

CITY COUNCIL AGENDA ITEM

CITY OF SHORELINE, WASHINGTON

AGENDA TITLE: Approval of Property Tax Exemption Program Contract for the Trad Apartments Project Located at 17567 15th Avenue NE

DEPARTMENT: City Manager's Office

PRESENTED BY: Nathan Daum, Economic Development Manager

ACTION: ☐ Ordinance ☐ Resolution ☒ Motion
 ☐ Public Hearing ☐ Discussion

PROBLEM/ISSUE STATEMENT:

The City Manager has approved an application by Evergreen Point Redmond, LLC for a multifamily housing limited property tax exemption (MFTE) on a project known as Trad Apartments. The applicant has agreed to a contract with the City (Attachment A) stating that the residential improvements of their projects will be exempt from property taxation for 12 years in exchange for providing affordable housing and other conditions. Shoreline Municipal Code (SMC) Section 3.27.060 specifies that the City Manager's approval is subject to approval by the City Council. Tonight, staff is seeking Council approval of this MFTE program contract.

RESOURCE/FINANCIAL IMPACT:

When an MFTE project is built, the value of the residential improvements will not be added to the assessed value of the property until the 13th year; all taxing jurisdictions in Shoreline forgo property tax revenues from the project for the first 12 years. For the 2021 tax year, while improvements are taxable, the owner will pay approximately \$7,100 in City taxes (depending on the current tax rate; \$62,000 to all sources) for improvements the assessor estimates are 40% complete. From 2022 through 2033, assuming 1% annual increases but no other changes, the owner would save approximately \$225,000 in City taxes (\$1,960,000 total) from the tax exemption. In addition, staff and consultant time is required to process applications, file annual reports to the state and King County, and to monitor compliance with affordable housing requirements.

Trad Apartments is under construction on a property which staff estimates may have contributed between \$5,000 and \$30,000 per year in annual revenue to the City prior to redevelopment. By the time it is complete, staff estimates the project may have paid approximately \$1.1 million in one-time taxes and fees to the City, not including permitting fees. An estimated \$68,735 annually would be paid to the City in taxes and state-shared revenue during the twelve-year exemption period. After MFTE expiration, staff estimates this property could generate more than \$87,000 annually to the City based on current tax rates.

RECOMMENDATION

Staff recommends that the City Council approve the Multi-Family Housing Limited Property Tax Exemption Contract for the Trad Apartments.

Approved By: City Manager ***DT*** City Attorney ***MK***

BACKGROUND

The Multi-Family Tax Exemption (MFTE; also known as PTE for Property Tax Exemption) program was instituted by the state legislature to provide incentives to construct multifamily housing and later amended to help create affordable housing. According to the conclusions of the Growth Management Act and the legislature, multifamily housing and affordable housing are needed throughout the Puget Sound metropolitan area to help mitigate negative environmental impacts of population growth in the region.

The MFTE program provides the property owner an exemption from the *ad valorem* property taxes on new or rehabilitated housing improvements (including residential parking) for the duration of the exemption period.

Shoreline has offered an MFTE program in nine (9) designated Residential Targeted Areas for many years. Chapter 3.27 SMC was most recently updated in 2020 by the adoption of Ordinance No. 879. The current Shoreline MFTE program requires that at least 20% of the multi-family housing project be affordable and provides a qualified project 12 years of exemption from property taxation. Attachment B to this staff report provides a summary of the approved MFTE projects in Shoreline.

DISCUSSION

Trad Apartments complies with all applicable requirements of state law (RCW 84.14.060) and SMC 3.27.040 for MFTE. The next step in the MFTE process is for the City Council to approve or deny the contract that defines the terms under which the City will grant property tax exemptions, including binding the property to provide affordable housing for the period according to the RCW 84.14 and Chapter 3.27 SMC. Project details for the Trad Apartments include:

Location:	17567 15 th Avenue NE
Residential Targeted Area:	North City Business District
Units provided:	124
Affordable units provided:	25
Duration of tax exemption:	12 years
Affordability levels:	Studio and 1-bedroom units - 70% of area median income (AMI) 2-bedroom and larger units - 80% AMI
Duration of affordability:	12 years
Permit number:	PLN20-0038

Public Benefit Calculation

Current income and rent limits are attached to this staff report in Attachment C. Using the reported market rents of another new, nearby property, the City's consultant estimates the 12-year value of the affordable housing (the public benefit) to be approximately \$957,000. This "rent gap" could turn out to be higher or lower, depending on relative changes between market and affordable rents over time.

Limited Fiscal Analysis

Although the valuation of the project may not be fully on the City's tax rolls for 12 years, therefore lowering the amount of new property tax collected, there are other revenue streams that will be generated by the project and the occupants of the units to off-set the costs of providing services to the new residents. These include one-time revenues and on-going revenues, which are highlighted below.

Estimated One-time City Revenues

One-time revenues for this project include the following:

- Real Estate Excise Tax (REET): REET is collected when a property is sold. The REET collected by the City on the developer's purchase of this property is estimated at approximately \$8,365.
- Sales & Use Tax: Sales and use tax is collected by the City on construction when a project is developed in Shoreline. The City's share of sales taxes, which are collected on the total of a project's hard and soft costs, are estimated at \$163,800 for this project.
- Impact Fees: The City currently collects park and transportation impact fees for all new residential units (single-family and multi-family). In 2021, each new multi-family apartment unit is assessed a transportation impact fee of \$4,608 and a park impact fee of \$2,838. Therefore, an estimated \$923,335 in impact fees will be collected for the 124 units of this Project. While impact fees are designed to ensure concurrency with a level of service as a result of the growth in population, they also contribute to prioritized projects of benefit to the whole community.

In total, it is anticipated that the City will collect an estimated \$1,095,500 in one-time taxes and fees, not including permit fees, from this project. This is outlined in Table 1 below:

Table 1: Estimated One-time City Revenues (Trad Apartments)

REET on Land Sale	\$8,365
Sales Tax of 1.05% (Construction)	\$163,800
Impact Fees (124 Units x \$7,446)	\$923,335
Total	\$1,095,500

On-going Revenues

On-going revenues for the project include the following:

- Sales & Use Tax: As new residents occupy the multi-family units, they will buy goods in Shoreline that generate sales tax. On average, staff estimates that each resident of a multi-family unit generates approximately \$119.74 per year of sales taxes in Shoreline.
- Utility Taxes: All residents of multi-family housing use a variety of utilities which are subject to utility taxes and franchise fees. This includes water, wastewater, solid waste, electricity, natural gas, cable, telecommunications, and surface water. On average, staff estimates that each resident of a multi-family unit generates approximately \$114.77 per year of utility taxes.
- State Shared Revenues: Many of the state shared revenues distributed to the City are based on a per capita basis. Assuming that the average multi-family unit

occupancy is two people per unit, each resident of a unit generates approximately \$36.15 per year of state shared revenues.

Table 2 below provides a comparison of estimated on-going annual City revenues from the property prior to the development, the annual revenues during the 12-year property tax exemption period, and the annual revenues following the expiration of the 12-year tax exemption period. The Trad Apartment building is under construction on a former gas station property. Due to confidentiality laws, tax data pertaining to an individual taxpayer is not available for staff's analysis of the preexisting use. For a rough estimate, staff determined an equivalent range of 10-100 taxpayers residing on the property could be substituted. As such, the pre-redevelopment City revenues from the property and business located on it are estimated to have ranged from \$5,000 to \$30,000 per year. Despite the tax exemption on the improvements, this total would more than double during the 12-year tax exemption period to approximately \$68,735 per year. By staff's analysis, 98% of those on-going annual revenues could be attributed to the new residents, not the building developer or owner. Following the expiration of the tax exemption, the addition of the higher assessed value of the new improvements would bring this total to \$87,299 in revenues to the City, 79% of which could be attributed to the new residents.

