

SeaTac Code Amendments – Package Three: MFTE, State-mandated Parking, and other Miscellaneous Updates					
Amendment Number	Code Section	Name of Item/Section	Type of Amendment	What does the amendment do?	Why is the amendment needed?
TITLE 3 – REVENUE AND FINANCE					
3.85 Multi-Family Property Tax Exemption					
3.85.020 Purpose					
	3.85.020.A	Purpose	Consistency	Updates purpose statement to clarify that SMC 3.85 also accomplishes the planning goals of the Housing Action Plan (HAP) and City Center Plan.	The HAP mentions MFTE as an incentive strategy; City Center lies within the Urban Center.
	3.85.020.C	Purpose	Clarification	Includes affordable housing as one of the housing opportunities to be increased through MFTE.	Clarify that the program is not just focused on the creation of new MF housing, but is an important tool to support the development of affordable housing.
	3.85.020.E	Purpose	New purpose statement	Discusses encouraging mixed-income housing that is affordable to households with a range of incomes.	Adding needed residential units can support a mixed-income community and meet corresponding planning goals under the <i>Growth Management Act</i> (RCW 36.70A.020).
	3.85.020.F	Purpose	Correction	Adds “City Center” as one of the areas where MFTE can help achieve desired development densities.	Corrects omission
3.85.030 Definitions					
	3.85.030	Definitions	New Definitions	<p>Adds definitions for the following:</p> <ul style="list-style-type: none"> • Ad valorem property taxation • Assessor • Contract • Eligible household • Growth Management Act • High-capacity transit • Household • Household income • Income-based housing • Low-income household • Moderate-income household • Owner • Permanent residential occupancy • Project • Urban center <p>These additions result in the re-numbering of existing definitions.</p>	Enhances code users’ understanding; consistency with RCW 84.14.
	3.85.030	Definitions	Remove Definition/New Definition	Removes “City Manager” definition; adds new “Director” definition.	All references to “City Manager” being replaced by “Director” for process streamlining purposes
	3.85.030	Definitions	Amended Definition	Amends definition of “Multi-family housing” or “multiple-unit housing”.	Amended to update the minimum number of required units from 20 to 4, as allowed by Commerce.

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	3.85.030	Definitions	Amended Definition	Amends definition of “Residential targeted area”.	Amended for clarity/understanding. Removes mention of designation of City’s Urban Center, as that has been moved to new “Residential Target Area – Criteria – Designation” section.
3.85.040 Residential Target Area – Criteria – Designation					
	3.85.040	Residential Target Area – Criteria – Designation.	New Section	Adds a new section for “Residential Target Area – Criteria – Designation”. Renumbered sections to accommodate this new section.	Per Commerce MFTE Workbook, a section detailing the residential targeted areas for the program and designation criteria must be included in the adopted ordinance.
3.85.050 Tax exemption – Duration – Valuation - Exceptions					
	3.85.050.A	Duration of Exemption	Reorganization	Amended so that qualifying criteria for the 8- and 12-year programs are struck out and moved to another section (Project Eligibility), and only Duration of Exemption information remains.	Reorganization for enhanced legibility.
	3.85.050.B	Limits on Exemption	Substantive	Reorganizes exemptions into list; adds new information about tax-exempt government and non-profit properties not being eligible for program.	Reorganization for clarity/understanding; new information needed for understanding program ineligibility.
	3.85.050.C	Conclusion of Exemption	New Subsection	Adds new language re: new housing cost being considered as new construction at end of exemption period.	Consistency with RCW 84.55
3.85.060 Project Eligibility					
	3.85.060.A	8-Year Exemption Project Eligibility	Substantive	<ul style="list-style-type: none"> Restructured/new subsection listing 8-year program eligibility requirements. Changed project minimum unit amount from 20 to 4. Added new statement affirming no application may result in the net loss of existing affordable housing through non-profit/tax-exempt housing programs, such as those mentioned in 3.85.050.B.	Restructured subsection for enhanced legibility; Commerce has changed the project unit minimum from 20 units to 4 (could help with infill in Urban Center); clarification regarding affordable housing through low-income housing programs.
	3.85.060.B	12-Year Exemption Project Eligibility	Substantive	<ul style="list-style-type: none"> Restructured/new subsection listing additional requirements for 12-year program. New requirement for a minimum of 10% of the 20% of affordable housing units to be affordable at a maximum of 50% of KC median household 	<ul style="list-style-type: none"> It is a best practice for the MFTE units to be spread out throughout the building and be similar to market-rate units in size, features, layout, floor plan, and amenities. There should also be a comparable number of each type of unit (i.e., a proportional number of 1-bedrooms, studios, etc.).

