



Planning and Economic Development Committee Agenda

March 28, 2019
6:00 p.m.
SeaTac City Hall
Riverton Room

1st Floor

Councilmembers:

Joel Wachtel, Chair
Peter Kwon
Stanley Tombs

A quorum of the Council may be present.

Staff Coordinator: Steve Pilcher, CED Director

| ITEM | TOPIC | PROCESS | WHO | TIME |
|------|-----------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------|------------------|
| 1 | Call to Order | | Chair | 6:00 |
| 2 | Public Comment | Please raise your hand if you would like to speak. Public comments are limited to 10 minutes total and three minutes per individual speaker. Time may be reduced for each speaker to stay within the 10-minute time limit. | Chair | 6:00 (10 min) |
| 3 | Minutes of 03/07/19 meeting | Review & approve | All | 6:10 (1 min) |
| 4 | Foreclosed and abandoned homes - ProChamps services | Discussion/direction | Gary Schenk | 6:10 (20 min) |
| 5 | Expansion of MFTE eligible areas | Discussion/recommendation | Jennifer Kester | 6:30 (20 min) |
| 6 | Future Topics | <ul style="list-style-type: none">• Fire Stations 45 & 47 disposition• Density & GMA requirements• Small Wireless Facilities | All | 6:50 (5 min) |
| 7 | Adjourn | | | 6:55 |



Planning & Economic Development Committee Minutes

DRAFT

Thursday, March 7, 2019

5:30 PM

SeaTac City Hall – City Council Chambers

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| Members: | Present: | Commence: | 5:36 P.M. |
| | | Adjourn: | 7:17 P.M. |

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| Joel Wachtel, Chair | |
| Peter Kwon | X |
| Stanley Tombs | X |

Other Councilmembers: Mayor Erin Sitterley; Rick Forschler

Staff Present: Steve Pilcher, CED Director; Gary Schenk, Building Services Manager; Jennifer Kester, Planning Manager; Kate Kaehny, Senior Planner; Sr. Asst. City Attorney Mark Johnsen; Economic Development Strategist Aleksandr Yeremeyev

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| 1. Public Comment | None. |
| 2. Minutes of 02/07/19 meeting | Approved by consensus. |
| 3. 2019 Comp Plan amendment cycle | <p><u>X</u> Briefing and direction</p> <p>Sr. Planner Kate Kaehny reviewed the 2019 Comprehensive Plan amendment process, including a briefing on the State Growth Management Act and regional planning policies (PSRC & King County). She also reviewed SeaTac’s Comp Plan, its history and basic framework.</p> <p>Ms. Kaehny reviewed both preliminary and final docket criteria and discussed how City-initiated amendments might be considered. She then reviewed some topics that staff is suggesting should be considered.</p> <p>CM Forschler advocated increasing the density of areas such as north and south Military Road. He also suggested that the Maywood area should be considered for up zoning. He questioned why these</p> |

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| | <p>weren't already on the list. Discussion ensued on how to get this matter under consideration.</p> <p>The Committee agreed these issues should be placed on the Preliminary Docket.</p> |
| <p>4. Foreclosed Homes - ProChamps Services</p> | <p><u> X </u> Briefing and direction</p> <p>CM Peter Kwon summarized the previous discussions on this topic. Building Services Manager Gary Schenk introduced Noah Reando with Gordon, Thomas, Honeywell Public Affairs. A representative (Kevin) from ProChamps was on the phone.</p> <p>ProChamps focuses on issues of blight. The data they receive is from King County records. Their service is to identify the owner or /responsible parties for foreclosed or abandoned properties. The City would need to adopt an ordinance and the City would then enter into a contract with ProChamps for administration of the registration process. Kevin reviewed a map that demonstrates the properties they identify and how they function. He also provided an example of the work they currently do for the City of Spokane.</p> <p>A question came up regarding indemnification and how that is covered by ProChamps. Sr. Asst. City Attorney Mark Johnsen suggested this discussion occur in the future should the City decide to pursue this option.</p> <p>Mr. Johnsen clarified that the City's Code Compliance program still has responsibilities. He also noted that the mapping information can be imported into the City's GIS system, which would be helpful to Police and Fire. He noted that the City of Spokane attempts to visit registered properties on a monthly basis, which demands staffing resources. He discussed some potential issues of fee vs. tax and how the City would administer a program.</p> <p>It was agreed to discuss this topic again at the next meeting.</p> |
| <p>5. Challenge Seattle initiative</p> | <p><u> X </u> Briefing and direction</p> <p>CED Director Steve Pilcher introduced this issue, noting that staff is looking for direction of whether to develop potentially responsive code amendments.</p> <p>The Committee expressed concern with "signing on" to a program that includes "low income" housing while advocating "middle income" housing since SeaTac is already more affordable than other King County cities. It also agreed that SeaTac is already doing many things that encourage more affordable housing. The Committee did not direct staff to propose any specific code amendments.</p> |
| <p>6. Expansion of Multifamily Housing Tax Exemption</p> | <p><u> X </u> Briefing and direction</p> |

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| eligible areas | <p>CED Director Pilcher introduced the topic, noting that staff has been hearing from developers who would like to have this tool available in areas of the city outside the S. 154th St. Station Area, the only currently eligible area.</p> <p>The Committee discussed both pros and cons of this type of program. There is some support for expanding eligible areas, with conditions (such as only being for middle income housing).</p> <p>Staff will develop some options for the Committee to consider.</p> |
| 8. Future Topics | Potential future topics for discussion were reviewed |
| 9. Adjourn | The meeting adjourned at 7:17 p.m. |

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2

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David Mulberry, President and CEO
Community Champions



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ORDINANCE 2018-

AN ORDINANCE, CREATING TITLE ##, CHAPTER ##, OF THE CITY CODE OF SEATAC TO BE ENTITLED, “REGISTRATION OF DEFAULTED MORTGAGE AND VACANT PROPERTY”; PROVIDING FOR PURPOSE, INTENT AND APPLICABILITY OF THE ORDINANCE REQUIRING THE REGISTRATION AND MAINTENANCE OF CERTAIN REAL PROPERTY BY MORTGAGEES AND VACANT PROPERTY BY OWNERS; PROVIDING FOR PENALTIES AND ENFORCEMENT, AS WELL AS THE REGULATION, LIMITATION AND REDUCTION OF REGISTRABLE REAL PROPERTY WITHIN THE CITY; PROVIDING FOR SEVERABILITY, REPEALER, CODIFICATION, AND AN EFFECTIVE DATE.