Table 2: Estimated Annual Revenue - Trad Apartments

	Pre-Development	Development and MFTE Program Duration	Post MFTE Program
Assumptions	(Gas station)	(Years 1-12)	(Years 13+)
Total Units	0	124	124
MFTE Program-Enrolled Affordable Units	0	25	0
Population	0	248	248
Property Tax (Land)	\$1,611	\$1,611	\$1,611
Property Tax (Improvements)	\$380	\$0	\$18,564
Sales Tax	\$1,200--12,000	\$29,696	\$29,696
Utility Tax	\$1,100--11,000	\$28,463	\$28,463
State-Shared Revenue (restricted)	n/a	\$8,965	\$8,965
Total (Annual)	\$5,000--30,000 ¹	\$68,735	\$87,299

Next Steps

If the Council approves the proposed MFTE contract, the City Manager will issue Conditional Certificates of Property Tax Exemption to the applicant. The applicant has three years to complete the project and then may apply to the City for a Final Certificate. The City Manager may approve (or deny) the Final Certificate application without

¹ Due to confidentiality laws, specific tax information on prior use not available. A range of 10-100 residents was used for the purposes of this analysis.

Council action. If approved, the City will file the Final Certificate with the County Assessor and the residential improvements will be exempt beginning the following January 1st.

RESOURCE/FINANCIAL IMPACT

When an MFTE project is built, the value of the residential improvements will not be added to the assessed value of the property until the 13th year; all taxing jurisdictions in Shoreline forgo property tax revenues from the project for the first 12 years. For the 2021 tax year, while improvements are taxable, the owner will pay approximately \$7,100 in City taxes (depending on the current tax rate; \$62,000 to all sources) for improvements the assessor estimates are 40% complete. From 2022 through 2033, assuming 1% annual increases but no other changes, the owner would save approximately \$225,000 in City taxes (\$1,960,000 total) from the tax exemption. In addition, staff and consultant time is required to process applications, file annual reports to the state and King County, and to monitor compliance with affordable housing requirements.

Trad Apartments is under construction on a property which staff estimates may have contributed between \$5,000 and \$30,000 per year in annual revenue to the City prior to redevelopment. By the time it is complete, staff estimates the project may have paid approximately \$1.1 million in one-time taxes and fees to the City, not including permitting fees. An estimated \$68,735 annually would be paid to the City in taxes and state-shared revenue during the twelve-year exemption period. After MFTE expiration, staff estimates this property could generate more than \$87,000 annually to the City based on current tax rates.

RECOMMENDATION:

Staff recommends that the City Council approve the Multi-Family Housing Limited Property Tax Exemption Contract for the Trad Apartments.

ATTACHMENTS

- Attachment A: Proposed Multi-Family Housing Limited Property Tax Exemption Contract - Trad Apartments
- Attachment B: Summary of Approved MFTE Projects in Shoreline
- Attachment C: 2020 Income and Rent Limits

WHEN RECORDED, MAIL TO:

City of Shoreline
17500 Midvale Ave N
Shoreline, WA 98133

ATTN: City Clerk

WASHINGTON STATE COUNTY AUDITOR/RECORDER/S INDEXING FORM

<p>Document Title(s) <i>(or transactions contained therein):</i></p> <p>MULTI-FAMILY HOUSING LIMITED PROPERTY TAX EXEMPTION CONTRACT-TRAD APARTMENTS</p>
<p>Reference Number(s) of Documents assigned or released:</p> <p><input type="checkbox"/> Additional reference numbers on page ____ of document.</p>
<p>Grantor(s) <i>(Last name first, then first name and initials):</i></p> <p>1. <u>EVERGREEN POINT REDMOND, LLC</u></p> <p><input type="checkbox"/> Additional names on page ____ of document.</p>
<p>Grantee(s) <i>(Last name first, then first name and initials):</i></p> <p>1. <u>CITY OF SHORELINE, WASHINGTON</u></p> <p><input type="checkbox"/> Additional names on page ____ of document.</p>
<p>Legal Description <i>(abbreviated form; i.e., lot, block, plat name, section-township-range):</i></p> <p><u>NORTHEND COUNTRY ESTATES ADD PCL "A" OF CITY OF SHORELINE DECLARATION OF LOT MERGER# PLN18-006 REC# 20180208000668 OF SD LOT MERGER BEING POR OF LOT 16 OF BLK 4 OF SD ADD.</u></p> <p><input type="checkbox"/> Additional legal on Exhibit "A" of document.</p>
<p>Assessor's Property Tax Parcel Account Number(s):</p> <p><u>616390-0761</u></p>

The Auditor/Recorder will rely on the information provided on the form. The staff will not read the document.

MULTI-FAMILY HOUSING LIMITED PROPERTY TAX EXEMPTION CONTRACT

TRAD APARTMENTS

THIS MULTI-FAMILY HOUSING LIMITED PROPERTY TAX EXEMPTION CONTRACT (the "Contract") is made and entered into as of this _____ day of _____, 20____, by and between the CITY OF SHORELINE, a Municipal Corporation of the State of Washington (the "City"); EVERGREEN POINT REDMOND LLC, a Washington limited liability company (the "Owner").

WHEREAS, the City has an interest in stimulating new construction or rehabilitation of multi-family housing in Residential Targeted Areas in order to reduce development pressure on single-family residential neighborhoods, increase and improve housing opportunities, provide affordable housing opportunities, and encourage development densities supportive of transit use; and

WHEREAS, the City has, pursuant to the authority granted to it by Revised Codes of Washington (RCW) Chapter 84.14, designated various areas of the City as Residential Targeted Areas for the provision of a limited property tax exemption for new or rehabilitation multi-family housing; and

WHEREAS, the City has, as set forth in Chapter 3.27 SMC, enacted a program whereby property owners may qualify for a Final Certificate of Tax Exemption which certifies to the King County Assessor that the owner is eligible to receive a limited property tax exemption; and

WHEREAS, the Owner is interested in receiving a limited property tax exemption for constructing 124 units of NEW multifamily housing ("Project") within the North City Business District Residential Targeted Area pursuant to SMC 3.27.030; and

WHEREAS, the Owner submitted to the City a complete application for Property Tax Exemption outlining the proposed Project to be constructed on property located at 17567 15th Ave NE in Shoreline, Washington ("Property") and legally described in **Exhibit A** of this Contract; and

WHEREAS, in consideration of the City's approval of Permit No. _____, the Owner accepts certain conditions affecting the use of the Property and the improvements authorized by Permit No. _____. It is the purpose of this Contract to set forth those conditions and to impose enforceable restrictions on the use and occupancy of the residential portion of the Property; and

WHEREAS, on _____ the city manager determined that the application met all the eligibility and procedural

requirements to qualify for a Conditional Certificate of Acceptance of Property Tax Exemption as provided in Chapter 3.27 SMC, with the exception of entering in to and recording this Contract; and

WHEREAS, on _____, the City Council authorized the city manager to execute this contract; and

WHEREAS, the City has determined that the improvements will, if completed as proposed, satisfy the requirements for a Final Certificate of Tax Exemption.

NOW, THEREFORE, for and in consideration of the mutual promises aforesaid and made and relied upon by the parties hereto, and for other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Owner and the City mutually agree as follows:

SECTION 1 – DEFINITIONS

Unless otherwise expressly provided herein, the following terms shall have the respective meanings set forth below. If a term is not defined herein, then it shall be defined as provided in Chapter 20.20 SMC or given its usual and customary meaning.

"Affordable Units" means the twenty-five (25) units in the Project designated by the Owner and approved by the City, as set forth in **Exhibit B**, and reserved for occupancy by Eligible Households with maximum rents pursuant to Section 3.

