

MULTI-FAMILY HOUSING LIMITED PROPERTY TAX EXEMPTION AGREEMENT

THIS AGREEMENT is entered into this 1st day of March, 2021, by and between Ten Talents Investments 24 LLC (hereinafter referred to as “Applicant”), and the CITY OF VANCOUVER, a Washington Charter City of the First Class (hereinafter referred to as “City”).

WITNESSETH:

WHEREAS, the City desires to stimulate new construction of multi-family housing in certain designated urban areas in order to reduce development pressure on single-family residential neighborhoods, to increase and improve housing opportunities, and to encourage development densities supportive of transit use, and

WHEREAS, the City is interested in promoting new housing in the Downtown VCCV area of the City of Vancouver, and

WHEREAS, the City has, pursuant to authority granted to it under the Revised Code of Washington (RCW), designated Residential Target Areas for the provision of limited property tax exemptions for new multi-family residential housing, and

WHEREAS, the City has, as set forth at Chapter 3.22 of the Vancouver Municipal Code (“VMC”), enacted a program whereby property owners may qualify for a Final Certificate of Tax Exemption which certifies to the Clark County Assessor and Treasurer that the Applicant is eligible to receive a limited property tax exemption, and

WHEREAS, the Applicant is interested in receiving a limited property tax exemption for constructing units of new multi-family residential housing within the Downtown MFTE area, which is a designated Residential Target Area identified in Chapter 3.22 VMC, and

WHEREAS, the Applicant has submitted to the City a complete application for the City’s limited tax exemption program (the “Application”) outlining the proposed development of new multi-family residential housing (“Development”) for an 8-year exemption to be constructed on the City block between W 16th and 17th Streets and Columbia and Washington Streets (Tax Lots 52830000, 46570000, 56930000, 52780000, 52790000, 52800000) more specifically described on Exhibit A attached hereto (“Property”), and

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

NOW THEREFORE, the City and Applicant mutually agree as follows:

1. The City agrees to issue the Applicant a Conditional Certificate of Acceptance of Tax Exemption.
2. The Applicant agrees to construct on the Property multi-family residential housing as described in the most recent site plans, floor plans, and elevations on file with the City as of the date of City Council approval of this agreement. In no event shall such construction provide fewer than seventy three (73) new permanent multi-family residential units.
3. The Applicant commits to renting at least twenty percent of the multi-family housing units (15 units) as affordable housing units to households whose adjusted income is at or below the median family income adjusted for family size as reported by the United States Department of Housing and Urban Development as defined at RCW 84.14.010. The applicant agrees that the property must satisfy that commitment and any additional affordability and income eligibility conditions contained in Chapter 3.22 VMC for the duration of the tax exemption.
4. The Applicant agrees to complete construction of the agreed upon improvements within three years from the of Council approval of this agreement, or within any extension thereof granted by the City.
5. The Applicant agrees, upon completion of the improvements and upon issuance by the City of a temporary or permanent certificate of occupancy, to file with the City's Director of Community Development ("Director") the following:
 - (a) A statement of expenditures made with respect to each multi-family housing unit and the total expenditures made with respect to the entire property;
 - (b) A description of the completed work and a statement of qualifications for the exemption;
 - (c) A statement that the project meets the affordable housing requirements as described in RCW 84.14.020 including a statement committing to renting or selling at least twenty percent of the multifamily housing units as affordable housing units to low and moderate-income households; and
 - (d) A statement that the work was completed within the required three-year period or any authorized extension.

6. The City agrees, conditioned on the Applicant's successful completion of the improvements in accordance with the terms of this Agreement and on the Applicant's filing of the materials described in Paragraph 5 above, to file a Final Certificate of Tax Exemption with the Clark County Treasurer and Assessor within ten (10) days.
7. The Applicant agrees, within 30 days following the first anniversary of the City's filing of the Final Certificate of Tax Exemption, and each year thereafter for the duration of the exemption, to file a notarized declaration with the Director indicating the following:
 - (a) A statement identifying the total number of occupied and vacant multi-family units receiving a property tax exemption;
 - (b) A certification that the property continues to be in compliance with this Agreement, Chapter 3.22 VMC, and Chapter 84.14 RCW;
 - (c) A description of any improvements or changes to the property constructed after the issuance of the certificate of tax exemption;
 - (d) The total monthly rent for each unit;
 - (e) Documentation of the income of each renter household at the time of initial occupancy; and
 - (f) Documentation showing that twenty percent of the units were rented as affordable housing units to low and moderate-income households as defined at RCW 84.14.010 and VMC 3.22.
8. The applicant agrees to maintain the property including all improvements in compliance with all applicable City codes and requirements.
9. The Applicant agrees to maintain records supporting all information provided to the City and to make those records and the multi-family units available for inspection by the City. Failure to submit the annual declaration identified in Paragraph 7 or to maintain adequate records may result in the tax exemption being canceled.
10. If the Applicant converts to another use any of the new multi-family residential housing units constructed under this Agreement, the Applicant shall notify the Clark County Assessor and Treasurer and the Director within 60 days of such change in use.
11. The Applicant agrees to notify the Director promptly of any transfer of the Applicant's ownership interest in the site or in the improvements made to the site under this Agreement.
12. The City reserves the right to cancel the Final Certificate of Tax Exemption should the Applicant, its successors and assigns, fail to comply with any of the terms and conditions of this Agreement. Cancellation of the Final Certificate of Tax Exemption may subject the Applicant to potential tax liability as further described in RCW 84.14; The Applicant