(RECITALS)

WHEREAS, the City Council desires to protect the public health, safety, and welfare of the citizens of the incorporated area of SeaTac and maintain a high quality of life for the citizens of the City through the maintenance of structures and properties in the City; and

WHEREAS, the City Council recognizes properties with defaulted mortgages and subject to foreclosure action or foreclosed upon and vacant properties (hereinafter referred to as “Registrable Properties”) located throughout the City lead to a decline in community and property value; create nuisances; lead to a general decrease in neighborhood and community aesthetic; create conditions that invite criminal activity; and foster an unsafe and unhealthy environment; and

WHEREAS, the City Council has already adopted property maintenance codes to regulate building standards for the exterior of structures and the condition of the property as a whole; and

WHEREAS, the City Council recognizes in the best interest of the public health, safety, and welfare a more regulated method is needed to discourage Registrable Property Owners and Mortgagees from allowing their properties to be abandoned, neglected or left unsupervised; and

WHEREAS, the City Council has a vested interest in protecting neighborhoods against decay caused by Registrable Property and concludes that it is in the best interests of the health, safety, and welfare of its citizens and residents to impose registration requirements of Registrable Property

located within the City to discourage Registrable Property Owners and Mortgagees from allowing their properties to be abandoned, neglected or left unsupervised.

(RESOLUTION)

NOW THEREFORE, BE IT RESOLVED BY THE <GOVERNED AREA>:

The City Council finds that the implementation of the following changes and additions will assist the City in protecting neighborhoods from the negative impact and conditions that occur as a result of vacancy, absentee ownership, and lack of compliance with existing City regulations and laws.

- (a) That the foregoing “WHEREAS” clauses are hereby ratified and confirmed as being true and correct and are hereby made a specific part of this Ordinance upon the adoption hereof.
- (b) That the City Council does hereby amend the City Codified Ordinances by creating Title ##, Chapter ## entitled “Registration of Defaulted Mortgage and Vacant Property” to read as follows.

TITLE ##. CHAPTER ##. REGISTRATION OF DEFAULTED MORTGAGE AND VACANT PROPERTY

Sec. <ORD. CHAP>.<ORD. SEC> PURPOSE AND INTENT.

It is the purpose and intent of the City Council to establish a process to address the deterioration, crime, and decline in value of City neighborhoods caused by property with defaulted mortgages located within the City, and to identify, regulate, limit and reduce the number of these properties located within the City. It has been determined that Owner-occupied structures are generally better maintained when compared to vacant structures, even with a diligent off-site property Owner. Vacant structures or structures owned by individuals who are economically strained and unable to meet their mortgage obligations are often not properly or diligently maintained, which contribute to blight, declined property values, and have a negative impact on social perception of the residential areas where they are located. It is the City Council’s further intent to establish a registration program as a mechanism to help protect neighborhoods from becoming blighted through the lack of adequate maintenance of properties that are in Default or Defaulted, and to provide a mechanism to avert foreclosure actions through timely intervention, education, or counseling of property Owners.

Sec. <ORD. CHAP>.<ORD. SEC> DEFINITIONS

The following words, terms, and phrases, when used in this chapter, shall have the meanings ascribed to them in this section, except where the context clearly indicates a different meaning.

Default shall mean that the mortgagor has not complied with the terms of the mortgage on the property, or the promissory note, or other evidence of the debt, referred to in the mortgage.

Enforcement Officer shall mean any law enforcement officer, building official, zoning inspector, code enforcement officer, fire inspector, building inspector, or other person authorized by the City to enforce the applicable code(s).

Evidence of Vacancy shall mean any condition that on its own, or combined with other conditions present, would lead a reasonable person to believe that the property is vacant. Such conditions may include, but are not limited to: overgrown and/or dead vegetation; past due Utility notices and/or disconnected Utilities; accumulation of trash junk or debris; abandoned vehicles, auto parts and/or materials; the absence of furnishings and/or personal items consistent with habitation or occupancy; the presence of an unsanitary, stagnant swimming pool; the accumulation of newspapers, circulars, flyers and/or mail; statements by neighbors, passers-by, delivery agents or government agents; and/or the presence of boards over doors, windows or other openings in violation of applicable code.

Foreclosure or Foreclosure Action shall mean the legal process by which a Mortgagee, or other lien holder, terminates or attempts to terminate a property Owner's equitable right of redemption to obtain legal and equitable title to the Real Property pledged as security for a debt or the Real Property subject to the lien. The legal process is not concluded until the property obtained by the Mortgagee, lien holder, or their designee, by certificate of title, or any other means, is sold to a non-related bona fide purchaser in an arm's length transaction to satisfy the debt or lien.

Mortgagee shall mean the creditor, including but not limited to, trustees; mortgage servicing companies; lenders in a mortgage agreement; any agent, servant, or employee of the creditor; any successor in interest; or any assignee of the creditor's rights, interests or obligations under the mortgage agreement; or any other person or entity with the legal right to foreclose on the Real Property, excluding governmental entities.

Owner shall mean every person, entity, or Mortgagee, who alone or severally with others, has legal or equitable title to any Real Property as defined by this Chapter; has legal care, charge, or control of any such property; is in possession or control of any such property; and/or is vested with possession or control of any such property. The Property Manager shall not be considered the Owner.

Property Manager shall mean any party designated by the Owner as responsible for inspecting, maintaining and securing the property as required in this Chapter.

