



**Planning & Community
Development**

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Affordable Housing in Station Areas

[SMC 20.40.235](#)

Every multi-family rental housing project (residential-only or mixed-use) in MUR-45 or MUR-70 zoning requires affordable housing. Affordable housing is an option in MUR-35 zones, in return for having no density limit.

Affordable Units

	MUR-35, MUR-45, and MUR-70	MUR-70 with development agreement for height increase
Studio or 1-bedroom units	20% of units affordable to households making 70% or less of the King County Area Median Income, adjusted for household size;* or 10% of units affordable to households making 60% or less of the King County Area Median Income, adjusted for household size.	20% of units affordable to households making 60% or less of the King County Area Median Income, adjusted for household size;* or 10% of units affordable to households making 50% or less of the King County Area Median Income, adjusted for household size.
2 or more bedrooms	20% of units affordable to households making 80% or less of the King County Area Median Income, adjusted for household size;* or 10% of units affordable to households making 70% or less of the King County Area Median Income, adjusted for household size.	20% of units affordable to households making 70% or less of the King County Area Median Income, adjusted for household size;* or 10% of units affordable to households making 60% or less of the King County Area Median Income, adjusted for household size.

*The applicant must choose this option to remain eligible for Multi-family Property Tax Exemption (MFTE).

If the 10% or 20% results in a fraction, the owner may provide a whole affordable unit or pay a fee in lieu of the fractional affordable unit. Fees-in-lieu will be used for financial support to affordable housing in Shoreline.

The mix of affordable unit types (based on number of bedrooms) will be proportionate to the mix of types in the project overall. Affordable unit locations will be approved by the City and generally integrated with market rate units.

Affordable units must remain affordable for 99 years. Projects having affordable housing in at least 20% of the units may be eligible for a 12-year multi-family property tax exemption (MFTE) on residential improvements.

Hours of Operation:

Monday 8:00 am–5:00 pm
Tuesday 8:00 am–5:00 pm
Wednesday 1:00 pm–5:00 pm
Thursday 1:00 pm–5:00 pm
Friday 8:00 am–5:00 pm
Permit Processing Ends at 4:00 pm Daily

Rent and Income Limits

Actual [rent and income limits](#) will be determined by the City each year, based on the King County Area Median Income (AMI), when it is published by the U.S. Department of Housing and Urban Development (HUD).

Maximum monthly housing costs will be set at 30% of the maximum monthly household income and include basic utilities, one parking space, and any expenses required by the property owner (e.g., utilities, King County Sewer Capacity Fee, pest control, common area fees, renter's insurance). If tenants must pay their own utility bills, the City will deduct allowances from the maximum housing cost to determine the maximum rent.

In other respects, owners must treat tenants in affordable units on the same basis as all other tenants; this includes screening process and criteria (other than household size and income), access to facilities and amenities, lease terms, and other policies. The owner may charge tenants of affordable units extra for amenities or services that are optional; that is, optional for all tenants and not required for tenancy.

Covenant

The owner and the City must execute and record a covenant prior to issuing any building permits on the project. The covenant will address price restrictions, tenant qualifications, compliance monitoring, and other matters necessary for administering [Shoreline Municipal Code \(SMC\) 20.40.235](#) and will run with the land for 99 years, binding heirs, assigns, and successive owners.

- As the project opens, affordable units must become available for occupancy at the same time as the market rate units.
- All of the Dwelling Units in the Project shall be constructed of similar quality. The finish and quality of flooring, counters, appliances, and other interior features of the Affordable Unit(s) shall be comparable to or better than entry level market rate housing in Shoreline, as determined by the City.

Application and Approval Process

The Affordable Housing Coordinator helps applicants understand the City's affordable housing requirements, write and execute the covenant, and monitor compliance with covenants:

Kerry Feeman, kfeeman@shorelinewa.gov, 206-801-2334

The process for gaining approval under the City's affordable housing rules is detailed on an attachment to this Handout.

Monitoring

The City of Shoreline will conduct an on-site inspection, ideally within 45-60 days prior to pre-leasing activities, to provide the leasing/management staff with an overview of the MFTE program as well as ongoing compliance and monitoring requirements. During the on-site inspection, the City of Shoreline will tour the Designated Units identified in the contract confirming that the proposed units meet requirements for type, comparability, and distribution throughout the property. It is the Owner's responsibility to schedule the on-site inspection before any leasing activities begin. Property certification reports will be submitted to the City every 30 days during lease-up until the property is 90% complete. If the lease-up is proceeding in compliance with the covenant, the City will require annual reports going forward. Compliance reports list the income and household size qualifications, the contract rent, and housing cost allowances of each household in affordable units.

