees.

28 (3) Except as provided in subsection (5) of this section, by June
29 1, 2024, and every four years thereafter, a governing jurisdiction
30 shall conduct a cumulative assessment of public benefit of all
31 exemptions granted under this chapter. A governing jurisdiction shall
32 evaluate whether its exemption program should be revised to address
33 cumulative impacts to disadvantaged communities, whether the program
34 has resulted in additional housing opportunities or displacement of
35 existing residents, and whether the jurisdiction should continue
36 offering the eight-year exemption pursuant to RCW
37 84.14.020(1)(a)(ii)(A).

38 (4) An application may not be approved after July 1, 2007, if any
39 part of the proposed project site is within a campus facilities
40 master plan, except as provided in RCW 84.14.040(1)(d).

1 (~~(3) An application may not be approved for a residential~~
2 ~~targeted area in a rural county on or after January 1, 2020.~~)

3 (5) (a) Governing jurisdictions with a population of less than
4 sixty thousand are not subject to the requirements of subsection
5 (1) (f) (i) or (ii) or (3) of this section until such jurisdictions
6 have issued exemptions pursuant to this chapter for the development
7 of at least one hundred multifamily housing units.

8 (b) Nothing in this subsection (5) limits a jurisdiction's
9 ability to voluntarily perform all analyses under this section.

10 **Sec. 8.** RCW 84.14.100 and 2012 c 194 s 9 are each amended to
11 read as follows:

12 (1) Thirty days after the anniversary of the date of the
13 certificate of tax exemption and each year for the tax exemption
14 period, the owner of the rehabilitated or newly constructed property
15 must file with a designated authorized representative of the city or
16 county an annual report indicating the following:

17 (a) A statement of occupancy and vacancy of the rehabilitated or
18 newly constructed property during the twelve months ending with the
19 anniversary date;

20 (b) A certification by the owner that the property has not
21 changed use and, if applicable, that the property has been in
22 compliance with the affordable housing requirements as described in
23 RCW 84.14.020 since the date of the certificate approved by the city
24 or county;

25 (c) A description of changes or improvements constructed after
26 issuance of the certificate of tax exemption; and

27 (d) Any additional information requested by the city or county in
28 regards to the units receiving a tax exemption.

29 (2) All cities or counties, which issue certificates of tax
30 exemption for multiunit housing that conform to the requirements of
31 this chapter, must report annually by (~~December 31st of each~~) June
32 30th of the following year, beginning in (~~(2007)~~) 2020, to the
33 department of commerce. The report must include the following
34 information:

35 (a) The number of tax exemption certificates granted;

36 (b) The total number and type of units produced or to be
37 produced;

38 (c) The number, size, and type of units produced or to be
39 produced meeting affordable housing requirements;

1 (d) The actual development cost of each unit produced;
2 (e) The total monthly rent or total sale amount of each unit
3 produced;
4 (f) ~~((The))~~ For affordable units, the annual income and household
5 size of each renter or owner household ((at the time of initial
6 occupancy and the income of each initial purchaser of owner-occupied
7 units at the time of purchase)) for each of the units receiving a tax
8 exemption and a summary of these figures for the city or county; and
9 (g) The value of the tax exemption for each project receiving a
10 tax exemption and the total value of tax exemptions granted.
11 (3) By December 1, 2020, the department of commerce shall consult
12 with affected stakeholders to review and consider revising the
13 required reporting under this section. The department shall consider
14 amending or providing additional guidance and forms to facilitate
15 effective data collection, compilation, and reporting. The department
16 shall consult participants on effective strategies to provide rental
17 and relocation assistance via a statewide approach. The guidance must
18 also address calculation of equivalent densities in residential
19 targeted areas and methods for evaluating public benefit pursuant to
20 RCW 84.14.060(1)(f)."

21 Correct the title.

EFFECT: (1) Authorizes a governing jurisdiction to use either the county or city median income or to calculate its own city-specific measure. Modifies the affordability requirements for initial twelve year exemptions to include low-income or low and moderate-income households. Authorizes local jurisdictions to set more stringent affordability requirements for all extensions.

(2) Requires applicants to notify tenants of rent-restricted units of available end-of-exemption options. Modifies certain end-of-exemption options that applicants may offer.

(3) Authorizes local jurisdictions to adopt certain prevailing wage and apprenticeship utilization requirements related to construction or rehabilitation associated with an exempt property.

(4) Modifies certain requirements related to the analysis of proposed projects. Exempts certain small jurisdictions from performing specified analyses until the jurisdiction has issued exemptions for at least one hundred units.

(5) Modifies the tax preference performance statement.

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