Real Property shall mean any residential or commercial land and/or buildings, leasehold improvements and anything affixed to the land, or portion thereof identified by a property parcel identification number, located in the City limits.

Registrable Property shall mean:

- (a) Any Real Property located in the City, whether vacant or occupied, that is encumbered by a mortgage in Default, is subject to an ongoing Foreclosure Action by the Mortgagee or Trustee, has been the subject of a Foreclosure Action by a Mortgagee or Trustee and a Judgement has been entered, or has been the subject of a Foreclosure sale where the title was transferred to the beneficiary of a mortgage involved in the Foreclosure and any properties transferred under a deed in lieu of foreclosure/sale. The designation of a “default/foreclosure” property as “registrable” shall remain in place until such time as the property is sold to a non-related bona fide purchaser in an arm’s length transaction or the Foreclosure Action has been dismissed and any Default on the mortgage has been cured; or
- (b) Any property that is vacant for more than thirty (30) days or any cancellation of Utility or Service, whichever occurs first.

Registry shall mean a web-based electronic database of searchable Real Property records, used by the City to allow Mortgagees and Owners the opportunity to register properties and pay applicable fees as required in this Chapter.

Semi-Annual Registration shall mean six (6) months from the date of the first action that requires registration, as determined by the City, or its designee, and every subsequent six (6) months. The date of the initial registration may be different than the date of the first action that required registration.

Utilities and Services shall mean any utility and/or service that is essential for a building to be habitable and/or perform a service necessary to comply with all City codes. This includes, but is not limited to, electrical, gas, water, sewer, lawn maintenance, pool maintenance, and snow removal.

Vacant shall mean any parcel of land in the City that contains any building or structure that is not lawfully occupied.

Sec. <ORD. CHAP>.<ORD. SEC> APPLICABILITY AND JURISDICTION

This Chapter applies to Defaulted and Vacant property within the City.

Sec. <ORD. CHAP>.<ORD. SEC> ESTABLISHMENT OF A REGISTRY

Pursuant to the provisions of Section ## the City, or its designee, shall establish a registry cataloging each Registrable Property within the City, containing the information required by this Chapter.

**Sec. <ORD. CHAP>.<ORD. SEC> INSPECTION AND REGISTRATION OF
DEFAULTED MORTGAGE**

- (a) Any Mortgagee who holds a mortgage on Real Property located within the City shall perform an inspection of the property upon it being in Default or Defaulted by the mortgagor or prior to the issuance of a notice of Default.
- (b) Property inspected pursuant to subsection (a) above that remains in Default or Defaulted, shall be inspected every thirty (30) days by the Mortgagee or Mortgagee's designee. If an inspection shows a change in the property's occupancy status the Mortgagee shall, within ten (10) days of that inspection, update the occupancy status of the property registration.
- (c) Within ten (10) days of the date any Mortgagee declares its mortgage to be in Default or Defaulted, the Mortgagee shall register the Real Property with the City Registry, and, at the time of registration, indicate whether the property is Vacant, and if so shall designate in writing a Property Manager to inspect, maintain and secure the Real Property subject to the mortgage in Default or Defaulted. A separate registration is required for each Defaulted Property.
- (d) Initial registration pursuant to this section shall contain at a minimum the name of the Mortgagee, the mailing address of the Mortgagee, e-mail address, telephone number and name of the Property Manager and said person's address, e-mail address, and telephone number.
- (e) At the time of initial registration each registrant shall pay a non-refundable Semi-Annual Registration fee of three hundred dollars (\$300.00) for each Defaulted Property. Subsequent Semi-Annual Registrations of Defaulted properties and fees in the amount of three hundred dollars (\$300.00) are due within ten (10) days of the expiration of the previous registration. Said fees shall be used to offset the costs of: (1) registration and registration enforcement, (2) code enforcement and mitigation related to Defaulted properties, (3) post-closing counseling and Foreclosure intervention limited to Owner-occupied persons in Default, which may not include cash and mortgage modification assistance, and (4) for any related purposes as may be adopted in the policy set forth in this Chapter. Said fees shall be deposited to a special account in the City's Department dedicated to the cost of implementation and enforcement of this Ordinance, and fulfilling the purpose and intent of this Chapter. None of the funds provided for in this section shall be utilized for the legal defense of Foreclosure Actions.
- (f) If the Defaulted mortgage and/or servicing on a property is sold or transferred, the new Mortgagee is subject to all the terms of this Chapter. Within ten (10) days of the transfer, the new Mortgagee shall register the property or update the existing registration. The previous Mortgagee(s) will not be released from the responsibility of paying all previous unpaid fees, fines, and penalties accrued during that Mortgagee's involvement with the Defaulted Property.

- (g) If the Mortgagee sells or transfers the Defaulted Property in a non-arm's length transaction to a related entity or person, the transferee is subject to all the terms of this Chapter. Within ten (10) days of the transfer, the transferee shall register the property or update the existing registration. Any and all previous unpaid fees, fines, and penalties, regardless of who the Mortgagee was at the time registration was required, including but not limited to unregistered periods during the Foreclosure process, are the responsibility of the transferee and are due and payable with the updated registration. The previous Mortgagee will not be released from the responsibility of paying all previous unpaid fees, fines, and penalties accrued during that Mortgagee's involvement with the Defaulted Property.
- (h) If the Defaulted Property is not registered, or the registration fee is not paid within thirty (30) days of when the registration or renewal is required pursuant to this section, a late fee equivalent to ten percent (10%) of the Semi-Annual Registration fee shall be charged for every thirty-day period (30), or portion thereof, the property is not registered and shall be due and payable with the registration.
- (i) This section shall also apply to properties that have been the subject of a foreclosure sale where title is transferred to the Mortgagee as well as any properties transferred to the Mortgagee under a deed in lieu of foreclosure or by any other legal means.
- (j) Properties subject to this section shall remain subject to the Semi-Annual Registration requirement, and the inspection, security, and maintenance standards of this section as long as the property remains Defaulted.
- (k) Failure of the Mortgagee and/or property Owner of record to properly register or to modify the registration to reflect a change of circumstances as required by this ordinance is a violation of this Chapter and shall be subject to enforcement by any of the enforcement means available to the City.
- (l) If any property is in violation of this Chapter the City may take the necessary action to ensure compliance with and/or place a lien on the property for the cost of the outstanding obligation and any additional cost incurred to the property into compliance.

