

## Exhibit "A"

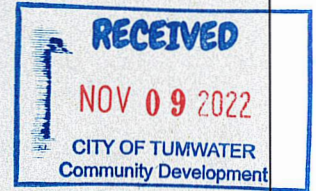


**CITY OF TUMWATER**  
 555 ISRAEL RD. SW, TUMWATER, WA 98501  
 (360) 754-4180  
 Email: [cdd@ci.tumwater.wa.us](mailto:cdd@ci.tumwater.wa.us)  
 TAX EXEMPTION ON MULTI-FAMILY UNITS  
 WITHIN A DESIGNATED RESIDENTIAL  
 TARGET AREA  
 APPLICATION FOR A CONDITIONAL  
 CERTIFICATE

TUM -22-  
 1630

Alex  
 RCVD BY

DATE STAMP



LEGAL OWNER: Fourth Street Housing, LLC Email: glennwellsarchitect@gmail.com  
 Mailing Address PO Box 159 Arlington WA 98223 Phone: (360) 239-5971  
 APPLICANT: Glenn Wells Email: Same as above  
 Mailing Address 324 West Bay Dr ste 214 Olympia WA 98502 Phone: (360) 239-5971  
 AGENT: NA Email: \_\_\_\_\_  
 Mailing Address \_\_\_\_\_ Phone: (\_\_\_\_) \_\_\_\_\_

**PROJECT INFORMATION**

PROPERTY ADDRESS: 1450 Odegard Rd SW  
 PARCEL #: 12703240100 PROJECT NAME: The Kingswood  
 LEGAL DESCRIPTION: See attached

**RESIDENTIAL TARGET AREA WHERE PROJECT WILL BE LOCATED:**

- 8 OR 12 YEAR TAX CREDIT: ☐ CAPITOL BOULEVARD CORRIDOR  
☐ BREWERY DISTRICT  
 12 YEAR TAX CREDIT ONLY: ☐ TUMWATER TOWN CENTER  
☒ LITTLE ROCK ROAD SUBAREA

INTEREST IN PROPERTY: ☐ FEE SIMPLE ☐ CONTRACT PURCHASE ☐ OTHER

DESCRIPTION OF THE PROJECT, INCLUDING USES OF ALL PROPOSED BUILDING AND ON-SITE AMENITIES: New 5 story, 181 residential units with 199 surface parking stalls and

12 street stalls. There is 27,200 SF of active and passive open space, which includes a rooftop garden terrace, fitness room, lounge, sports court and BBQ area.

TOTAL NUMBER OF DWELLING UNITS PROPOSED: 181

NUMBER OF UNITS: EXISTING EMPTY: 0 EXISTING OCCUPIED: 0

\*\* IF EXISTING UNITS ARE VACANT, DATE LAST OCCUPIED: \_\_\_\_\_

\*\* AFFIDAVIT OF VACANCY MUST BE ATTACHED\*\*

TERM OF TAX EXEMPTION REQUESTED: ☐ 8 YEAR TAX CREDIT OR ☒ 12 YEAR TAX CREDIT

NUMBER OF UNITS FOR WHICH A TAX EXEMPTION IS REQUESTED: 37

(Must be 4 or more)

EXPECTED START DATE: 1/15/23

EXPECTED COMPLETION DATE: 12/15/24

TYPE OF PROJECT: ☒ NEW CONSTRUCTION ☐ CONVERSION OF EXISTING STRUCTURE

☐ REHABILITATION OF MULTIFAMILY STRUCTURE

IF THE PROJECT IS TO REHABILITATE EXISTING UNITS, HOW LONG HAVE THE UNITS BEEN VACANT: \_\_\_\_\_

COMPLETE THE FOLLOWING TABLE:

PROPOSED DWELLING UNITS	STUDIO	1-BR	2-BR	3-BR+	TOTAL UNITS
NUMBER OF INCOME-RESTRICTED UNITS	<u>19</u>	<u>14</u>	<u>4</u>	<u>0</u>	<u>37</u>
NUMBER OF MARKET-RATE UNITS	<u>62</u>	<u>63</u>	<u>19</u>	<u>0</u>	<u>144</u>
AVERAGE MONTHLY RENT (INCOME-RESTRICTED)	<u>1650</u>	<u>1850</u>	<u>2100</u>	<u>0</u>	_____
AVERAGE MONTHLY RENT (MARKET-RATE)	<u>1750</u>	<u>1950</u>	<u>2250</u>	<u>0</u>	_____
AVERAGE UNIT SIZE (SF)	<u>511</u>	<u>614</u>	<u>863</u>	_____	_____
DEVELOPMENT COST PER UNIT	<u>114,970</u>	<u>138,150</u>	<u>194,180</u>	_____	_____
NUMBER OF UNITS VACANT FOR 12 MONTHS OR MORE*	<u>NA</u>	_____	_____	_____	_____
NUMBER OF UNITS THAT ARE CURRENTLY OCCUPIED*	<u>NA</u>	_____	_____	_____	_____

\* COMPLETE IF APPLICANT WILL REHABILITATE EXISTING UNITS

TOTAL SITE AREA: 114,044 PROPOSED DENSITY: 69 units/acre

PERCENTAGE OF SPACE FOR PERMANENT RESIDENTIAL HOUSING: 0

NON-RESIDENTIAL FLOOR AREA: 0

DESCRIBE BUILDING USE AND SQUARE FEET INTENDED FOR EACH USE: \_\_\_\_\_

100% residential units and tenant amenities and building infrastructure

PROJECTED COST OF CONSTRUCTION / REHABILITATION: \$ 28,000,000

PROPERTY ACQUISITION COST \$ 1,600,000

ESTIMATED TOTAL PROJECT COST: \$ 32,000,000

SOURCE OF COST ESTIMATE: Previous projects and inflation allowances

EXPECTED DATE TO START PROJECT: 1/15/23

PROPOSED COMPLETION DATE: 12/15/24

FOR PROJECTS SEEKING A 12-YEAR EXEMPTION OR ANY PROGRAM WITH AFFORDABILITY REQUIREMENTS, COMPLETE THE FOLLOWING TABLE:

PROPOSED DWELLING UNITS	STUDIO	1-BR	2-BR	3-BR+	TOTAL UNITS
NUMBER OF INCOME-RESTRICTED UNITS	19	14	4	0	37
NUMBER OF UNITS AT OR BELOW 80% AMI (LOW-INCOME)	0	0	0	0	
AVERAGE RENT FOR LOW-INCOME UNITS	0	0	0	0	
NUMBER OF UNITS AT OR BELOW 115% AMI (MODERATE-INCOME)	19	14	4	0	37
AVERAGE RENT FOR MODERATE-INCOME UNITS	1650	1850	2100	0	

#### **STATEMENT OF POTENTIAL TAX LIABILITY**

AS OWNER OF THE LAND DESCRIBED IN THIS APPLICATION, I HEREBY INDICATE BY MY SIGNATURE THAT I AM AWARE OF THE ADDITIONAL TAX LIABILITY IF AND WHEN THE PROPERTY CEASES TO BE ELIGIBLE FOR EXEMPTION. I AM AWARE THAT THE TAX EXEMPTION MUST BE CANCELLED IF THE PROPERTY IS CONVERTED FROM MULTIFAMILY TO ANOTHER USE. I AM AWARE THAT IF I DECIDE TO CONVERT THE MULTIFAMILY HOUSING TO ANOTHER USE OR INTEND TO DISCONTINUE COMPLIANCE WITH THE AFFORDABLE HOUSING REQUIREMENTS, I MUST NOTIFY THE CITY COMMUNITY DEVELOPMENT DEPARTMENT AND THE COUNTY ASSESSOR WITHIN 60 DAYS OF THE CHANGE IN USE OR INTENDED DISCONTINUANCE.

OWNER SIGNATURE: \_\_\_\_\_

DATE: \_\_\_\_\_

#### **AFFIRMATION**

AS TAXPAYER(S) OF THE LAND DESCRIBED IN THIS APPLICATION, I HEREBY INDICATE BY MY SIGNATURE THAT I AM AWARE THAT THE EXEMPTION DOES NOT BEGIN UNTIL AFTER THE PROJECT IS COMPLETE AND I HAVE APPLIED FOR A FINAL CERTIFICATE OF EXEMPTION. I DECLARE UNDER PENALTY OF PERJURY UNDER THE LAWS OF THE STATE OF WASHINGTON THAT THIS APPLICATION AND ANY ACCOMPANYING DOCUMENTS HAVE BEEN EXAMINED BY ME AND THAT THEY ARE TRUE, CORRECT, AND COMPLETE TO THE BEST OF MY KNOWLEDGE.