"City's Designee" mean that individual(s) authorized by the City to administer this Contract.

"Completion Date" means the date of the first certificate of occupancy issued by the City for the Project.

"Dwelling Unit" means a residential living facility, used, intended or designed to provide physically segregated complete independent living facilities for one or more persons, including living, sleeping, cooking and sanitation facilities.

"Eligible Household" means one or more adults and their dependents who meet the qualifications for eligibility set forth in Section 3.F. or Section 3.I.

"Household Income" means gross annual income from all household members over the age of 18 residing in the household. Gross annual income consists of all wages, benefits (e.g. military, unemployment, welfare), interest, and other such income. Income of dependents over the age of 18 who reside within a household for

less than three (3) months of the year will not be counted toward Household Income.

"Household Size" means all of the persons, related or unrelated, occupying an Affordable Unit. For the purpose of calculating maximum Housing Expenses, the following assumptions apply:

<u>UNIT TYPE</u>	<u>ASSUMED HOUSEHOLD SIZE</u>
Studio	1 Person
Open 1-Bedroom	1.5 Persons
1 Bedroom	1.5 Persons
2 Bedroom	3 Persons
3 Bedroom	4.5 Persons

"Housing Expense" means a tenant's costs for rent, parking for one motor vehicle, Utilities or an equivalent Utility Allowance, and any recurring expenses required by the Owner as a condition of tenancy. Expenses that the Owner makes optional, such as pet rent or extra storage space, are not considered Housing Expenses for the purpose of this Contract.

"Median Income" means the median family income for the *Seattle-Bellevue, WA HUD Metro FMR Area* as most recently published by the Secretary of Housing and Urban Development (HUD), as amended. In the event that HUD no longer publishes median family income figures, the City may estimate the Median Income applicable to the City in such manner as the City shall determine in its sole discretion.

"Property" means the real property, together with improvements, legally described in **Exhibit A**.

"Project" means the Owner's multi-family residential building containing 124 Dwelling Units also known as "Trad Apartments."

"Compliance Period" means twelve (12) years from the date of initial occupancy of the Affordable Units.

"SMC" means the Shoreline Municipal Code, as it now exists or hereinafter amended.

"Utility" or "Utilities" means water, electricity, natural gas, sewer, and garbage collection but not including phone, internet service, or cable or satellite television.

"Utility Allowance" means that portion of Housing Expenses that the City determines, from time to time, is adequate for the reasonable Utility costs of Affordable Units in the event the Owner makes tenants responsible for payment for their own Utilities.

SECTION 2 – THE PROJECT

A. General Description. The Owner will construct the Project for purposes of providing multi-family rental housing, and the Owner shall own, manage, and operate (or cause the management and operation of) the Project. The Owner agrees to construct the Project in compliance with all applicable land use regulations and as approved and permitted by the City. In no event shall such construction provide less than fifty percent (50%) of the space for permanent residential occupancy as required by SMC 3.27.040(A)(2).

B. The Owner agrees to complete construction of the agreed upon improvements within three (3) years from the date the City issues the Conditional Certificate of Acceptance of Tax Exemption, or within any extension thereof granted by the City.

C. Conversion from Renter-Occupied to Owner-Occupied. In the event the Property is proposed for conversion to a condominium, owner-occupied, or non-rental residential use during the Compliance Period, the Owner must submit to the City for its review a plan for preserving the Affordable Units. The City may consider options which would convert the Affordable Units to owner-occupancy by Eligible Households and are consistent with the provisions of Chapter 3.27 SMC and SMC 20.40.235. The Owner must receive authorization from the City prior to conversion to condominium, owner-occupied, or non-rental residential use. This section does not waive the Owner's obligations to comply with any other law or regulations pertaining to conversion to ownership use.

SECTION 3 – AFFORDABLE UNITS FOR ELIGIBLE HOUSEHOLDS

A. Number of Affordable Units. The Project shall include the number and types of Affordable Units as set forth in the table below.

Dwelling Units in the Project

Unit Type (Bedrooms)	Total Units	Affordable Units
Studio	74	15
1-bedroom	34	7
2-bedroom	16	3
Total	124	25

B. Similar Quality Construction. All of the Dwelling Units in the Project shall be constructed of similar quality. The

Affordable Units shall have substantially the same net square footage, equipment, and amenities as other Dwelling Units in the Project with a comparable number of rooms.

C. Designation of Affordable Units. Affordable Units shall be generally distributed throughout the Project. The Owner agrees to designate the Dwelling Units identified in **Exhibit B** as Affordable Units. The Owner, from time to time, may propose to change the specific Dwelling Units designated as Affordable Units herein, in which case the Owner shall notify the City of the proposed change in writing for the City's approval. The City will review the proposed changes and shall approve or deny the proposed changes based upon the criteria that at all times at least 25 of all of the Dwelling Units in the Project are designated as Affordable Units, and provided that at all times the same unit mix and affordability mix is retained.

D. Maximum Rents for Affordable Units.

(1) The Housing Expense of an Affordable Unit shall not exceed thirty percent (30%) of the Income Level relevant for the Unit Type shown in the following table, with adjustments for assumed Household Size.

Maximum Affordable Rents

Unit Type	Income Level (Percent of Median Income)
Studio or 1 bedroom	70%
2 or more bedrooms	80%

(2) An Affordable Unit's contract rent shall not exceed the tenant's maximum Housing Expense less a Utility Allowance, if applicable, and any other recurring expenses required by the Owner as a condition of rental.

(3) No Affordable Unit's tenant shall have more than one rent increase for the same Unit in any twelve (12)-month period; provided, however, that in the event an Affordable Unit's lease expires and said tenant elects to continue leasing the Affordable Unit on a month-to-month tenancy, and the tenant remains an Eligible Household, the Owner may increase the rent for that Affordable Unit up to once every thirty (30) days but no higher than the maximum contract rent as set forth in this section.

E. Renting Affordable Units to Eligible Households. During the Compliance Period, the Owner shall lease or rent, or make available for lease or rental, to Eligible Households all of the Affordable Units in the Project. If at any time the Owner is

unable to rent or lease an Affordable Unit, then the Affordable Unit shall remain vacant pending rental or lease to Eligible Households.

F. Income Qualifications for Eligible Households.

(1) To qualify as an Eligible Household for initial occupancy of an Affordable Unit, a household's Household Income may not exceed the applicable Percent of Median Income set forth in the table below, adjusted for Household Size.

(2) At time of recertification, as provided in Section I below, a tenant will remain an Eligible Household as long as said tenant's Household Income does not exceed the Maximum Income for Recertification.

Maximum Income at Initial Occupancy Maximum

Bedrooms	Percent of Median Income
Studio or 1 bedroom	70%
2 or more bedrooms	80%

G. Occupancy Limits for Affordable Units. The Owner shall utilize the following occupancy standards for Affordable Units:

Unit Type	Minimum Occupants
Studio or 1 bedroom	1 person
2-bedroom	2 persons
3-bedroom	3 persons
4-bedroom	4 persons

H. Completion of Certificate of Household Eligibility. Prior to allowing any household to occupy any Affordable Unit, the Owner shall require the prospective tenant to complete a Certification of Household Eligibility ("COHE") that shall be substantially in the form set forth in **Exhibit C**. The Owner shall also undertake a good faith effort to verify the prospective tenant's Household Income, as reported on the completed COHE. The Owner's obligation to verify the reported Household Income shall be limited to requesting copies of and reviewing the prospective tenant's federal income tax returns, unless the Owner has actual knowledge, or reason to believe, that the information provided by the prospective tenant is materially inaccurate. In the event federal income tax returns are not available, the Owner shall verify Household Income using wage or salary statements, or other income records that the City may consider appropriate.

