

When Recorded Return To:
City of Tacoma, CED, Housing Division
Attn: Housing Division Manger
747 Market St, Room 900
Tacoma, WA 98402

Document Title:	DEVELOPMENT AGREEMENT
Grantor:	CITY OF TACOMA, a first-class municipal corporation
Grantee:	TACOMA MINISTERIAL ALLIANCE, a Washington non-profit corporation
Legal Description:	SEE EXHIBIT A
Assessor's Tax Parcel Number(s):	2025190010

**DEVELOPMENT AGREEMENT
FOR THE DEVELOPMENT OF REAL PROPERTY
FOR AFFORDABLE HOUSING PURPOSES**

This Development Agreement is entered into as of _____, 2025, between the City of Tacoma, a first class municipal corporation ("City"), and TACOMA MINISTERIAL ALLIANCE, a Washington non-profit corporation, and its successors and assigns ("Developer") (City and Developer, together, "Parties").

RECITALS

WHEREAS the Parties have entered into that certain Purchase and Sale Agreement dated _____, 2025 ("PSA"), for the disposition and development of certain City owned real property known as Pierce County Tax Parcel No. 2025190010, and as legally described in Exhibit A ("Property") attached hereto and by this reference incorporated herein.

WHEREAS the Property will be conveyed to Developer by a Quit Claim Deed in the form attached to the PSA as Exhibit A ("Deed"), which includes a Condition Subsequent and a Covenant Regarding Public Benefit (together, the "Affordable Housing Encumbrance"). Conveyance and recording of the Quit Claim Deed is conditioned upon Developer executing this Development Agreement ("DA").

WHEREAS the City's primary purpose in conveying the Property to the Developer is to see it developed into affordable housing within a commercially reasonable time. To that end, this DA is an integral part of the consideration for the conveyance of the Property.

WHEREAS by this DA, Developer agrees to use the Property for the purpose of developing the Property as further set forth in Section I below, to be constructed in conformance with Developer's Development Proposal.

In light of the foregoing, and as consideration for the conveyance of the Property, the City and the Developer hereby covenant and agree as follows:

I. Developer Covenants.

A. Designated Purpose. Developer covenants to use and develop the Property in conformance with the requirements stated in this section, Section A, ("Proposal"). To the extent that any development plans submitted by the Developer and approved by the City deviate from the Proposal, said development plans shall control and Developer shall develop the Property in conformance with said development plans. In the absence of any such deviations, Developer shall develop the Property to include, at a minimum, the following:

1. Housing:

- (i) The project shall consist of a minimum of six (6) residential units;
- (ii) 100% of the units shall be restricted to moderate-income homebuyers (80% area median income for the Tacoma Pierce County Metro area or below);
- (iii) 100% of the units shall be subject to a 50-year Homeownership Covenant. The Homeownership Covenant shall be in the form of the document included in this DA as Exhibit B and be recorded on title. The Homeownership covenant shall run with the land and will include the following:
 - I. A shared appreciation resale restriction.
 - II. A requirement for the units to be homeowner occupied; and
 - III. All units sold during the 50-year period of the Homeownership Covenant must be sold to homebuyers with incomes at or below 80% area median income for the Tacoma Pierce County Metro area. Additionally, the sale price for these units shall be set at or below 95% of the median home sale prices for Tacoma as determined by the City of Tacoma on an annual basis for affordable housing programs.

2. Additional required features:

- (i) The property shall be landscaped and aesthetically complementary to the surrounding neighborhood

The above development requirements are referred to herein as the "Designated Development Use."

B. Construction Commencement/Completion.

1. Developer shall begin construction of its project on the Property ***no later than August 31, 2025***, in accordance with the construction schedule as follows:

- a. Developer shall close on the sale of the Property by the Closing Date set forth in Section 8 of the PSA.
- b. Developer shall obtain all applicable permits and commence construction by September 30, 2025,
- c. Developer shall complete construction on all units no later than October 30, 2026,
- d. Developer shall begin selling units by February 1, 2026, and
- e. Developer shall sell 100% of Units by December 31, 2026.

2. Once construction is commenced, Developer must diligently pursue construction to completion. If at any time during construction of the project, Developer ceases construction for six (6) months or more, Developer shall be in violation of this Covenant.