OWNER SIGNATURE: \_\_\_\_\_

DATE: \_\_\_\_\_

#### **IF APPLYING FOR A 12-YEAR CREDIT, PLEASE ATTACH A STATEMENT ADDRESSING THE FOLLOWING QUESTIONS:**

1. Total number of units being proposed
2. Estimated rent per unit
3. Number of units rented to low or moderate income households (or other households)
4. Estimated income of those households
5. Method for insuring program compliance over the period of the exemption

#### **A COMPLETE APPLICATION SHALL INCLUDE:**

1. A completed City of Tumwater application setting forth the grounds for the exemption;
2. Preliminary floor and site plans of proposed project;

3. A statement acknowledging the potential tax liability when the project ceases to be eligible under this chapter;
4. Verification by oath or affirmation of the information submitted;
5. If the project is to rehabilitate existing units and if the units are occupied, provide a statement of how will the applicant provide existing tenants with relocation assistance;
6. If mixed use project, provide detail on residential and non-residential parking area.

For rehabilitation projects, the applicant shall also submit an affidavit that existing dwelling units have been unoccupied for a period of twelve months prior to filing the application and shall secure from the City verification of property noncompliance with the City's applicable building or housing codes.

Before application approval, the applicant shall enter into a contract with the City, approved by the City Council, regarding the terms and conditions of the project. After City Council approval of the contract, and Director of Community Development approval of the application, the Director shall issue a conditional Certificate of Acceptance of Tax Exemption. The Conditional Certificate expires three years from the date of approval unless an extension is granted as provided in this chapter."

## SUMMARY OF PROCESS STEPS

1. **Pre-application meeting:** A meeting with staff to discuss the process and criteria is recommended prior to application.
2. **Application:** Complete the attached application and submit the applicable materials listed on the form along with the required filing fee. The application must be submitted prior to applying for a building permit.
3. **Review process:**
  - a. The Community Development Department reviews the application and within 90 days determines whether it is consistent with the program criteria.
  - b. If the proposal is found to be consistent, the Community Development Department Director may certify the project as eligible for the tax exemption. The applicant shall then enter into a contract with the City regarding the terms and conditions of the project.
  - c. Upon approval of the contract by Community Development Department Director, the Director issues a Conditional Certificate of Tax Exemption. The Conditional Certificate expires three years from the date of approval unless an extension is granted.
  - d. If the Community Development Department Director denies the eligibility for tax exemption, the applicant may file an appeal within 30 days of receipt of notice. The City Council decides the appeal.
4. **Application for final certificate:** Upon completion of the improvements agreed upon in the contract between the applicant and the City and upon issuance of a temporary or permanent certificate of occupancy, the applicant may request a Final Certificate of Tax Exemption. The applicant must file with the Community Development Department the following:
  - a. A statement of expenditures made with respect to each multifamily housing unit and the total expenditures made with respect to the entire property.
  - b. A description of the completed work with evidence of final City inspection of all work completed and a statement of qualification for the exemption.
  - c. A statement that the work was completed within the required three-year period or any authorized extension.
  - d. If applicable, a statement that the project meets the affordability requirements.
  - e. Other requirements, if applicable
  - f. Within 30 days of receipt of all materials required for the Final Certificate, the Community Development Department Director determines whether the project has been completed in accordance with the contract.
5. **Issuance of final certificate.**
  - a. If approved, the Community Development Department Director files a Final Certificate of Exemption with the county assessor.
  - b. If denied, within fourteen calendar days of receipt of the director's denial of a final certificate, the applicant may file an appeal with the City's hearing examiner, as provided in TMC Chapter 2.58.
6. **Annual compliance review.** Within thirty calendar days after the first anniversary of the date of filing the final certificate of tax exemption and each year thereafter for the tax exemption period, the



property owner shall file a notarized declaration with the director indicating the following:

- a. A statement of occupancy and vacancy of the multifamily units during the previous year;
- b. A certification that the property continues to be in compliance with the contract with the City and this chapter and, if applicable, that the property has been in compliance with the affordable housing requirements as described in RCW 84.14.020 since the date of the approved certificate;
- c. A description of any subsequent improvements or changes to the property; and
- d. Any additional information requested by the City in regards to the units receiving a tax exemption.
- e. City staff may also conduct on-site verification of the declaration.
- f. Failure to submit the annual declaration shall result in a review of the exemption per TMC 3.30.120.