I. Household Eligibility Recertification. At each renewal of a lease for an Affordable Unit, the Owner shall require all tenants occupying Affordable Units to complete and return to the Owner an updated COHE. The Owner shall undertake a good faith effort to verify the reported Household Income as set forth in Section 3(H). If a tenant's Household Income exceeds the Maximum Income for Recertification set forth below when the tenant's lease expires, then within ninety (90) calendar days either (a) the Owner may charge said tenant the current, applicable market rent for the Dwelling Unit and the Owner must designate and rent the next available comparable market rate Dwelling Unit as an Affordable Unit, or (b) the tenant must vacate the Dwelling Unit, unless otherwise prohibited by law, so as to make it available for an Eligible Household.

Maximum Household Income for Recertification

Bedrooms	Percent of King County Median Income
Studio or 1 bedroom	90%
2 or more bedrooms	100%

J. Equal Access to Common Facilities. Tenants in the Affordable Units shall have equal access to all amenities and facilities of the Project, such as parking, fitness centers, community rooms, and swimming pools. If the Owner charges a fee for the use of an amenity or facility, then all tenants in the Project must be charged equally for such use.

SECTION 4 - MULTI-FAMILY LIMITED PROPERTY TAX EXEMPTION

A. The City agrees to issue the Owner a Conditional Certificate of Acceptance of Tax Exemption ("Conditional Certificate") once this Contract is approved by the City Council, fully executed, and recorded with the King County Recorder's Office. The Conditional Certificate shall expire three (3) years from the date the City Manager approved the Owner's application for tax exemption, unless extended by the City Manager as provided in SMC 3.27.060(B).

B. The Owner shall, upon completion of the improvements and upon issuance by the City of a temporary or permanent certificate of occupancy, file with the City Manager an application for Final Certificate of Tax Exemption ("Final Certificate") with the information and fees required by SMC 3.27.070. Required information includes:

(1) A statement of expenditures made with respect to each multi-family housing unit and the total expenditures made with respect to the entire Property;

(2) A description of the completed work and a statement of qualification for the exemption;

(3) A statement that the work was completed within the required three-year period or any authorized extension; and

(4) A statement that the Project meets affordable housing requirements of Chapter 3.27 SMC.

C. The City agrees, conditioned on the Owner's successful completion of the improvements in accordance with the terms of this Contract and on the Owner's filing of the materials described in Section B above, to file a Final Certificate with the King County Assessor within forty (40) days of application.

D. The Owner agrees, by December 15 of the year in which the City issued a Final Certificate for the Project, to provide the City information sufficient to complete the City's report to the Washington State Department of Commerce as set forth in SMC 3.27.090(D).

E. If the Owner converts any of the new or rehabilitated multi-family housing units constructed under this Contract into another use, the Owner shall notify the King County Assessor and the City Manager within sixty (60) days of such change in use.

F. Owner agrees that the Contract is subject to the Shoreline Multi-Family Housing Tax Exemption set forth in Chapter 3.27 SMC.

SECTION 5 – ENFORCEMENT

A. Enforcement Provisions. The Owner shall exercise reasonable diligence to comply with the requirements of this Contract and shall correct any such noncompliance within sixty (60) calendar days after such noncompliance is first discovered by the Owner, or would have been discovered by the exercise of reasonable diligence, or within 60 calendar days after the Owner receives notice of such noncompliance from the City, whichever is earliest; provided however, that such period for correction may be extended by the City if the Owner is exercising due diligence to correct the noncompliance. If such noncompliance remains uncured after such period, then the Owner shall be in default and the City on its own behalf may take any one or more of the following actions:

(1) By any suit, action or proceeding at law or in equity, require the Owner to perform its obligations under this Contract, or enjoin any acts or things which may be unlawful or in violation of the rights of the City hereunder; it being recognized that the beneficiaries of the Owner's obligations hereunder cannot be adequately compensated by monetary damages in the event of the Owner's default;

(2) Have access to, and inspect, examine and make copies of, all of the books and records of the Owner pertaining to the Project. Provided, however, the City shall not divulge such information to any third party unless required by law or unless the same is necessary to enforce the City's rights hereunder; and

(3) Take such other action at law or in equity as may appear necessary or desirable to enforce the obligations, covenants, conditions, and agreements of the Owner under this Contract.

SECTION 6 - CANCELLATION OF TAX EXEMPTION

A. The City reserves the right to cancel the Final Certificate should the Owner, its successors and assigns, fail to comply with any of the terms and conditions of this Contract, Chapter 3.27 SMC, or for any reason that the Project or that portion of the Property on which the Project is constructed no longer qualifies for the tax exemption.

B. Upon determining that a tax exemption is to be canceled, the City Manager shall notify the Owner by certified mail, return receipt request. The Owner may appeal the determination in accordance with SMC 3.27.100.

C. The Owner acknowledges that, in the event the City cancels the tax exemption, state law requires that an additional real property tax is to be imposed in the amount of (1) the difference between the tax paid and the tax that would have been paid if it had included the value of the non-qualifying improvements, dated back to the date that the improvements became non-qualifying; (2) a penalty of 20% of the difference calculated under (1) of this Paragraph C; and (3) interest at the statutory rate on delinquent property taxes and penalties, calculated from the date the tax would have been due without penalty if the improvements had been assessed without regard to the exemptions provided by Chapter 84.14 RCW and Chapter 3.27 SMC. The Owner acknowledges that, pursuant to RCW 84.14.110, any additional tax owed, together with interest and penalty, become a lien on that portion of the Property on which the Project is constructed and

attached at the time the portion of the Property is removed from multi-family use or the amenities no longer meet applicable requirements, and that the lien has priority to and must be fully paid and satisfied before a recognizance, mortgage, judgment, debt, obligation, or responsibility to or with which the Property may become charged or liable. The Owner further acknowledges that RCW 84.14.110 provides that any such lien may be foreclosed in the manner provided by law for foreclosure of liens for delinquent real property taxes.

SECTION 7 – REPORTING REQUIREMENTS

A. Notice of Occupancy Permit. The Owner shall notify the City's Designee of receipt of the first occupancy permit for the Project within thirty (30) calendar days of the permit's issuance.

B. Initial Project Certification. After the Completion Date and until ninety percent (90%) of all rental units in the Project are occupied, the Owner shall file with the City a Project Certification report, substantially in the form of **Exhibit D**, attached with copies of the COHE required under Section 3 of this Contract.

C. Annual Project Certification. The Owner shall file with the City Manager, within thirty (30) days following the first anniversary of the City's filing of the Final Certificate and each year thereafter for the duration of the property tax exemption, a report substantially in the form of **Exhibit D**, attached with copies of the COHE and which includes information required by SMC 3.27.090, including:

(1) A statement of occupancy and vacancy of the newly constructed or rehabilitated Project during the past twelve (12) months ending with the anniversary date;

(2) A certification by the Owner that the Project has not changed use since the date the City approved the Final Certificate and that Project conforms with affordable housing requirements of Chapter 3.27 SMC; and

(3) A description of any subsequent changes or improvements constructed after issuance of the Final Certificate.

D. Maintain Complete Records. The Owner shall maintain complete and accurate records pertaining to the Affordable Units and shall, during regular business hours, permit any duly authorized representative of the City, including, without limitation, the City's Designee, to inspect the books and records of the Owner pertaining to the Affordable Units, including the

Initial and Annual Project Certifications, and if applicable, income documentation of households residing in Affordable Units in the Project. The Owner's failure to maintain such records or failure to allow inspection by the City or any duly authorized representative shall constitute a material default hereunder. The Owner shall retain all records pertaining to the Affordable Units for at least six (6) years.