C. Construction Completion. Developer covenants to complete all construction ***no later than October 30, 2026***.

D. LEAP and Equity in Contracting Participation. Developer agrees to use its best efforts to participate in the City of Tacoma's LEAP and EIC program as outlined in Exhibit C hereto.

E. Local Improvement District. Developer hereby covenants to not oppose the formation of any Local Improvement District ("LID") in which Developer, as the owner of the Property, is considered a benefitted owner.

F. Development Team. Developer has agreed to employ architects, engineers and construction firms, contractors and subcontractors that have a minimum of five (5) years' experience in constructing housing in its project on the Property, and shall identify a project manager to oversee all aspects of the project and coordinate with City planning, permitting and housing staff;

G. Covenant for Affordability. Upon completion of construction, Developer agrees to comply with the Affordable Housing Encumbrance and ensure such encumbrances are passed on to individual owners at time of sale.

II. City Covenants.

The City covenants to work cooperatively with Developer to meet the construction commencement deadline and subsequent construction completion deadlines set forth herein and in the PSA and to assist Developer in order to achieve the following:

1. Compliance with development requirements and standards,
2. Design approval,
3. Building permit issuance, and
4. Issuance of certificate of occupancy upon project completion.

III. Remedies

If Developer fails to meet any of the milestones in the construction schedule, the City shall have the right to reacquire, at no cost to the City, the Property, including any and all improvements thereon or therein. Further, City may, in its absolute and sole discretion and election, forever revoke this Covenant upon payment by Grantee to Grantor of the fair market value of the Property at the time of said election.

IV. Indemnification of the City and Developer.

A. Developer covenants to indemnify, defend, and hold the City harmless from and against all claim, liability, loss, damage, cost, or expense (including reasonable attorneys' fees, court costs, and amounts paid in settlements and judgment) incurred in connection with Developer's development activity, construction activity, or other liability arising in any manner out of its activities on the Property, including the construction of improvements on the Property, as well as any act or omission of Developer or its members, agents, employees, representatives, contractors, subcontractors, successors, assigns or invitees, on or with respect to the Property. The City shall not be entitled to such indemnification to the extent that such claim, liability, loss, damage, cost or expense is caused by the negligence or willful misconduct of the City.

B. Promptly following receipt of notice, the City shall give Developer written notice of any claim for which Developer has indemnified the City hereunder, and the relevant party shall thereafter vigorously defend such claim on behalf of the City. Failure to give prompt notice to Developer shall not constitute a bar to the indemnification hereunder unless such delay has prejudiced Developer in the defense of such claim. If Developer is required to defend any action or proceeding pursuant to this Section to which action or proceeding the City is made a party, the City shall be entitled to appear, defend or otherwise take part in the matter involved, at its election, by counsel of its own choosing, and to the extent the City is indemnified under this section, Developer shall bear the cost of the City's defense, including reasonable attorneys' fees and costs. No settlement of any non-monetary claim shall be made without the City's written approval, not to be unreasonably withheld.

C. Developer agrees to include in each construction contract for construction of its project or other work on the Property that if there is liability for damage or injury during construction, each contractor waives immunity under the Workers' Compensation Laws of the State of Washington, Title 51 RCW, for claims brought by its employees against the City. Further, each contractor shall agree to indemnify and hold the City harmless for damages attributable to the contractor's negligence.

D. The City shall indemnify, defend, and hold Developer harmless from and against all claim, liability, loss, damage, cost, or expense (including reasonable attorneys' fees, court costs, and amounts paid in settlements and judgment) incurred in connection with the City's negligence or other legally culpable conduct in performing its obligations under this DA.

V. Miscellaneous Provisions.

A. No Joint Venture. It is not intended by this DA to, and nothing contained in this DA shall, create any partnership or joint venture or create the relationship of principal and agent between Developer and the City, or any of their successors in interest.

B. Enforcement and Remedies. In the event of any violation of any of the provisions of this DA by the parties, the non-violating party shall have the right to enforce the violated covenant by any appropriate proceedings at law or in equity, including the right to apply to a court of competent jurisdiction for an injunction against such violation, or for specific performance. Any remedies specifically provided herein are non-exclusive and are in addition to all other remedies available to the non-violating party at law or in equity.