Sec. <ORD. CHAP>.<ORD. SEC> INSPECTION AND REGISTRATION OF REAL PROPERTY THAT IS NOT SUBJECT TO A MORTGAGE IN DEFAULT

- (a) Any Owner of Vacant property located within the City shall within ten (10) days after the property becomes Vacant, or within ten (10) days after assuming ownership of the property, whichever is later, register the Real Property with the City Registry.
- (b) Initial registration pursuant to this section shall contain at a minimum the name of the Owner, the mailing address of the Owner, e-mail address, and telephone number of the Owner, and if applicable, the name and telephone number of the Property Manager and said person's address, e-mail address, and telephone number.

- (c) At the time of initial registration each registrant shall pay a non-refundable Semi-Annual Registration fee of three hundred dollars (\$300.00) for each Vacant property. Subsequent Semi-Annual Registrations of Vacant properties and fees in the amount of three hundred dollars (\$300.00) are due within ten (10) days of the expiration of the previous registration. Said fees shall be used to offset the costs of: (1) registration and registration enforcement, (2) code enforcement and mitigation related to Vacant properties, and (3) for any related purposes as may be adopted in the policy set forth in this Chapter. Said fees shall be deposited to a special account in the City's Department dedicated to the cost of implementation and enforcement of this Ordinance, and fulfilling the purpose and intent of this Chapter.
- (d) If the property is sold or transferred, the new Owner is subject to all the terms of this Chapter. Within ten (10) days of the transfer, the new Owner shall register the Vacant property or update the existing registration. The previous Owner(s) will not be released from the responsibility of paying all previous unpaid fees, fines, and penalties accrued during that Owner's involvement with the Vacant property.
- (e) If the Vacant property is not registered, or either the registration fee or the Semi-Annual Registration fee is not paid within thirty (30) days of when the registration or Semi-Annual Registration is required pursuant to this section, a late fee shall be equivalent to ten percent (10%) of the Semi-Annual Registration fee shall be charged for every thirty (30) day period, or portion thereof, the property is not registered and shall be due and payable with the registration. This section shall apply to the initial registration and registrations required by subsequent Owners of the Vacant property.
- (f) Properties subject to this section shall remain subject to the Semi-Annual Registration requirement, and the inspection, security, and maintenance standards of this section as long as the property is Vacant.
- (g) Failure of the Owner to properly register or to modify the registration to reflect a change of circumstances as required by this ordinance is a violation of this Chapter and shall be subject to enforcement by any of the enforcement means available to the City.
- (h) If any property is in violation of this Chapter the City may take the necessary action to ensure compliance with and place a lien on the property for the cost of the outstanding obligation and any additional cost incurred to the property into compliance.
- (i) Properties registered as a result of this section are not required to be registered again pursuant to the Defaulted mortgage property section.

Sec. <ORD. CHAP>.<ORD. SEC> MAINTENANCE REQUIREMENTS

- (a) Properties subject to this chapter shall be kept free of weeds, overgrown brush, dead vegetation, trash, junk, debris, building materials, any accumulation of newspaper

circulars, flyers, notices, except those required by federal, state or local law, discarded personal items including, but not limited to, furniture, clothing, large and small appliances, printed material, or any other items that give the appearance that the property is abandoned.

- (b) Registrable Property shall be maintained free of graffiti or similar markings by removal or painting over with an exterior grade paint that matches the color of the exterior structure.
- (c) Front, side, and rear yards, including landscaping, of Registrable Property shall be maintained in accordance with the applicable code(s) at the time registration is required.
- (d) Registrable yard maintenance shall include, but not be limited to, grass, ground covers, bushes, shrubs, hedges or similar plantings, decorative rock or bark or artificial turf/sod. Acceptable maintenance of yards and/or landscape shall not include weeds, gravel, broken concrete, asphalt or similar material.
- (e) Maintenance shall include, but not be limited to, watering, irrigation, cutting and mowing of required ground cover or landscape and removal of all trimmings.
- (f) Pools and spas of shall be maintained so the water remains free and clear of pollutants and debris and shall comply with the regulations set forth in the applicable code(s).
- (g) Failure of the Mortgagee, Owner, and transferees to properly maintain the property as required by this Chapter may result in a violation of the applicable code(s) and issuance of a citation or notice of violation in accordance with the applicable code of the City. Pursuant to a finding and determination by the City Sheriff, Magistrate or a court of competent jurisdiction, the City may take the necessary action to ensure compliance with this section.
- (h) In addition to the above, the property is required to be maintained in accordance with the applicable code(s) of the City.

Sec. <ORD. CHAP>.<ORD. SEC> SECURITY REQUIREMENTS

- (a) Properties subject to these Sections shall be maintained in a secure manner so as not to be accessible to unauthorized persons.
- (b) A “secure manner” shall include, but not be limited to, the closure and locking of windows, doors, gates and other openings of such size that may allow a child to access the interior of the property or structure. Broken windows, doors, gates, and other openings of such size that may allow a child to access the interior of the property or structure must be repaired. Broken windows shall be secured by re-glazing of the window.
- (c) If a property is Registrable, and the property has become vacant or blighted, a Property Manager shall be designated by the Mortgagee and/or Owner to perform the work necessary to bring the property into compliance with the applicable code(s), and the

Property Manager must perform regular inspections to verify compliance with the requirements of this Chapter, and any other applicable laws.