E. Form of Certification. Notwithstanding anything in this Section to the contrary, the Owner shall submit all documentation required by this Section on the forms designated herein, which may be modified by the City from time to time. Changes to forms by the City shall not increase the Owner's obligations hereunder.

SECTION 8 – SUBSIDIZED TENANTS

The Owner shall accept as tenants for Affordable Units, on the same basis as all other prospective households, households who receive state or federal rent subsidies, such as Housing Choice Vouchers under Section 8 of the United States Housing Act of 1937, or other rent subsidies. The Owner shall not apply, or permit the application of, management policies or lease provisions with respect to the Project which have the effect of precluding occupancy of any Dwelling Units by rent subsidy recipients.

SECTION 9 – LEASE PROVISIONS

A. It is the Owner's responsibility to screen and select tenants for desirability and credit worthiness. Except as restricted in this Contract and under state and federal law, such selection is within the Owner's discretion. If written management policies exist, or exist in the future, with respect to the Project, the City may review such written policies and may require changes in such policies, if necessary, so that the policies comply with the requirements of this Contract.

B. All leases for Eligible Households shall contain clauses wherein each individual lessee: (i) certifies the accuracy of the statements made in the COHE, (ii) agrees that the Household Income and other eligibility requirements shall be deemed substantial and material obligations of the tenancy, and (iii) agrees that misrepresentation in the COHE is a material breach of the lease, entitling the Owner to immediately terminate tenant's lease for the Affordable Unit.

SECTION 10 – SALE OR TRANSFER OF THE PROJECT

The Owner hereby covenants and agrees not to sell, transfer or otherwise dispose of the Project or any portion thereof without first providing a written statement executed by the purchaser that the purchaser understands the Owner's duties and obligations under this Contract and will enter into a contract with the City for the continuation of those obligations. Such notice must be received by the City at least ten (10) working days prior to the close of escrow.

SECTION 11 – TERM

This Contract shall become effective upon its execution and shall continue in full force and effect throughout the Compliance Period, unless sooner modified or terminated by the City or property owner consistent with SMC 3.27.100, as adopted on the date of execution of this Agreement.

SECTION 12 – NO DISCRIMINATION

The Owner shall not discriminate on the basis of race, creed, religion, color, sex, sexual orientation, age, national origin, marital status, citizenship or immigration status, honorably discharged veteran or military status, or presence of any mental or physical handicap as set forth in RCW 49.60.030, as now existing and as may be amended, in the lease, use, or occupancy of the Project or in connection with the employment or application for employment of persons for the operation and management of the Project.

SECTION 13 – COVENANTS RUN WITH LAND

A. The City and Owner hereby declare their understanding and intent that the covenants, conditions and restrictions set forth herein directly benefit the land (i) by enhancing and increasing the enjoyment and use of the Project by certain Eligible Households, and (ii) by furthering the public purposes of providing housing for Eligible Households.

B. The City and the Owner hereby declare that the covenants and conditions contained herein shall bind the Owner and all subsequent owners of the Project or any interest therein, and benefits shall inure to the City, all for the Compliance Period. Except as provided in Section 12 of this Contract, each and every contract, deed or other instrument hereafter executed conveying

the Project or any portion thereof or interest therein shall contain an express provision making such conveyance subject to the covenants and conditions of this Contract, provided however, that any such contract, deed or other instrument shall conclusively be held to have been executed, delivered and accepted subject to such covenants and conditions, regardless of whether or not such covenants and conditions are set forth or incorporated by reference in such contract, deed or other instrument.

C. Hold Harmless. The Owner shall defend, indemnify, and hold the City, its officers, officials, employees, volunteers and its Designee and any other party authorized hereunder to enforce the terms of this Contract, harmless from any and all claims, injuries, damages, losses, or suits, including attorney fees, arising out of or resulting from this Contract. This provision shall survive termination or expiration of this Contract.

D. No Third-Party Beneficiaries. The provisions of this Contract and of the documents to be executed and delivered in connection herewith are and will be for the benefit of the Owner and the City only and, are not for the benefit of any third party (including, without limitation, any tenants or tenant organizations), and accordingly, no third party shall have the right to enforce the provisions of this Contract or of the documents to be executed and delivered in connection herewith.

E. The provisions, covenants, and conditions contained in this Contract are binding upon the parties hereto and their legal heirs, representatives, successors, assigns, and subsidiaries and are intended to run with the land.

SECTION 14 – FORECLOSURE

In the case of any foreclosure, the immediate successor in interest in the Property pursuant to the foreclosure shall assume such interest subject to the lease(s) between the prior Owner and the tenant(s) and to this Contract for Affordable Units. This provision does not affect any state or local law that provides longer time periods or other additional protections for tenants.

SECTION 15 – ESTOPPEL CERTIFICATE

The City agrees, upon the request of the Owner or its successor in interest, to promptly execute and deliver to the Owner or its successor in interest or to any potential or actual purchaser, mortgagor, or encumbrancer of the Project, a written certificate stating, if such is true, that the City has no

knowledge of any violation or default by the Owner of any of the covenants or conditions of this Contract, or if there are such violations or defaults, the nature of the same.

SECTION 16 – AGREEMENT TO RECORD

The Owner shall cause this Contract to be recorded in the real property records of King County, Washington. The Owner shall pay all fees and charges incurred in connection with such recording and shall provide the City with a copy of the recorded document.

SECTION 17 – RELIANCE

The City and the Owner hereby recognize and agree that the representations and covenants set forth herein may be relied upon by City and the Owner. In performing its duties and obligations hereunder, the City may rely upon statements and certificates of the Owner and Eligible Households, and upon audits of the books and records of the Owner pertaining to occupancy of the Project. In performing its duties hereunder, the Owner may rely on the Certificates of Household Eligibility unless the Owner has actual knowledge or reason to believe that such Certificates are inaccurate.

SECTION 18 – GOVERNING LAW

This Contract shall be governed by the laws of the State of Washington, except to the extent such laws conflict with the laws of the United States or the regulations of federally insured depository institutions or would restrict activities otherwise permitted in relation to the operation of federally insured depository institutions. Venue for any legal actions shall be in King County Superior Court or, if pertaining to federal laws, the U.S. District Court for Western Washington.

SECTION 19 – NO CONFLICT WITH OTHER DOCUMENTS

The Owner warrants that it has not executed and will not execute, any other agreement with provisions contradictory to, or in opposition to, the provisions hereof, and that in any event the requirements of this Contract are paramount and controlling as to the rights and obligations herein set forth and supersede any other requirements in conflict herewith.

SECTION 20 – AMENDMENTS

This Contract shall be amended only by a written instrument executed by the parties hereto or their respective successors in interest, and duly recorded in the real property records of King County, Washington. Amendments to **Exhibit B** shall be considered approved in writing when the **Revised Exhibit B** is signed by the Owner and the City without the need for a further written document attaching the revised exhibit and striking prior versions of the exhibit. In the event of conflict between versions of **Exhibits B**, the version maintained by the City as the then-current version, signed by Owner and City, shall prevail.

SECTION 21 – NOTICE

A. Any notice or communication hereunder, except legal notices, shall be in writing and may be given by registered or certified mail. The notice or communication shall be deemed to have been given and received when deposited in the United States Mail, properly addressed with postage prepaid. If given otherwise, it shall be deemed to be given when delivered to and received by the party to whom addressed. Such notices and communications shall be given to the Parties' representatives hereto at their following addresses:

If to the City: City of Shoreline
17500 Midvale Ave N
Shoreline, WA 98133
Attn: City Manager

With a copy to the City's Designee:
Mike Stanger
13626 92nd Place NE
Kirkland, WA 98034

If to the Owner: Evergreen Point Redmond LLC
PO Box 241
Medina, WA 98039
Attn: Adel Sefrioui

B. Any party may change its identified representative and address for notices upon ten (10) calendar days prior written notice to the other parties. Legal counsel for a party may deliver notices on behalf of the represented party and such notice shall be deemed delivered by such party.