C. Covenants to Run with the Land. The City and Developer hereby declare their express intent that the covenants and conditions set forth in this DA shall run with the land and shall bind all successors in title to the Property.

1. **Satisfaction of Covenant.** Upon construction completion or the sale of the final home in this development, whichever is later; and after the City has confirmed through satisfactory documentation that the covenants under Section I of this DA have been met, the City may at its sole discretion release this DA.

D. Governing Law and Choice of Venue. This DA shall be governed by the laws of the State of Washington without regard to any principles of Conflicts of Laws. Any action brought regarding this DA shall be brought in the Superior Court for the State of Washington in Pierce County.

E. Amendments. This DA may be amended only by a written instrument executed by all the parties hereto or their successors in title, and duly recorded in the Official Records of Pierce County, Washington.

F. Severability. If any provision of this DA shall be found invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining portions of this DA shall not in any way be affected or impaired thereby.

G. Electronic Signatures. This document may be signed electronically. Electronic signatures on this document are legally binding and enforceable.

H. Recording. This DA shall be recorded in the real property records of Pierce County, Washington.

I. Counterparts. This Agreement may be executed in any number of counterparts and by different parties hereto, each of which counterpart when so executed shall have the same force and effect as if that party had signed all other counterparts.

IN WITNESS WHEREOF, the City and Developer have caused this Development Agreement to be executed as of the day and year written above and warrant by signing below that they have the authority to enter into this Development Agreement.

CITY OF TACOMA

DEVELOPER

By: Tanja Carter
Its: Community and Economic
Development Director

By: Bishop Lawrence White
Its: Chair

EXHIBIT A
Legal Description

Section 08 Township 20 Range 03 Quarter 14 : LEWIS ADD L 1 & 2 B 2519 INC PART ALLEY VAC

EXHIBIT B
Form of Homeownership Covenant

When Recorded Return To:
City of Tacoma, CED, Housing Division
Attn: Division Manager
747 Market St, Room 900
Tacoma, WA 98402

Document Title:	Homeownership Covenant
Grantor:	TACOMA MINISTERIAL ALLIANCE, a Washington non-profit corporation
Grantee:	CITY OF TACOMA, a first class municipal corporation
Legal Description:	See Attachment A
Assessor's Tax Parcel Number(s):	2025190010

This HOMEOWNERSHIP COVENANT (the "Covenant") is given and granted to the City of Tacoma, a first-class municipal corporation ("Grantee"), by TACOMA MINISTERIAL ALLIANCE, a Washington non-profit corporation ("Grantor"), on the following terms and conditions:

Whereas, the Grantee agreed to sale the Grantor real property identified by parcel number 2025190010; and legally described in Attachment A of this covenant;

Whereas, this property was to be developed and used in a form consistent with the Development Agreement;

Whereas, the Development Agreement requires the execution of a Homeownership covenant that shall survive the release of the Grantor from the Development Covenant should that occur within a certain 50-year period;

Whereas, during this 50-year period all successors in title of property referenced above shall be subject to this covenant.

Considering the foregoing, and as consideration for the conveyance of the Property, the Grantor and Grantee hereby covenant and agree as follows:

Covenants: The Grantor, and as such all successors in title, covenants and agrees that until December 31, 2075

- (a) Not less than 100% of the units shall be homeowner occupied
- (b) Each sale of a unit shall be subject to the following shared appreciation restriction when net proceeds are equal to or more than twenty-five thousand dollars (\$25,000)
 - i. Years 0-25: 15% of net proceeds from the transaction shall be remitted to the City of Tacoma and deposited into the City's Affordable Housing Fund
 - ii. Years 25-50: 10% of net proceeds from the transaction shall be remitted to the City of Tacoma and deposited into the City's Affordable Housing Fund
 - iii. Sales resulting in less than twenty-five thousand (\$25,000) in net proceeds, foreclosures, or short sales shall not be subject to the shared appreciation requirement
- (c) All units sold during the 50-year period of this Covenant must be sold to homebuyers with incomes at or below 80% area median income for the Tacoma Pierce County Metro area. Additionally, the sale price for these units shall be set at or below 95% of the median home sale prices for Tacoma as determined by the City of Tacoma on an annual basis for affordable housing programs.