- (d) In addition to the above, the property is required to be secured in accordance with the applicable code(s) of the City.
- (e) When a property subject to this Chapter becomes Vacant, it shall be posted with the name and twenty-four (24) hour contact telephone number of the Property Manager. The Property Manager shall be available to be contacted by the City Monday through Friday between 9:00 a.m. and 5:00 p.m., legal holidays excepted. The sign shall be placed in a window facing the street and shall be visible from the street. The posting shall be no less than eighteen (18) inches by twenty-four (24) inches and shall be of a font that is legible from a distance of forty-five (45) feet. The posting shall contain the following language with supporting information:

THIS PROPERTY IS MANAGED BY _____.
AND IS INSPECTED ON A REGULAR BASIS. _____.
THE PROPERTY MANAGER CAN BE CONTACTED _____.
BY TELEPHONE AT _____.
OR BY EMAIL AT _____.

- (f) The posting required in subsection (e) above shall be placed on the interior of a window facing the street to the front of the property so that it is visible from the street, or secured to the exterior of the building/structure facing the street to the front of the property so that it is visible from the street or if no such area exists, on a stake of sufficient size to support the posting in a location that is at all times visible from the street to the front of the property but not readily accessible to vandals. Exterior posting shall be constructed of and printed with weather-resistant materials.
- (g) Failure of the Mortgagee and/or property Owner of record to properly inspect and secure a property subject to this Chapter, and post and maintain the signage noted in this section, is a violation and shall be subject to enforcement by any of the enforcement means available to the City. The City may take the necessary action to ensure compliance with this section, and recover costs and expenses in support thereof.

Sec. <ORD. CHAP>.<ORD. SEC> PROVISIONS SUPPLEMENTAL

The provisions of this Chapter are cumulative with and in addition to other available remedies. Nothing contained in this Chapter shall prohibit the City from collecting on fees, fines, and penalties in any lawful manner; or enforcing its codes by any other means, including, but not limited to, injunction, abatement, or as otherwise provided by law or ordinance.

Sec. <ORD. CHAP>.<ORD. SEC> PUBLIC NUISANCE

All Registrable Property is at risk of being a public nuisance and if vacant or blighted can constitute a public nuisance, the abatement of which pursuant to the police power is hereby declared to be necessary for the health, welfare, and safety of the residents of the City.

Sec. <ORD. CHAP>.<ORD. SEC> ADDITIONAL AUTHORITY

- (a) If the Enforcement Officer has reason to believe that a property subject to the provisions of this Chapter is posing a serious threat to the public health, safety, and welfare, the code Enforcement Officer may temporarily secure the property at the expense of the Mortgagee or Owner, and may bring the violations before the code enforcement, City Council or special magistrate as soon as possible to address the conditions of the property. Nothing herein shall limit the City from abating any nuisance or unsafe condition by any other legal means available to it.
- (b) The Sheriff, code enforcement, City Council or special magistrate shall have the authority to require the Mortgagee or Owner affected by this section, to implement additional maintenance and/or security measures including, but not limited to, securing any and all doors, windows or other openings, employment of an on-site security guard or other measures as may be reasonably required to help prevent further decline of the property.
- (c) If there is a finding that the condition of the property is posing a serious threat to the public health, safety, and welfare, then the Sheriff, code enforcement, City Council or special magistrate may direct the City to abate the violations and charge the Mortgagee or Owner with the cost of the abatement.
- (d) If the Mortgagee or Owner does not reimburse the City for the cost of temporarily securing the property, or of any abatement directed by the Sheriff, code enforcement officer, code enforcement, City Council or special magistrate, within thirty (30) days of the City sending the Mortgagee or Owner the invoice then the City may lien the property with such cost, along with an administrative fee as determined in the City's fee ordinance to recover the administrative personnel services. In addition to filing a lien the City may pursue financial penalties against the Mortgagee or Owner.
- (e) The City may contract with an entity to implement this Chapter, and, if so, any reference to the Enforcement Officer herein shall include the entity the City contract with for that purpose.

Sec. <ORD. CHAP>.<ORD. SEC> OPPOSING, OBSTRUCTING ENFORCEMENT OFFICER; PENALTY

Whoever opposes obstructs or resists any Enforcement Officer or any person authorized by the enforcement office in the discharge of duties as provided in this chapter shall be punishable as provided in the applicable code(s) or a court of competent jurisdiction.

Sec. <ORD. CHAP>.<ORD. SEC> IMMUNITY OF ENFORCEMENT OFFICER

Any Enforcement Officer or any person authorized by the City to enforce the sections here within shall be immune from prosecution, civil or criminal, for reasonable, good faith entry upon Real Property while in the discharge of duties imposed by this Chapter.

Sec. <ORD. CHAP>.<ORD. SEC> PENALTIES

Unless otherwise provided for in this Chapter, a violation of this Chapter is declared unlawful.

Sec. <ORD. CHAP>.<ORD. SEC> AMENDMENTS

Registration fees and penalties outlined in this Article may be modified by resolution, administrative order, or an amendment to this Article, passed and adopted by the City Council.

Sec. <ORD. CHAP>.<ORD. SEC> SEVERABILITY

It is hereby declared to be the intention of the City that the sections, paragraphs, sentences, clauses, and phrases of this ordinance are severable, and if any phrase, clause, sentence, paragraph, or section of this ordinance shall be declared unconstitutional by the valid judgment or decree of a court of competent jurisdiction, such unconstitutionality shall not affect any of the remaining phrases, clauses, sentences, paragraphs, and sections of this Ordinance.

Sec. <ORD. CHAP>.<ORD. SEC> REPEALER

All ordinances or parts of ordinances in conflict herewith, are hereby repealed and replaced.

Sec. <ORD. CHAP>.<ORD. SEC> CODIFICATION

It is the intention of the City Council, that the provisions of this Ordinance shall become and be made a part of the City Code of Ordinances; and that the sections of this ordinance may be renumbered or re-lettered to accomplish such intention, and the word “ordinance” may be changed to “section”, “chapter”, or such other appropriate word or phrase in order to accomplish such intentions.

