

When Recorded Return To:

City of Bellevue  
450 110th Avenue NE  
PO Box 90012  
Bellevue, WA 98009  
Attention: Housing Planner-PCD

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LOW INCOME HOUSING COVENANT AGREEMENT

**Grantor:** Housing Authority of the County of King, a public body corporate and politic of the State of Washington

**Beneficiary:** City of Bellevue, a municipal corporation

**Legal Description** (abbreviated):

Portion of NE 1/4 and SE 1/4 of Section 27-25N-5E

**Assessor's Tax Parcel ID#:** 272505-9105

This Low Income Housing Covenant Agreement (the "**Covenant**") is made by the Housing Authority of the County of King, a public body corporate and politic of the State of Washington, ("**Grantor**") for the benefit of the City of Bellevue ("**Beneficiary**"). This Covenant is executed and delivered in consideration for a recoverable grant made by Beneficiary to Grantor in the amount of \$4,000,000 pursuant to a Recoverable Grant Agreement dated \_\_\_\_\_, 2021 (the "**Contract**"), which grant is to reimburse Grantor for certain costs of acquiring the real property legally described on Exhibit A attached hereto (the "**Property**").

This Covenant will be recorded in the official public land records of King County, Washington and shall constitute a restriction upon the use of the Property, subject to and in accordance with the terms of this Covenant, commencing \_\_\_\_\_ 1, 2021 and terminating \_\_\_\_\_, 2071.

The covenants contained herein are to be taken and construed as covenants running with the land and shall pass to and be binding upon the Grantor, its successors and assigns, heirs, grantees, or lessees of the Property. Each and every contract, deed, lease or other instrument conveying or binding upon the Property, or any portion thereof, shall be conclusively held to have been executed, delivered and accepted subject to such covenants, regardless of whether such covenants are set forth in such contract, deed, lease or other instrument.

NOW, THEREFORE, it is hereby covenanted that, for the period commencing \_\_\_\_\_ 1, 2021 through \_\_\_\_\_, 2071, the following terms and conditions shall be binding upon Grantor, its successors and assigns, heirs, grantees, or lessees of the Property.

1. Grantor shall seek and provide federal rental assistance for thirty-six (36) Eligible Households at the Property (of which up to one unit may be utilized from time to time as a site staff or common area unit in which case 35 units shall be deemed to be at the Property). Homeless Eligible Households with children enrolled in the Bellevue School District shall be prioritized for occupancy subject to applicable Fair Housing, Grantor's Admissions and Continued Occupancy Policy ("ACOP") and other federal program requirements. "Eligible Household" means (i) with respect to a unit in the Project, during any period when such unit is funded through a federally-assisted housing program, one or more adults and their dependents comprising a household who qualify at the income limits required for such program, anticipated to be 30% of Area Median Income, and (ii) during any period when a unit in the Property is not funded through a federally-assisted housing program, one or more adults and their dependents comprising a household, who upon initial occupancy have gross annual household incomes at or below eighty percent (80%) of the Area Median Income. "Area Median Income" shall mean the median income for the Seattle- Bellevue, WA HUD Metro FMR Area adjusted for the imputed household size, as estimated from time to time by the United States Department of Housing and Urban Development ("HUD"). If HUD ceases to provide such estimates of median income, then median income shall mean such comparable figure for Bellevue, Washington published or reported by a federal, state, or local agency as the Beneficiary shall select.

The rent paid by the tenant household if subject to Section 1 (i) above shall be calculated at 30% of the Eligible Household's income less an allowance for utilities, calculated and applied in accordance with the federally-assisted housing program requirements, and if subject to Section 1 (ii) shall not exceed thirty percent (30%) of the applicable income limitation adjusted for Imputed Household Size (as defined in the Grant Agreement), less a monthly allowance for customary utilities (excluding telephone, cable television and other telecommunications) to be paid by tenant. The restrictions set forth in this Section 1 shall not apply to existing residents whose income exceeds 80% of the area median income, provided that the Authority may not charge rents for such residents in excess of the rent restriction limits set forth in this paragraph, as applied to the existing resident's income. Notwithstanding the foregoing, existing households shall be treated as being Eligible Households and are not required to be relocated by Grantor.

2. The Grantor will provide safe and sanitary housing, and will comply with all State and local housing codes, licensing requirements, and other requirements regarding the condition of the structure and the operation of the project in the jurisdiction in which the Property is located.

3. The Grantor will keep any records and make any reports relating to compliance with this covenant that the Beneficiary may reasonably require.

4. DEFAULT: If a violation of this Covenant occurs, the Beneficiary or its successors or assigns may, after thirty (30) days' notice and opportunity to cure the violation which cure may be effected by the Grantor, institute and prosecute any proceeding at law or equity to abate, prevent, or enjoin any such violation or to compel specific performance by the Grantor of its obligations hereunder; provided that the Grantor shall not be required by any provision herein to evict a residential tenant of the Property. No delay in enforcing the provisions hereof as to any breach or violation shall impair, damage, or waive the right of

any party entitled to enforce the provisions hereof or to obtain relief against or recover for the continuation or repetition of such breach or violations or any similar breach or violation hereof at any later time.

*Signature Page to Follow*

IN WITNESS HEREOF, the Grantor has executed this Low Income Housing Covenant Agreement on the \_\_\_\_\_ day of \_\_\_\_\_, 2021.

HOUSING AUTHORITY OF THE COUNTY OF KING, a public body corporate and politic of the State of Washington

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

STATE OF WASHINGTON )

) ss.

COUNTY OF KING )

I certify that I know or have satisfactory evidence that Stephen J. Norman is the person who appeared before me and acknowledged that he signed this instrument, on oath stated that he was authorized to execute the instrument and acknowledged it as the Executive Director of the **HOUSING AUTHORITY OF THE COUNTY OF KING**, a public body corporate and politic of the State of Washington, to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal this \_\_\_\_\_ day of \_\_\_\_\_, 2021.

\_\_\_\_\_  
(Signature of Notary)

Notary public in and for the State of Washington, residing at \_\_\_\_

My appointment expires \_\_\_\_\_

Exhibit A

Legal Description (Illahee Apartments)

Parcel A:

The East 262.00 ft. of the Northwest quarter of the Northwest quarter of the Southeast quarter of Section 27, Township 25 North, Range 5 East, W.M., in King County, Washington;

Except the South 496 feet.

Parcel B:

The East 262.00 feet of that portion of the Southwest quarter of the Southwest quarter of Northeast quarter of Section 27, Township 25 North, Range 5 East, W.M., in King County, Washington, lying South of Redmond Bellevue County Road.

Parcel C:

Beginning at the Southwest corner of the East 262.00 feet of the Southwest quarter of the Southwest quarter of the Northeast quarter of Section 27, Township 25 North, Range 5 East;

Thence North  $01^{\circ}03'10''$  West along the Westerly line of said East 262.00 feet of the Southwest quarter of the Southwest quarter of the NE quarter, a distance of 105.01 ft. more or less to the Southeasterly line of Bellevue Redmond County Road;

Thence South  $72^{\circ}33'39''$  West along said Southeasterly line 60.00 feet;

Thence Southeasterly to the point of beginning.