Enforcement: If a violation of any of the foregoing covenants occurs, in addition to any other remedies it may have, the Grantee, or its successors and assigns, may, after thirty (30) days' notice to Grantor and opportunity to cure the violation, institute and prosecute any proceeding in law or equity to abate, prevent, or enjoin any such violation, or to compel specific performance by Grantor of its obligations hereunder. 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 violation, or any similar breach or violation hereof at any later time.

Contact: Contact for shared appreciation payment instructions or questions about this covenant should be made to:

City of Tacoma

Attn: Housing Division Manager

747 Market Street, Rm 900

Tacoma WA, 98402

or

Cedhousingdivision@tacoma.gov

Subject: TMA Homeownership Covenant: Parcel # 2025190010

Attn: Housing Division Manager

Covenants Running with Land: The City and Developer hereby declare their express intent that the covenants and conditions set forth in this Covenant shall run with the land and shall bind all successors in title to the Property.

IN WITNESS WHEREOF, the Grantor has executed this Homeownership Covenant on this ____ day of _____, 2025.

GRANTOR,
TACOMA MINISTERIAL ALLIANCE, a
Washington non-profit corporation

By: _____
Bishop Lawrence White
Its: Chair

STATE OF WASHINGTON)

County of Pierce) ss.
)

I certify that I know or have satisfactory evidence that _____ is the person who appeared before me, and said person acknowledged that he signed this instrument, on oath, stated that he is authorized to execute the instrument and acknowledged it as the **Chair** of **TACOMA MINISTERIAL ALLIANCE**, a Washington non-profit corporation, to be the free and voluntary act of such company for the uses and purposes mentioned in the instrument.

Dated: _____, 2025.

Notary Public in & for the State of Washington

Print Name: _____

My Commission Expires: _____

Attachment A
Legal Description

Section 08 Township 20 Range 03 Quarter 14 : LEWIS ADD L 1 & 2 B 2519 INC PART ALLEY VAC

EXHIBIT C
LEAP and Equity In Contracting

CITY OF TACOMA LEAP & EQUITY IN CONTRACTING (f/k/a SBE) PARTICIPATION

Developer agrees to comply with the City of Tacoma's Local Employment and Apprenticeship Training Program (LEAP) and Equity in Contracting ("EIC"; f/k/a Small Business Enterprise) program by attempting to ensure that all contractors performing work on the Project make their best efforts to comply with the program requirements. In an effort to develop relationships with the local community and promote the local work force and subcontracting businesses, Developer will notify each contractor and Bidders of the LEAP and EIC requirements and strongly encourage participation in the programs.

- I. LEAP Utilization Goal: The City of Tacoma's LEAP program has established two requirements that may be satisfied concurrently:
 - a. Local Employment Requirement: 15% of total labor hours must be provided by:
 - i. Residents of the City of Tacoma
 - ii. Residents of the Economically Distressed Areas of the Tacoma Public Utilities Service Area
 - b. Apprentice Utilization Requirement: 15% of total labor hours must be provided by Apprentices affiliated with Washington State Apprenticeship and Training Council approved programs who are:
 - i. Residents of any county of the Tacoma Public Utilities Service Area
- II. EIC Annual Goal: The City of Tacoma's EIC program has established annual subcontracting goals of:
 - a. 10% Minority Business Enterprise (MBE)
 - b. 8% Women Business Enterprise (WBE)
 - c. 7% Small/Disadvantaged Business Enterprise (SBE/DBE)

Contractors that agree to comply with the City of Tacoma LEAP and EIC programs must track the local hire and apprentice hours worked, and EIC contracts awarded under Developer's Project. It shall be the responsibility of the contractors that qualify for and are participating in each respective program to supply the City of Tacoma with data, in such form as prescribed by the City, that shows reasonable evidence of compliance with LEAP and EIC. A final participation tracking report shall be prepared by the City of Tacoma upon completion of the Project.

LEAP and EIC can assist contractors in identifying qualified workers and subcontractors in meeting their business and workforce needs as identified in their respective bid submittals and scopes of work.

Program Contacts:

LEAP <http://www.cityoftacoma.org/leap>

Carol Wolfe

cwolfe@cityoftacoma.org

253-591-5384

EIC <https://www.cityoftacoma.org/cms/One.aspx?portalid=169&pageid=26616>

Carol Wolfe

cwolfe@cityoftacoma.org

253-591-5384