Sec. <ORD. CHAP>.<ORD. SEC> EFFECTIVE DATE

This ordinance shall become effective immediately upon adoption.

This Agreement is made as of this ____ day of _____, 2018 (“Effective Date”) by and between Property Registration Champions, LLC, DBA PROCHAMPS, a Florida Limited Liability Company, with offices at 2725 Center Place, Melbourne, FL 32940 (“**PRC**”), and City of SeaTac, a Washington municipal corporation, with an address at _____ (“**COMMUNITY**”).

WITNESSETH:

WHEREAS, the care of neglected lawns and exterior maintenance of properties is becoming a health and welfare issue in the **COMMUNITY**; and

WHEREAS, in order to promptly and efficiently address the issues related to the maintenance of vacant, rental, and foreclosed properties; the **COMMUNITY** adopted Ordinance No. _____ (the “Ordinance”); and

WHEREAS, pursuant to the Ordinance the **COMMUNITY** desires to enter into this Agreement with **PRC** in order to provide services authorized pursuant to the Ordinance, to register vacant, rental, and foreclosed properties (the “Properties”), so that the **COMMUNITY** can properly address violations of the **COMMUNITY**’s property maintenance codes; and

WHEREAS, **PRC** will also provide an electronic registration process that is cost-free and revenue neutral for the **COMMUNITY**; and

NOW THEREFORE, in consideration of the mutual covenants contained herein, and for other valuable consideration received, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows.

1. PRC RESPONSIBILITIES.

- a. **PRC** will cite the **COMMUNITY**’s Ordinance to mortgagees, owners, and landlords and proactively contact those who file a public notice of default, lis pendens, or any foreclosure action, or take title to real property via foreclosure or other legal means. **PRC** will electronically provide for registration of Properties in violation of Ordinance.
- b. **PRC** will pay for all expenses, administrative costs and fees related to registration of Properties, except as provided in 1(c). **PRC** will monitor publicly recorded foreclosure filings for properties located within the jurisdictional area of the **COMMUNITY**. **PRC** will review and confirm the obligation to register properties pursuant to the Ordinance. **PRC** will monitor any changes to the obligation to register.
- c. **PRC** will charge a fee (“Fee”) as directed by the **COMMUNITY** to each registering party (“Registrant”) to register all mortgagees, owners, and landlords who comply with the Ordinance. **PRC** shall retain one hundred dollars (\$100.00) of each collected foreclosed property and vacant property registration Fee, and fifty percent (50%) of

each rental property registration fee and remit the balances to the COMMUNITY. PRC shall forward payment of the COMMUNITY's portion of the Fee to the COMMUNITY's finance department no later than the fifteenth (15th) day of the following month. Should there be a fee required for public/official record data acquisition integral to the performance of the scope of work required under the terms and provisions of this contract, those charges shall be deducted from the remittance for the actual costs of said charges or subscriptions.

- d. In the event the COMMUNITY's Ordinance requires payment of late fees as part of the registration requirements PRC shall collect all applicable late fees, retaining twenty percent (20%) of the fee, and remit the balance to the COMMUNITY pursuant to the monthly remittance schedule. All fees related shall be taken out of the COMMUNITY's remittance provided in 1(c).
- e. PRC agrees to provide a website for the registration of the Properties in order to enable compliance with the COMMUNITY's ordinances. The website will direct Registrants to a hyperlink, www.proCHAMPS.com. The website found at www.PROCHAMPS.com will automatically allow lenders and/or responsible parties to comply with the COMMUNITY's property registration codes.
- f. PRC responsibilities will commence on the Effective Date of this agreement.

2. INDEMNIFICATION.

- a. **INDEMNIFICATION BY PRC.** PRC shall defend, indemnify, and hold harmless the COMMUNITY and its officers, employees, and agents, from and against all losses, expenses (including attorneys' fees), damages, and liabilities of any kind resulting from or arising out of a breach of this Agreement by PRC and/or PRC's performance hereunder.
- b. **INDEMNIFICATION BY COMMUNITY.** COMMUNITY shall defend, indemnify, and hold harmless PRC and its officers, employees, and agents, from and against all losses, expenses (including attorneys' fees), damages, and liabilities of any kind resulting from or arising out of a failure by COMMUNITY to timely respond to a public records request.

3. TERM and TERMINATION.

This Agreement shall terminate two (2) years from the Effective Date. This Agreement will automatically renew at the end of each term for a further term of one (1) year unless either party gives the other written notice of termination at least thirty (30) days prior to the end of the relevant term.

- a. **TERMINATION FOR DEFAULT.** In the event that either party (the "Defaulting Party") shall breach or fail to comply with any provision of this Agreement and such breach or failure shall continue for a period of thirty (30) days after the giving of

written notice to the Defaulting Party, such other party may terminate this Agreement immediately providing written notice of such termination to the Defaulting Party.

b. **TERMINATION FOR INSOLVENCY.** This Agreement may be terminated by the COMMUNITY in the event of the insolvency of PRC or the commencement by or against the PRC of any case or proceeding under any bankruptcy, reorganization, insolvency or moratorium law or any other law or laws for the relief of debtors or the appointment of any receiver, trustee or assignee to take possession of the properties of the PRC, unless such petition or appointment is set aside or withdrawn or ceases to be in effect within thirty (30) days from the date of said commencement or appointment or the liquidation or dissolution of the PRC.

c. **TERMINATION FOR CHANGE IN CONTROL.** COMMUNITY may terminate this Agreement if there is a change in control of PRC, and the new controlling entity breaches or fails to comply with any provision of this Agreement and such breach or failure shall continue for a period of thirty (30) days after the giving of written notice to the new controlling entity.

4. **CONTRACT DOCUMENTS.** The following list of documents which are attached hereto as exhibits to this Agreement shall be incorporated into this Agreement, as if fully set forth herein by reference:

a. COMMUNITY Ordinance No. _____,
entitled “ _____ ”,
dated: _____.