shall have the right to appeal such cancellation pursuant to VMC 3.22.040(N).

13. No modifications of this Agreement shall be made unless mutually agreed upon by the parties in writing.
14. In the event that any term or clause of this Agreement conflicts with applicable law, such conflict shall not affect other terms of this Agreement which can be given effect without the conflicting term or clause, and to this end, the terms of this Agreement are declared to be severable.
15. Applicant agrees that this Agreement is subject to the Vancouver Multi-Family Housing Tax Exemption set forth at Vancouver Municipal Code, Chapter 3.22.

City Of Vancouver

Ten Talents Investments 24, LLC

Eric Holmes, City Manager

Individual Name / Title

Attest:

Natasha Ramas, City Clerk

Approved as to form:

Jonathan Young, City Attorney

Exhibit A
Legal Description

Tax Lots: 52830000, 46570000, 56930000, 52780000, 52790000, 52800000

Parcel I

Lot(s) 2, Block 15, NORTH VANCOUVER, according to the plat thereof, recorded in Volume 'A' of Plats, Page 20, records of Clark County, Washington.

EXCEPT the East 2.4 feet of the South 71.8 feet of said Lot 2 as conveyed to Guy Bennett and Francis L. Bennett by deed recorded under Auditor's File No. F55858, in Book 390, Page 479.

TOGETHER WITH Lot(s) 3, Block 15, NORTH VANCOUVER, according to the plat thereof, recorded in Volume 'A' of Plats, Page 20, records of Clark County, Washington.

EXCEPT the West 11.86 feet of said Lot 3.

Parcel II

Beginning at the Northeast corner of Lot 4, Block 15, NORTH VANCOUVER, according to the plat thereof, recorded in Book 'A' of Plats, at page 20, records of Clark County, Washington; thence East along the North line of Lot 3 in said Block, 11.86 feet; thence South 50 feet; thence West 75.715 feet to the East line of Columbia Street, as now established being the West line of that portion thereof, vacated by Ordinance No. 868 of the City of Vancouver; thence Northerly along the said street line to a point West of the Northwest corner of said Lot 4; thence East 63.14 feet to the Point of Beginning.

Parcel III

The South 50 feet of the West 11.86 feet of Lot 3 and the South 50 feet of Lot 4, Block 15, NORTH VANCOUVER, according to the plat thereof, recorded in Volume 'A' of Plats, Page 20, records of Clark County, Washington.

TOGETHER WITH that portion of Columbia Street adjoining by operation of law, as vacated by Ordinance No. 868 of the City of Vancouver.

Parcel IV

BEGINNING at a point on the East line of Lot 2 in Block 15, North Vancouver, according to the duly recorded plat thereof, recorded in Volume 'A' of Plats, Page 20, records of Clark County, Washington, which is 28.2 feet South of the Northeast corner thereof, and thence East parallel with and 28.2 feet South of the South line of 17th Street in the City of Vancouver, Washington, 52.90 feet, more or less, to the West line of Washington Street in said city; thence South along the West line of Washington Street aforesaid 157.15 feet, more or less, to the North line of 16th Street in said city; thence Westerly along the North line of said 16th Street to the East line of Lot 7 in said Block 15; thence North 96.69 feet, more or less, to the Northeast corner of said Lot 7; thence West 2.4 feet; thence North parallel with the East line of said block to a point 28.2 feet South of the North line of said block; and thence East 2.4 feet to the Point of Beginning.

Parcel V

Lot(s) 7, Block 15, NORTH VANCOUVER, according to the plat thereof, recorded in Volume 'A' of Plats, Page 20, records of Clark County, Washington.

EXCEPT the West 9.92 feet.

ALSO EXCEPT any portion thereof lying within 16th Street.

Parcel VI

All of the fractional Block 6, COOK'S ADDITION TO THE CITY OF VANCOUVER, according to the plat thereof, recorded in Volume 'C' of Plats, Page 63, records of Clark County, Washington.

EXCEPT that portion of said Block 6 acquired for and lying within Washington Street.