

MULTI-FAMILY HOUSING LIMITED PROPERTY TAX EXEMPTION AGREEMENT

THIS AGREEMENT is entered into this 23 day of January 2023, by and between VANCOUVER WATERFRONT BLOCK 19 OWNER LLC (“Applicant”), and the CITY OF VANCOUVER, a Washington municipal corporation (“City”)

WITNESSETH:

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

WHEREAS, the City has, pursuant to authority granted to it under Chapter 84.14 of the Revised Code of Washington (RCW), designated various Residential Target Areas for the provision of limited property tax exemptions for new multi-family residential housing; and

WHEREAS, the City adopted the Vancouver City Center Vision residential target area in the City of Vancouver to promoting new housing units; and

WHEREAS, the Applicant has submitted to the City a complete application for the City’s Multi-Family Housing Limited Property Tax Exemption program outlining the proposed development of new multi-family residential housing to be constructed at 1110 W Columbia Way, Vancouver, WA. 98660 (Tax Lot 986052349) (“Property”) within the Vancouver City Center Vision residential target area identified in Chapter 3.22 VMC; and

WHEREAS, the Applicant is interested in receiving an 8-year limited property tax exemption for constructing 180 new multi-family residential housing units with a minimum of 36 (or 20%) of the total units reserved for households earning at or less than 100% area median family income; and,

WHEREAS, income-based units may float throughout the property, however income-based units must be comparable in terms of size, features, and number of bedrooms to the remaining units in the project. The property must have the following mix of income-based units at all times during the exemption period:

- 9 studio units (20% of studio units)
- 22 1-bedroom units (20% of 1-bedroom units)
- 5 2-bedroom units (20% of 2-bedroom units)

WHEREAS, the property owner will include information about the availability of designated income-based units in any advertising or marketing for the property.

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 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 180 new permanent multi-family residential units.
3. The Applicant commits to renting at least twenty percent of the multi-family housing units (36 units) as income restricted housing units to households whose income is at or below 100% of the median family income adjusted for family size as reported by the United States Department of Housing and Urban Development. 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. Applicant agrees to designate the income-based unit types with the same percentage as the overall project unit type distribution of the whole building. The property must have the following mix of income-based units at all times during the exemption period:
 - 9 studio units (20% of studio units)
 - 22 1-bedroom units (20% of 1-bedroom units)
 - 5 2-bedroom units (20% of 2-bedroom units)
5. Applicant the property owner will include information about the availability of designated income-based units in any advertising or marketing for the property.
6. The Applicant agrees to complete construction of the agreed upon improvements within three years from the of City Council approval of this Agreement, or within any extension thereof granted by the City.
7. 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 Economic Prosperity and Housing ("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 income restriction housing requirements as described in RCW 84.14.020 including a statement committing to renting or selling at least twenty percent of the total multifamily housing units as income restricted housing units to “low” and “moderate”-income households defined in RCW 84.14.010; and
 - (d) A statement that the work was completed within the required three-year period or any authorized extension.
8. 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 7 above, to file a Final Certificate of Tax Exemption with the Clark County Treasurer and Assessor within ten (10) days.
9. 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 income-based housing units to low and moderate-income households as defined at RCW 84.14.010 and VMC 3.22.
10. The applicant agrees to maintain the Property including all improvements in compliance with all applicable City codes and requirements.
11. 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 9 or to maintain adequate records may result in the tax exemption being canceled.

12. 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.
13. 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.
14. 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).
15. No modifications of this Agreement shall be made unless mutually agreed upon by the parties in writing.
16. 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.
17. Applicant acknowledges the project tax liability consequences when the tax exemption period ceases or the project becomes ineligible.
18. 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

Vancouver Waterfront Block 19 Owner LLC

Eric Holmes, City Manager

Individual Name / Title

Attest:

Approved as to form:

Natasha Ramras, City Clerk

Jonathan Young, City Attorney

Exhibit A
Legal Description

Tax Lot 986052349

Block 19 of the Vancouver Waterfront PH2 plat recorded in Book 4 Page 214 of plats, records of Clark County, Washington located in Se 1/4, of Section 28, Township 2N, Range 1E of the Willamette Meridian.