5. **INSURANCE.** PRC shall maintain Errors and Omissions Insurance limits of liability provided by such policy shall be no less than one million dollars (\$1,000,000.00) to ensure COMMUNITY the indemnification specified herein.

6. **OWNERSHIP AND USE OF DOCUMENTS.** All information collected by PRC from registering parties in connection with the registration of a property pursuant to this Agreement shall be the property of the COMMUNITY, and shall be provided to COMMUNITY upon request. PRC shall be permitted to retain copies, including reproducible copies, of drawings and specifications for information, reference and use in connection with PRC’s endeavors.

7. **AUDIT, INSPECTION RIGHTS, AND RETENTION OF RECORDS.** PRC shall maintain records pertaining to this agreement for a period of three years (3) from final payment. Such records shall be subject to audit by the COMMUNITY on reasonable advanced, written notice. The audit shall be conducted at the premises of the COMMUNITY on business days only and during normal working hours. PRC shall comply with all Florida Public Records Act (Chapter 119, Florida Statutes) requirements.

8. **INDEPENDENT CONTRACTOR.** This Agreement creates no relationship of joint venture, partnership, limited partnership, agency, or employer-employee between the parties, and the parties acknowledge that no other facts or relations exist that would create any such relationship between them. Neither party has any right or authority to assume or create any obligation or responsibility on behalf of the other party except as provided by written instrument signed by both parties.
9. **NOTICES.** Whenever any party desires to give notice unto any other party, it must be given by written notice, sent by registered United States mail, with return receipt requested, hand delivery or facsimile transmission with receipt of delivery, addressed to the party for whom it is intended and the remaining party, at the places last specified, and the places for giving of notice shall remain such until they shall have been changed by written notice in compliance with the provisions of this section. Notice shall be deemed to have been given upon receipt. For the present, PRC and the COMMUNITY designate the following as the respective places for giving of notice:

COMMUNITY: _____

Attention: _____

PRC: David Mulberry, President/CEO
2725 Center Place
Melbourne, FL 32940
Telephone No. (321) 421-6639
Facsimile No. (321) 396-7776

10. **AMENDMENTS.**

- a. **AMENDMENTS TO AGREEMENT.** It is further agreed that no modification, amendment or alteration in the terms or conditions contained herein shall be effective unless contained in a written document executed with the same formality and of equal dignity herewith.
- b. **AMENDMENT OF FEES.** In the event there are amendments to the Fees, PRC will apply the fee that was in place for the registration period in question.

11. **COMMUNITY DATA.** COMMUNITY acknowledges prior to this Agreement registering Properties governed by the original ordinance. On a date, agreed upon by PRC, prior to the Effective Date of this Agreement, the COMMUNITY will provide PRC a digital file, in

format agreeable to PRC, containing all of the information of all Properties registered by the COMMUNITY. All registrations and fees received by the COMMUNITY during the period from the data delivery date to the Effective Date will be submitted to PRC and considered registrations by PRC under the terms of this Agreement. If the COMMUNITY is unable to provide the agreed upon digital file then the COMMUNITY will provide PRC all property registration information, including but not limited to registration forms, to PRC for manual entry into the PRC database. If manual entry of this information is required of PRC the COMMUNITY agrees to compensate PRC five dollars (\$5.00) per property.

12. **ORDINANCE VIOLATION DATA.** COMMUNITY shall provide PRC with all Ordinance violation data.
13. **PUBLICITY.** PRC may include COMMUNITY's name and general case study information within PRC's marketing materials and website.
14. **COMMUNITY LOGO.** COMMUNITY shall provide the COMMUNITY's logo to PRC for the purposes as set forth in 1(a).
15. **FORCE MAJEURE.** Neither party to this Agreement shall be responsible for any delays or failure to perform any provision of this Agreement (other than payment obligations) due to acts of God, strikes or other disturbances, war, insurrection, embargoes, governmental restrictions, acts of governments or governmental authorities, or other causes beyond the control of such party.
16. **LIMITATION OF LIABILITY.** NEITHER PARTY SHALL BE LIABLE FOR ANY INDIRECT, INCIDENTAL, SPECIAL, PUNITIVE, OR CONSEQUENTIAL DAMAGES, OR ANY LOSS OF PROFITS, REVENUE, DATA, OR DATA USE.
17. **BINDING AUTHORITY.** Each person signing this Agreement on behalf of either party individually warrants that he or she has full legal power to execute this Agreement on behalf of the party for whom he or she is signing, and to bind and obligate such party with respect to all provisions contained in this Agreement.
18. **LAWS AND ORDINANCES.** PRC shall observe all laws and ordinances of the COMMUNITY, county, state, federal or other public agencies directly relating to the operations being conducted pursuant to this Agreement.
19. **EQUAL EMPLOYMENT OPPORTUNITY.** In the performance of this Agreement, PRC shall not discriminate against any firm, employee or applicant for employment or any other firm or individual in providing services because of sex, age, race, color, religion, ancestry or national origin.

20. **WAIVER.** Any failure by COMMUNITY to require strict compliance with any provision of this Agreement shall not be construed as a waiver of such provision, and COMMUNITY may subsequently require strict compliance at any time, notwithstanding any prior failure to do so.
21. **SEVERABILITY.** If any provision of this Agreement or application thereof to any person or situation shall to any extent, be held invalid or unenforceable, the remainder of this Agreement, and the application of such provisions to persons or situations other than those as to which it shall have been held invalid or unenforceable shall not be affected thereby, and shall continue in full force and effect, and be enforced to the fullest extent permitted by law.
22. **GOVERNING LAW.** This Agreement shall be governed by the laws of the State of Florida with venue lying in Brevard County, Florida.
23. **ATTORNEY'S FEES AND COSTS.** In the event of a dispute arising out of this Agreement, the prevailing party shall be entitled to recover reasonable attorney's fees, paralegal expenses, and costs, including fees and costs incurred at all pretrial, trial and appellate levels.
24. **CONTINGENCY.** This Agreement is contingent upon the Ordinance being passed by the COMMUNITY within forty-five (45) days of the Agreement date. If the Ordinance is not passed by that date or PRC does not consent to the Ordinance provisions then PRC can declare this Agreement null and void without any further demands by the COMMUNITY.
25. **ENTIRE AGREEMENT.** This Agreement represents the entire and integrated agreement between the COMMUNITY and the PRC and supersedes all prior negotiations, representations or agreements, either written or oral.