SECTION 22 - SEVERABILITY

If any provision of this Contract shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions hereof shall not in any way be affected or impaired thereby.

SECTION 23 - CONSTRUCTION

Unless the context clearly requires otherwise, words of the singular number shall be construed to include the plural number, and vice versa, when appropriate. All the terms and provisions hereof shall be construed to effectuate the purposes set forth in this Contract and to sustain the validity hereof.

SECTION 24 - TITLES AND HEADINGS

The titles and headings of the sections of this Contract have been inserted for convenience of reference only, are not to be considered a part hereof and shall not in any way modify or restrict any of the terms or provisions hereof or be considered or given any effect in the construing this document or any provision hereof or in ascertaining intent, if any question of intent shall arise.

SECTION 25 - COUNTERPART ORIGINALS

This Agreement may be executed in any number of counterpart originals, each of which shall be deemed to constitute an original agreement, and all of which shall constitute one agreement. The execution of one counterpart by a Party shall have the same force and effect as if that Party had signed all other counterparts.

SECTION 26 - AUTHORITY TO EXECUTE

Each person executing this Agreement on behalf of a Party represents and warrants that he or she is fully authorized to execute and deliver this Agreement on behalf of the Party for which he or she is signing. The Parties hereby warrant to each other that each has full power and authority to enter into this Agreement and to undertake the actions contemplated herein and that this Agreement is enforceable in accordance with its terms.

IN WITNESS WHEREOF, the Owner and City have each executed the Multi-Family Housing Limited Property Tax Exemption Contract on the Date first above written.

Owners:

City:

Adel Sefrioui
Its: Vice-President

Debbie Tarry
Its: City Manager

Approved as to Form:

Julie Ainsworth-Taylor
Assistant City Attorney

STATE OF WASHINGTON }
 } ss.
COUNTY OF KING }

On this _____ day of _____, 20____, before me, a
Notary Public in and for the State of Washington, duly
commissioned and sworn, personally appeared _____,
known to me to be the _____ of the CITY OF
SHORELINE, who executed the foregoing document on behalf of said
City, and acknowledged the said document to be the free and
voluntary act and deed of said City, for the uses and purposes
therein mentioned, and on oath stated that he or she was
authorized to execute said document.

IN WITNESS WHEREOF I have given under my hand and official seal
this ____ day of _____, 20____.

Notary Public in and for the State
of Washington.

Print Name _____
Residing at _____
My commission expires _____

STATE OF WASHINGTON }
 } ss.
COUNTY OF KING }

On this _____ day of _____, 20____, before me,
a Notary Public in and for the State of Washington, duly
commissioned and sworn, personally appeared
_____, to me known to be the
_____ of _____, a Washington
limited liability company, who executed the foregoing instrument
on behalf of the said corporation, and acknowledged the said
document to be the free and voluntary act and deed of said
corporation for the uses and purposes therein mentioned, and on
oath stated that he or she was authorized to execute said
document.

IN WITNESS WHEREOF I have given under my hand and official seal
this ____ day of _____, 20____.

Notary Public in and for the State
of Washington.

Print Name _____
Residing at _____
My commission expires _____

EXHIBIT A

LEGAL DESCRIPTION

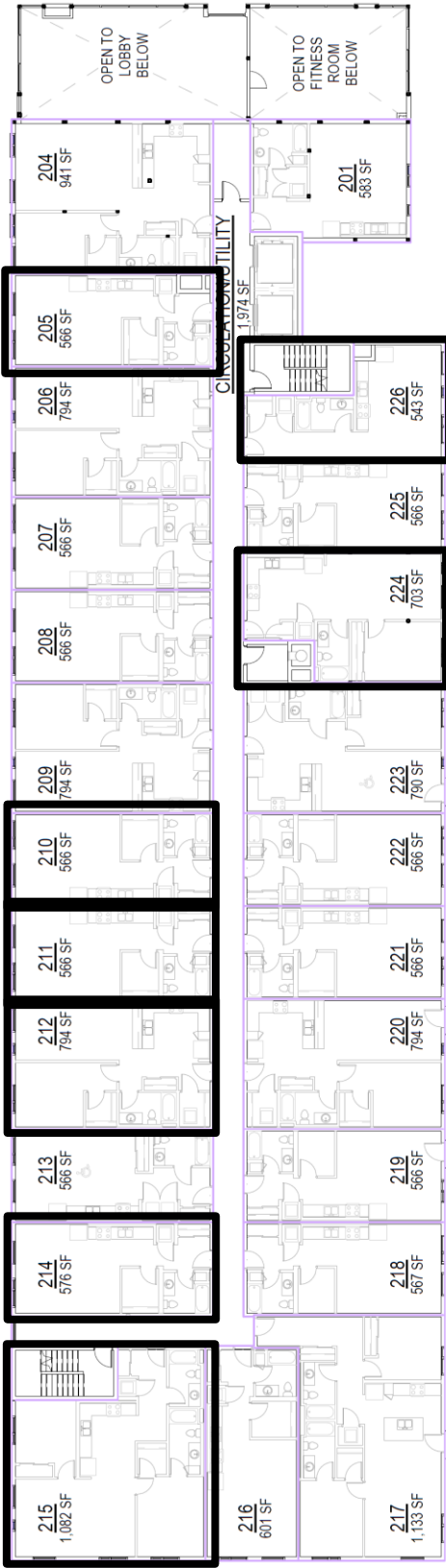
NORTHEND COUNTRY ESTATES ADD PCL "A" OF CITY OF SHORELINE
DECLARATION OF LOT MERGER# PLN18-006 REC# 20180208000668 OF SD
LOT MERGER BEING POR OF LOT 16 OF PLK 4 OF SD ADD.

EXHIBIT B

DESIGNATION OF AFFORDABLE UNITS

Unit Number	Unit Type	Unit Size (sq ft)
104	Studio	543
105	Studio	545
108	Studio	566
110	Studio	566
124	Studio	570
205	Studio	566
210	Studio	566
211	Studio	566
214	Studio	576
226	Studio	543
310	Studio	566
313	Studio	566
314	Studio	576
321	Studio	534
326	Studio	535
106	1-bedroom	788
109	1-bedroom	794
112	1-bedroom	794
212	1-bedroom	794
224	1-bedroom	703
312	1-bedroom	794
324	1-bedroom	703
115	2-bedroom	1,082
215	2-bedroom	1,082
315	2-bedroom	1,082

See attached diagram(s).



