

**City Council**  
**COMMUNITY DEVELOPMENT COMMITTEE**  
**August 8, 2019 Meeting**  
**Meeting Notes**

**Attendance:**Council Committee Members and Staff:

Rob Johnson, Councilmember  
 Dianne White, Councilmember  
 Elizabeth Callaghan, Councilmember  
 Patricia Love, Community Development Director  
 Amy Rusko, Senior Planner

Citizens

Tim Schmitt  
 Shoaleh Colombi

**1. Developer Agreement for Schmitt Plat**

The Von Moos Development Agreement for lots 79, 80, 81 and Tract 996 of the Stanwood Schmitt Preliminary Plat (file no. 2018-0444) was approved on February 8, 2019. The development agreement was necessary to ensure the multi-family residential portion of the preliminary plat is accounted for. The preliminary plat was completed in the TN zone which required three different residential housing types.

The development agreement sets forth the following development standards for the lots and tract: minimum/maximum residential density, minimum lot area, minimum lot width, minimum lot depth, minimum front setback, minimum rear setback, minimum side setback, maximum height and maximum building coverage. Other provisions set forth in the agreement include: access, right-of-way dedication, type of residential housing allowed, roadway standards and vested studies.

The Committee supported moving the Developer Agreement forward to the public hearing scheduled August 20, 2019.

**2. Affordable Housing Sales Tax Credit**

The 2019 legislative session produced a plethora of bills, but SHB 1406 has generated significant buzz as it will provide a new affordable housing revenue stream for those counties, cities, and towns that choose to participate. This sales tax option is actually a credit against the state sales tax rate of 6.5%, so it will not increase the tax rate for consumers. However, cities, towns, and counties have a limited time to take advantage of this option and must act rather quickly if they wish to participate.

In order to understand the foundation of this bill, it's important to understand what is considered a participating and non-participating city or county. A "participating" city or county is one that chooses to impose the affordable housing sales tax credit provided in SHB 1406 and completes the required steps for adoption within the next 12 months, while a "nonparticipating" city or county is one that chooses not to implement the affordable housing sales tax credit.

*Three Options:*

**Option One:** Do nothing. Should the city choose not to participate while Snohomish County does, the county will receive the full 0.0146% within the city boundaries.

**Option Two:** If the city elects to participate but does not have a "qualifying local tax+", the city will receive the 0.0073% "half share" and the county will also receive a 0.0073% half share within the city boundaries. As the current option, the split with the county is \$12,700.

**Option Three:** If a city elects to participate and imposes a “qualifying local tax” by the deadline, the city will receive the full 0.0146% share and the county will not receive any revenues within the city boundaries.

As the legislation is currently written, if the county elects not to participate, cities located within said county that have not enacted a qualifying local tax will not receive SHB 1406 revenues after the first year.

The Committee supported adding the Affordable Housing Sales Tax Credit to the Council Agenda.

### **3. Additional FYI items**

- **Docket**-The 2019/2020 annual Docket period is now open for the month of August
- **Buildable Lands**-Staff is compiling a list of all permits issued since April 1, 2011 through April 1, 2019 to create a vacant land supply map, this will be used to determine our build out density and employment projections for the City’s buildable lands report.
- **Final Plot of Cedarhome Square**-Phase 3 and 4 of Cedarhome Square final plat will be included in the September CDC packet with council acceptance at the following meeting.
- **Stanwood Civic Campus Project**-Preliminary building square footage requirements are being prepared which will be used for the design of the proposed Police and City Hall facilities. A steering committee has been established.

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Chair