[Remainder of this page intentionally left blank.]

IN WITNESS WHEREOF, the parties hereto have affixed their hands and seals the day and year first above written.

CITY OF SEATAC, WASHINGTON

Date: _____

Name, Title

PROPERTY REGISTRATION CHAMPIONS, LLC

David Mulberry, President/CEO

Date: _____

Property Registration Champions, LLC
2725 Center Place
Melbourne, FL 32940

MEMORANDUM

Date: March 25, 2019

To: Planning & Economic Development (PED) Committee

From: Steve Pilcher, CED Director
Jennifer Kester, Planning Manager

Re: Potential Expansion of Multi-Family Tax Exemption (MFTE) Eligible Areas

At the Committee's March 7, 2019 meeting, the Committee discussed whether the Multi-Family Tax Exemption (MFTE), which is detailed in SeaTac Municipal Code 3.85, should be extended to a greater portion of the city. Staff noted it has been contacted by numerous developers, who have inquired whether this tool is available.

When a project is approved under this program, the value of eligible multifamily housing improvements is exempted from property taxes for 8 or 12 years. Land, existing improvements, and non-residential improvements are not exempt. Therefore, property tax is still collected on that existing value. Once the 8 or 12 years end, the property tax is calculated on the full value of improvements.

Currently, the MFTE is only available within the S. 154th St. Station Area. (SMC 3.85 also includes the former Airport Station Area, but since that Plan has been revoked, that provision is no longer applicable). The question is whether to expand the MFTE to other areas within the city consistent with Comprehensive Plan Policy 3.6i: *Expand the Multifamily Tax Credit program to SeaTac's Transit Communities*. The Committee also asked that if the program could be restricted to ensure it is only available for market-rate housing.

To answer the second question first: it appears that State law does not allow a local jurisdiction to provide a MFTE program for only market-rate housing (8-year exemption). A city may "fine tune" its program to provide more precise criteria for the length of exemption periods (e.g., City of Vancouver, info attached), but cannot limit the program to projects excluding "affordable housing."

It should be noted that per State law (RCW 84.14), by virtue of being located within King County, SeaTac is considered to be within a "high cost area." For the purposes of MFTE, that means a low-income household is one that has an income level "at or below one hundred (100) percent of the median family income adjusted for family size, for the county where the project

is located.” Moderate-income households range from 100% to 150% of the median family income.

SeaTac’s code follows the State law, which indicates that in order for a property to qualify for a 12-yr. exemption, there must be a commitment to renting or selling at least 20% of the units as affordable to either low or moderate income households. The remainder of the units can be sold or rented at market rate.

Surrounding Cities Each of our neighboring cities offers this program as follows:

- Burien – Downtown Commercial Zone
- Des Moines – Pacific Ridge Neighborhood
- Kent – Downtown Kent and the Riverbend Area
- Tukwila – Urban Center Transit Oriented Development District

Potential expansion of MFTE eligible areas

As noted above, city code only provides the MFTE incentive within the S. 154th St. Station Area. Should the City wish to make this development tool more widely available, it could:

- Include the Angle Lake Station Area;
- Also include the City Center;
- Or, expand to include the entire Urban Center (almost the entire International Blvd. through the city).

The State law is clear that the intended use of MFTE is primarily for urban centers, which are defined in RCW 84.14 as “compact identifiable district[s] where urban residents may obtain a variety of products and services.” The definition goes on to provide greater details. Given that definition, it would be a stretch to designate all multifamily lands within the City as being eligible for use of the MFTE. Staff does not recommend doing so.

The MFTE can be an important tool for encouraging additional multifamily development. Expanding the area of eligibility within the city is likely to result in more projects coming to fruition and therefore, meeting housing needs for a growing community and potentially spur other types of development.

Multi-Family Tax Exemption Program



The City of Vancouver provides a unique opportunity for developers to assist in meeting the needs for housing in two specific areas: Vancouver City Center and the Fourth Plain Corridor. The Multi-Family Housing Tax Exemption (MFTE) Program, which is authorized under state law (RCW 84.14) and codified in Chapter 3.22 of the Vancouver Municipal Code, allows for an 8, 10 or 12-year tax exemption for the approved value of newly constructed or rehabbed residential units.

Exemption Options

VMC Chapter 3.22 was updated in November 2016. The current ordinance, effective January 1, 2017, allows for the following options:

- An 8-year exemption is available for market-rate projects with an approved Development Agreement.
- Three tax exemption options are available for projects with an affordability component:
 - 8-year exemption for projects with 20% of units affordable to households earning up to 100% of area median income (AMI).
 - 10-year exemption for projects with 20% of units affordable to households earning up to 80% AMI.
 - 12-year exemption for projects with 20% of units affordable to households earning up to 60% AMI.
 - In addition to the above requirements, households in income-restricted units must pay no more than 30% of their income for rent and utilities.

Application Process

The Multi-family Tax Exemption program application is available online through Zoomgrants.

The required application fee includes the following:

Base Fee - \$300

County Assessor Fee - \$100

Per Unit Fee - \$50 per unit to a maximum of \$700

Note: A \$500 annual monitoring fee applies to approved projects during the exemption period.

Upon submittal of the completed application through Zoomgrants and payment of fees by check to the City of Vancouver, the application will be reviewed. The review process takes a minimum of 90 days.

Additional Information

See the MFTE Program Manual for additional information about project eligibility, the application process, and program requirements.

Affordable Unit Leasing Contacts