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				<p>income, with the remaining 10% affordable to low- and moderate-income households.</p> <ul style="list-style-type: none"> • New requirement for mix of unit types, configuration and size of affordable units to be proportional to the rest of units within the project. • New requirement for affordable units to be of same quality as other housing units in project. • New requirement for affordable units to be interspersed with all other dwelling units in the project. • New requirement for owners to record an MFTE covenant prior to issuing a certificate of occupancy. • 12-year exemption: New requirement for owners to provide relocation assistance equal to one month's rent for low-income tenants during the final month of the tenant's lease. <p>12-year extension: New requirement for property owner to provide notice of intent to provide relocation assistance at the end of the 10th and 11th months of extension.</p>	<ul style="list-style-type: none"> • Helps with goal of obtaining more affordable units, as well as obtaining more family-sized units. <p>Relocation assistance: Requirement per RCW 84.14.120.</p>
	3.85.060.C	Extensions for Projects Receiving an Initial 8-Year or 12-Year Exemption	New Subsection/ Substantive	Any project in the Urban Center receiving an 8- or 12-year extension may apply for a subsequent 12-year extension in exchange for continued or increased income restrictions on affordable units.	Per RCW 84.14.020(6)
3.85.070 Application Procedure					
	3.85.070.A	Application Procedure	Clarification/ New Requirement	<ul style="list-style-type: none"> • Addition of “including phasing if applicable” requirement for written description of projects. <p>New requirement for verification by oath or affirmation of information submitted.</p>	Clarification for applicants during application process.
	3.85.070.D	Application Procedure	Remove requirement	Removed sunset clause language that no new applications accepted after December 31, 2024.	Program can be reviewed, but have flexibility about timing of program review without risking expiration of the program.
3.85.080 Application review – Approval – Required findings – Issuance of conditional certificate – Denial Appeal					
	3.85.080.A	Application Review	Clarification/ Removal of language	<ul style="list-style-type: none"> • Amends language for application review stating that the decision shall be made within 90 days of receipt of application. <p>Removed language related to project eligibility (moved to that section).</p>	Enhanced clarity on application review process; moved project eligibility language to a more appropriate section.

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	3.85.080.B	Approval	Reorganization/clarification	<ul style="list-style-type: none"> Moved language from previous subsection item C for section re-ordering purposes. New language stating that the applicant must comply with SMC Title 7 for the property at issue.	Enhanced user legibility and understanding; emphasis that the property must comply with building Health and Safety standards.
	3.85.080.C	Issuance of Conditional Certificate	Reorganization	Moved language from previous subsection item D for section re-ordering purposes.	Enhanced user clarity on conditional certificate process.
	3.85.080.C		Substantive	Removed subsection item regarding City Council approval of contracts.	Streamlining of MFTE contract process.
	3.85.080.E	Appeal	Substantive	Changes all mentions of City Council to Hearing Examiner for appeals process.	Sync with SB 5290 code updates.
3.85.110 Final certificate – Application – Issuance – Denial – Appeal					
	3.85.110.A.	Application	Clarification/ New Requirements	<ul style="list-style-type: none"> Added language stating that phasing (if applicable) must be included with project costs for final certificate application. Removed requirement for statement of expenditures to be approved by City Finance Director. New requirement for total monthly rent or total sale amount of each unit to be included with final certificate application. New requirement for applicant’s compliance with affordability requirements of 12-year program to be included with final certificate application. New requirement for final certificate application to include any additional information requested by the City.	Enhanced user clarity on final certificate process, as well as streamlining (ex: approval of City Finance Director).
3.85.120 Annual certification					
	3.85.120.A	Annual Compliance Review	New Requirement	New requirement for report on affordable housing requirements to be included with notarized declaration for annual compliance review.	Necessary to ensure that the MFTE program is meeting its intended goals; per RCW 84.1.100(1).
	3.85.120.C	Reporting	New Subsection	New language regarding reporting requirements for the City to the Dept. of Commerce.	Per RCW 84.14.100(2), communities must report annually to Dept. of Commerce on the status of their MFTE programs; compliance is necessary to ensure the community can continue to issue tax exemption certificates.
3.85.130 Review of Program					
	3.85.130	Review of Program	Section removal	Removed section	Program can be reviewed, but have flexibility about timing of review.