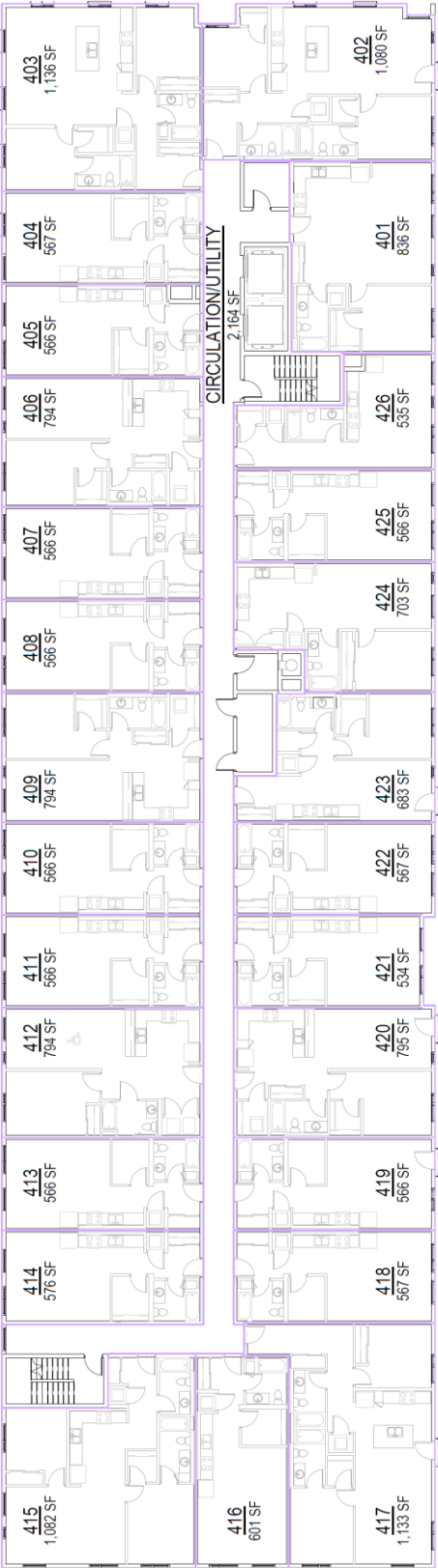
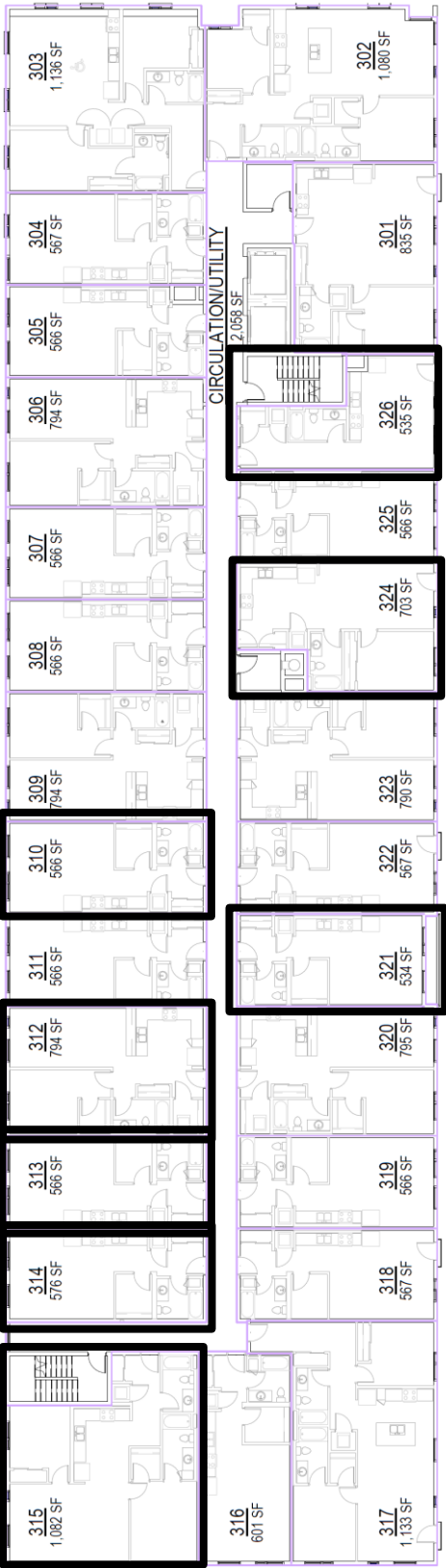


EXHIBIT C

FORM OF CERTIFICATE OF HOUSEHOLD ELIGIBILITY

CERTIFICATION OF HOUSEHOLD ELIGIBILITY

City of Shoreline Affordable Housing

I, _____, and I, _____, as applicants for rental of the following Affordable Unit, do hereby represent and warrant that my/our adjusted annual income is \$ _____.

Property: _____ Property Address: _____

Unit # _____ No. of Bedrooms: _____ Household size:¹ _____ Disabled: Yes / No

The attached computation includes all income I/we received for the date I/we execute a rental agreement for an affordable unit, or the date on which I/we will initially occupy such unit, whichever is earlier.

This affidavit is made with the knowledge that it will be relied upon by the City to determine maximum income for eligibility. I/We warrant that all information set forth in this Certification of Household Eligibility is true, correct and complete based upon information I/We deem reliable, and that the estimate contained in the preceding paragraph is reasonable and based upon such investigation as the undersigned deemed necessary. I/we will assist the Owner in obtaining any information or documents required to verify the statements made in this Certification.

I/We acknowledge that I/we have been advised that the making of any misrepresentation or misstatement in this affidavit will constitute a material breach of my/our agreement with the Owner to lease the unit and will entitle the Owner to prevent or terminate my/our occupancy of this unit by institution of an action for eviction or other appropriate proceedings.

I/We do hereby swear under penalty of perjury that the foregoing statements are true and correct.

Signature _____	Signature _____
Date _____	Date _____
Mailing _____	Mailing _____
Address _____	Address _____

1 The number of people who will reside with you at least four (4) months of the year.

EXHIBIT C TO MULTIFAMILY HOUSING LIMITED PROPERTY TAX EXEMPTION
CONTRACT

E-mail	_____	E-mail	_____
Address	_____	Address	_____
Phone	_____	Phone	_____

HOUSEHOLD MEMBERS

Name	Age	Name	Age
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

INCOME COMPUTATION

"Household income" includes all items listed below, from all household members over the age of 18. Income of dependents over 18, who reside in the unit for less than four (4) months of the year will not be counted toward household income.

For the previous 12-month period, indicate income received from the following sources:

- a) The full amount, before any payroll deductions, of wages, salaries, overtime pay, commissions, fees, tips, bonuses and other compensation for personal services, and payments in lieu of earnings, such as unemployment and disability compensation, worker's compensation and severance pay and any earned income tax credit to the extent that it exceeds tax liability. \$_____
- b) Net income from operations of a business or profession or net income of any kind from real or personal property. \$_____
- c) Interest and dividends; \$_____
- d) The full amount of periodic payments received from Social Security, pensions, retirement funds, annuities, insurance policies, disability or death benefits, alimony, child support, or any similar type of periodical payments, and any regular contributions or gifts from persons not residing in the unit. \$_____
- e) Public assistance payments. \$_____
- f) Regular and special allowances and pay of a member of the Armed Forces who is a spouse or head of the family. \$_____

EXHIBIT C TO MULTIFAMILY HOUSING LIMITED PROPERTY TAX EXEMPTION
CONTRACT

TOTAL \$_____

(NOTE: The following are not considered income: occasional, infrequent gifts of money; one-time payments from insurance policies or an inheritance settlement; scholarships or student loans for tuition, fees or books; foster child care payments; the value of Food Stamp coupons; hazardous duty pay to a member of the Armed Forces; relocation payments; assistance received under the Low-Income Home Energy Assistance Program or any similar program).

EXHIBIT D

FORM OF ANNUAL PROJECT CERTIFICATION

ANNUAL PROJECT CERTIFICATION FORM

City of Shoreline Affordable Housing

Project: _____

Address: _____

The undersigned hereby certifies that during the past 12 months the Affordable Units required in the Declaration of Affordable Housing Covenants were utilized in the following manner:

- a) _____ Affordable Units in the Project were rented to new tenants (eligible households).
- b) _____ Affordable Units in the Project were re-rented (leases renewed) to tenants whose income for remained qualified under the limit for initial occupancy.
- c) _____ Affordable Units in the Project were re-rented to tenants who exceeded the qualifying income for initial occupancy but remained qualified under the income limit for recertification.
- d) _____ Affordable Units in the Project were rented to tenants who, at time of recertification, exceeded the qualifying income and either moved to a market-rate unit in the Project or moved out of the Project.
- e) _____ Affordable Units in the Project were rented to tenants who, at time of recertification, exceeded the qualifying income and remained in the unit, causing the affordability to be re-designated to a different unit in the Project.