### PROJECT ELIGIBILITY CHECKLIST

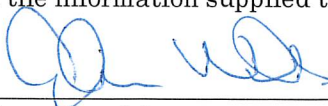
The proposed project:

- Is in a designated residential targeted area.
- Does not displace any existing residential tenants from the property proposed for development without providing residents with comparable housing and opportunities to relocate.
- Is a multi-family or mixed-use project, which is at minimum 50% housing and provides at minimum four (4) new dwelling units.
- Will be completed within three years from the effective date of the City Council approved Conditional Contract of Tax Exemption, with the possibility of an extension under the ordinance.

#### (FOR CITY USE)

- ☐ Building is in a Multi-Family Tax Exemption Target Areas
- ☐ Building is not in compliance with the City's Minimum Housing Code
- ☐ Required Preliminary Plans are attached: ☐ Plans ☐ Site Plan ☐ Floor Plan
- ☐ \$100 application fee received

I certify under penalty of perjury that the information furnished by me is true and correct to the best of my knowledge, and further, that I am the owner of this property or am authorized by the owner to perform the work for which this permit application is made. I further agree to hold harmless, the City of Tumwater as to any claim (including costs, expenses, and attorney fees incurred in investigation and defense of such claim), which may be made by any person, including the undersigned, and filed against the City of Tumwater, to the extent such claim arises out of the reliance of the City, including its officers and employees, upon the accuracy of the information supplied to the City as part of this application.

  
\_\_\_\_\_  
Signature of Owner

11-9-22  
\_\_\_\_\_  
Date

GLENN WEISS  
\_\_\_\_\_  
Print Name

  
\_\_\_\_\_  
Signature of Applicant/Agent

11-9-22  
\_\_\_\_\_  
Date

GLENN WEISS  
\_\_\_\_\_  
Print Name

# THE KINGSWOOD

## 12 YEAR TAX EXEMPTION NARRATIVE

November 7, 2022

The Kingswood is a five-story, 181 unit apartment building located at 1450 Odegard Road SW. The unit mix is as follows:

(23) 2 bedroom/2bath

(77) 1 bedroom

(81) Studios

Total: 181 residential units

The estimated average rents including utilities (PSE power, water, hot water, sewer and garbage) are as follows:

2 bedroom unit: \$2,100 (81% of median income for 4 persons).

1 bedroom unit: \$1,850 (89% of median income for 2 persons).

Studios: \$1,650 (91% of median income for 1 person).

The 2022 HUD Thurston County median income and rent estimates including utilities:

Family of 4:  $\$103,300 \times .3 = \$30,990/12 = \$2,582$

Family of 2:  $\$82,851 \times .3 = \$24,855/12 = \$2,071$

Family of 1:  $\$72,463 \times .3 = \$21,739/12 = \$1,812$

Estimated income of households assuming 30% of income including utilities:

2 bedroom unit:  $\$103,300 \times .81 = \$83,673$

1 bedroom unit:  $\$82,851 \times .89 = \$74,469$

Studio:  $\$72,463 \times .91 = \$65,941$

Estimated income of households based on 3 times rent w/o utilities:

2 bedroom:  $\$1,950 \times 3 = \$5,850/\text{month}$

1 bedroom:  $\$1,700 \times 3 = \$5,100/\text{month}$

Studio:  $\$1,500 \times 3 = \$4,500/\text{month}$

The property manager will ensure compliance by tracking the following information on the targeted units:

Affordability limit (%)

Size of family

Family income

The Owner acknowledges that noncompliance with this program would result in a property tax liability and hereby commits to conform to all aspects of RCW 84.14.010 as it pertains to the 12-year tax exemption program.

It is anticipated that construction will commence at the first of the year, 2023. The applicant will fully comply with the City of Tumwater's Multifamily Housing Limited Property Tax Exemption Agreement stated in 3.30 TMC, including the yearly notarized declarations stating occupancy and vacancy, a certificate that the site continues to be in compliance, a description of any subsequent improvements or changes to the site, the income of each renter and any additional information requested by the city.