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3.85.130 Cancellation of Tax Exemption (NEW)					
	3.85.130.A (NEW)	Cancellation of tax exemption	Reorganization/New cancellation conditions	<ul style="list-style-type: none"> Reorganization of paragraph into list; New language regarding cancellation in case of project violating zoning/building/fire code requirements and land use regulations. 	Legibility for code users' understanding of reasons for cancellation.
3.85.140 Conflict of Provisions (NEW)					
	3.85.140	Conflict of Provisions	New Section	New section regarding conflict of provisions with Chapter 84.14 RCW.	Enhanced code user understanding.
TITLE 15 – ZONING					
15.120 Nonconformance and Reuse of Facilities					
	15.120.070	Nonconformance – Use of Structures (E) (NEW)	City Initiated	Adds language the continuation of single-family residential dwelling units made nonconforming due to zoning change. Language also includes allowances for alterations, additions, and reconstruction due to destruction caused by fire or other accident outside of the owners' hands, within certain parameters.	City initiated change to protect the rights to continue using single-family dwelling units due to a change in zoning.
15.465 Residential Standards and Regulations					
	15.465.100	Accessory Dwelling Units (ADUs) (J)	Compliance with State Legislation <i>Amendment Based on Max/Min Assumption</i>	Amends to reflect limitations on parking based on lot sizes, adjacency to major transit stops, and proximity to SeaTac Airport.	<p>Per RCW 36.70A.681(2)(a), parking limits for ADUs are subject to the following:</p> <ul style="list-style-type: none"> A city or county may not require off-street parking as a condition of permitting ADUs within one-half mile of a major transit stop. On lots smaller than 6,000 square feet before any zero lot line subdivisions or lot splits, no more than one off-street parking space may be required per ADU. On lots greater than 6,000 square feet before any zero lot line subdivisions or lot splits, no more than two off-street parking spaces may be required per ADU. <p>RCW 36.70A.681 (2)(b) The provisions of (a) of this subsection do not apply: (ii) To portions of cities within a one-mile radius of a commercial airport in Washington with at least 9,000,000 annual enplanements.</p> <p>As part of RCW 36.70A.698 (2):</p>

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					<ul style="list-style-type: none"> A city may require the provision of off-street parking for an accessory dwelling unit located within one-quarter mile of a major transit stop if the city has determined that the accessory dwelling unit is in an area with a lack of access to street parking capacity, physical space impediments, or other reasons supported by evidence that would make on-street parking infeasible for the accessory dwelling unit. <p><i>Note: If a lot is located within one-half mile of a major transit stop and within one mile of an airport, the airport parking exemption shall apply, and all other limitations shall be superseded.</i></p>
15.455 Parking and Circulation					
	15.455.120	Parking Chart for Required Off-Street Spaces	Compliance with State Legislation	Amends to reflect limitations on parking based on lot sizes, adjacency to major transit stops, and proximity to SeaTac Airport. Where allowed, assumes duplex parking requirement for all middle housing types.	<p>Per HB 1110, off-street parking for middle housing shall be subject to the following:</p> <ol style="list-style-type: none"> No off-street parking shall be required within one-half mile walking distance of a major transit stop. A maximum of one off-street parking space per unit shall be required on lots smaller than 6,000 square feet, before any zero lot line subdivisions or lot splits. A maximum of two off-street parking spaces per unit shall be required on lots greater than 6,000 square feet before any zero lot line subdivisions or lot splits. <p><i>The above provisions do not apply to the portions of the city within a one-mile radius of SeaTac Airport by RCW 36.70A.635(7)(b)</i></p>
	15.455.120	Parking Chart for Required Off-Street Spaces (RESIDENTIAL, ACCESSORY - Accessory Dwelling Unit (ADU))	Compliance with State Legislation Amendment Based on Max./Min Assumptions	Amends to reflect limitations on parking based on lot sizes, adjacency to major transit stops, and proximity to SeaTac Airport.	<p>Per RCW 36.70A.681(2)(a), parking limits for ADUs are subject to the following:</p> <ul style="list-style-type: none"> A city or county may not require off-street parking as a condition of permitting ADUs within one-half mile of a major transit stop.

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