The above information and that on the attached sheet(s) has been verified as required by the Declaration of Affordable Housing Covenants between the City of Shoreline and:

Owner (Company) Name: _____

_____	_____
Name of Owner or Owner’s Representative (Print)	Signature

Date: _____, 20____

EXHIBIT D TO MULTIFAMILY HOUSING LIMITED PROPERTY TAX EXEMPTION
CONTRACT

PROJECT NAME_____

REPORTING PERIOD: _____ through _____.

Contract rent included the following (please answer “yes” or “no”):

Electricity and gas? _____

Water and sewer? _____

Garbage and recycling? _____

Other expenses tenants are required to pay in addition to contract rent:

Renter’s insurance? _____

King County Sewer Capacity Charge? _____

Other (specify)? _____

Other (specify)? _____

Please attach a copy of the property’s standard residential lease agreement.

EXHIBIT D TO MULTIFAMILY HOUSING LIMITED PROPERTY TAX EXEMPTION CONTRACT

PROJECT NAME _____

Complete the following table for all households occupying Affordable Units in the Project during the period:

Unit #	Tenant's Family Name	Household Size	Move-in Date	Current Lease Begin Date	Current Household Income	Unit Type (BRs)	Affordability Level	Contract Rent

Be sure to include all affordable units. Enter "vacant" under Tenant's Family Name for unoccupied units.

Please attach copies of the current Certificate of Household Eligibility for each Affordable Housing tenant.

2021 Property Tax Exemption Program Report - City of Shoreline

Updated 1/11/2021

Currently in PTE Program								
Units	Project	Type	Affordable	Start	End	Improvements Valuation (2021)	City Tax Rate (2021)	City Property Tax Abatement
81	Arabella II	12-year affordable	17	1/1/2020	12/31/2031	\$ 21,285,800		
164	Geo Apartments	12-year affordable	34	1/1/2021	12/31/2032	\$ 50,139,000		
80	Interurban Lofts	12-year affordable	16	1/1/2018	12/31/2029	\$ 3,720,800		
129	Malmö	12-year affordable	26	1/1/2015	12/31/2026	\$ 34,355,000		
5	North City Development	12-year affordable	1	1/1/2015	12/31/2026	\$ 595,700		
221	Paceline	12-year affordable	44	1/1/2019	12/31/2030	\$ 65,930,600		
60	Sunrise Eleven	12-year affordable	12	1/1/2018	12/31/2029	\$ 14,551,900		
72	The 205 Apartments	12-year affordable	14	1/1/2019	12/31/2030	\$ 18,847,000		
243	The Postmark	12-year affordable	49	1/1/2021	12/31/2032	\$ 64,101,500		
	3108 Apartments	12-year affordable		1/1/2021	12/31/2032	\$ 3,483,900		
165	Polaris*	12-year affordable	165	1/1/2015	12/31/2026	see note		
1,220			378			\$ 277,011,200		\$ -
Graduates of PTE Program								
Units	Project	Type		Start	End	Improvements Valuation (2021)	City Tax Rate (2021)	2020 Revenue
88	Arabella	10-year market	n/a	1/1/2007	12/31/2016	\$ 24,738,100		\$ -
88						\$ 24,738,100		\$ -
Conditional Certificates of PTE								
Units	Project	Type	Affordable	Cert. Date	Expiration	Status	Est. Completion	Final App
330	Alexan at Shoreline Place	12-year affordable	66	5/11/2020	5/11/2023	Construction	Jul-21	no
315	18815 Aurora Ave N	12-year affordable	63	Pending	Pending	Construction	Mid 2020	no
124	Trad Apartments	12-year affordable	25	Pending	Pending	Construction	Early 2021	no
227	Quinn by Vintage	12-year affordable	227	Pending	Pending		Oct-22	no
3,261			129					
4,569	Total homes		507	Affordable homes				

*NOTE: Polaris and Quinn by Vintage qualify for an alternative state incentive program offering full property tax exemption; the City's PTE program acts as backup.

The income and rent limits published here are effective now for properties in the City of Shoreline's affordable housing program receiving initial certificates of occupancy on or after April 1, 2020.

The Governor of Washington issued Proclamation 20-19.1, an order which prohibits landlords, property owners, and property managers "from increasing or threatening to increase the rate of rent or the amount of any deposit for any dwelling or parcel of land occupied as a dwelling" anywhere in the state through June 4, 2020. Therefore, **2019 income and rent limits remain in effect until the Governor lifts the order.**

2020 Income and Rent Limits

City of Shoreline

The rent and income limits shown below apply to all MFTE projects except those with height bonuses in the MUR-70 zone. Projects in MUR-70 that don't use the height bonus do follow these rent and income limits.

Based on the King County (Seattle-Bellevue HFMA) Median Income:

\$113,300 for a family of 4.

Rent Limits						Household Income Limits		
70% AMI	BEDROOMS	Maximum Monthly Housing Costs	Maximum Rent if No Other Expenses	Maximum Rent if Tenant Pays Own Utilities, and No Other	Maximum Rent if Tenant Pays Own Utilities, Renters Insurance, and No Other Expenses	AMI: Household Size	70% Initial Occupancy	90%
							Recertification	
	Studio	\$1,388	\$1,388	\$1,280	\$1,268	1	\$55,550	\$71,400
	"Open 1"	\$1,586	\$1,586	\$1,478	\$1,466	2	\$63,450	\$81,600
	One	\$1,586	\$1,586	\$1,478	\$1,466	3	\$71,400	\$91,800
						4	\$79,350	\$102,000
						5	\$85,700	\$110,150
80% AMI	BEDROOMS	Maximum Monthly Housing Costs	Maximum Rent if No Other Expenses	Maximum Rent if Tenant Pays Own Utilities, and No Other	Maximum Rent if Tenant Pays Own Utilities, Renters Insurance, and No Other Expenses	AMI: Household Size	80% Initial Occupancy	100%
							Recertification	
	Two	\$2,039	\$2,039	\$1,905	\$1,893	1	\$63,450	\$79,350
	Three	\$2,266	\$2,266	\$2,096	\$2,084	2	\$72,550	\$90,650
	Four	\$2,447	\$2,447	\$2,236	\$2,223	3	\$81,600	\$102,000
						4	\$90,650	\$113,300
						5	\$97,900	\$122,400

Maximum monthly housing costs are 30% of the maximum household income, and include basic utilities, one parking space, and any costs required by the property owner (e.g., renter's insurance).

Income and housing cost limits are adjusted from the 4-person basis according to the table below, left.

Maximum contract rents are calculated by deducting charges borne by the tenant: basic utilities or utility allowance, first parking space, and monthly costs required for tenancy (e.g., renters insurance). Instead of deducting actual expenses, the owner may deduct allowances according to the table below, right.

Other Expense Allowances			
	Electricity & Gas	Water, Sewer, Garbage	Renter's Insurance
Bedrooms			
Studio	\$38	\$70	\$12
"Open 1"	\$38	\$70	\$12
One	\$38	\$70	\$12
Two	\$53	\$81	\$12
Three	\$70	\$100	\$12
Four	\$93	\$118	\$13

Example: The maximum rent of an 80% AMI studio with all utilities included, and no other required expenses, would be: **\$1,388**

The maximum rent for the same studio with no utilities included and renters insurance required would be: **\$1,268**

The maximum rent for the same studio with water, sewer, and garbage included (i.e., no W/S/G allowance) but not electricity and gas, and renter's insurance required would be: **\$1,338**