The City retains the right to inspect and audit the property's files from time to time to ensure compliance with the covenant, and to establish a monitoring fee to cover the City's monitoring costs.

Also See

[SMC 20.40.235](#), Affordable housing, light rail station subareas

[Chapter 3.27 SMC](#), Property Tax Exemption

Attachment: Application and Approval Process For Affordable Housing in Station Areas and MFTE

What to Submit

(If you are applying for the Multifamily Tax Exemption, see the MFTE Developer Handout. Although the review criteria for MFTE and mandatory affordable housing are similar, the process and timeframe of each program is unique.)

Task 1: Review the below documentation for requirements for MFTE and mandatory affordable housing.

These criteria apply to MFTE and non-MFTE projects alike, except where specifically noted. Please see SMC 3.27.050(C) for additional MFTE application requirements and contact Affordable Housing Coordinator Kerry Feeman kfeeman@shorelinewa.gov with any questions.

1. Number of affordable units. City staff will determine if the number of designated affordable units meet requirements. In MFTE projects within MUR zones, 20% percent of all studio and 1-bedroom units must be affordable to households earning 70% of the area median income (AMI) or less, OR 10% of the units must be affordable to households earning 60% AMI or less; AND 20% of 2-or-more-bedroom units must be affordable to households earning 80% AMI or less, OR 10% of the units must be affordable to households earning 70% AMI or less. In MFTE projects outside MUR zones, 20% percent of all studio and 1-bedroom units must be affordable to households earning 70% of the area median income (AMI) or less; AND 20% of 2-or-more-bedroom units must be affordable to households earning 80% AMI or less, OR 10% of the units must be affordable to households earning 70% AMI or less under code SMC 20.40.235(B)(1)
 - In MFTE projects within MUR zones, fractions 0.5 or higher will be rounded up. Where fractions are 0.5 or lower, owners/developer may choose between providing an affordable unit or paying a fee-in-lieu under code SMC 20.40.235(E)(1).
 - Affordable units provided to satisfy the MFTE program also count toward affordable units required by the Zoning Code.
2. Units designated. The land use covenant in MUR zones and the MFTE contract for all affordable housing zones will designate specific units as affordable units. Affordable units may be changed, however, during the life of the covenant or contract. This enables owners to designate a different but equivalent unit in case, for example, an affordable housing tenant's income has risen beyond the eligibility level and the owner wants to allow the tenant to remain in the same unit. City staff will approve an affordable unit "swap" if the new unit is the same type as the previously affordable unit and doesn't cause affordable units to be over-concentrated on a single floor (or building, if divided among buildings of a project). If staff agree to swap units, the owner must designate to be affordable the next available equivalent unit.
3. Unit types. The affordable units must have the same mix of basic types (i.e., number of bedrooms) as the overall project under codes SMC 20.40.235(C)(2) SMC 3.27.040(A)(8). So, for example, if two-bedroom units compose 20% of the project, 20% of the affordable units should have two bedrooms.
 - "Basic types" are studios, "open" or "urban" one-bedroom units, "regular" one-bedrooms, "urban two-bedrooms," two-bedrooms, etc.
 - Open one-bedroom units will be priced the same as regular one-bedroom units but counted separately for purposes of unit mix. Similarly, urban two-bedroom units will have the same maximum rent as regular two-bedroom units but have a separate classification for unit mix.
 - Regular and open one-bedroom units have one bedroom with an interior closet, doors to close off the room from the rest of the unit, and floor area of at least 90 square feet with a minimum dimension of 8'-8". In two bedrooms, each bedroom meets this requirement. The purpose of this is to ensure that the room is large enough for a queen-size bed and another piece of

furniture, such as a dresser. This is because one-bedroom units are priced assuming households of 1.5 people, 2-bedroom units are priced for 3 people, and so on; so, the bedroom must accommodate two people.

- In addition to the characteristics listed above, regular one-bedroom units have a window in the bedroom, i.e., outside egress.
 - In addition to the all the characteristics of a regular one-bedroom, urban two-bedroom units have a second bedroom that lacks an exterior window; but the Planning Department has classified it as a two-bedroom unit for parking standards.
 - Dens are ignored with respect to unit types. One-bedroom units with dens, for example, will be counted along with other regular one-bedroom units.
4. **Minimum floor areas.** Affordable units must be the same size (floor area) as market rate units having the same number of bedrooms, unless approved by the Director under code SMC 20.40.235(C)(2)(c).
- To streamline review, staff recommend having one or more market rate units matching the type of every affordable unit. For example, for someone planning to build an apartment building with 60 studios: 20 at 507 square feet of floor area, 20 at 518 square feet, and 20 at 525 square feet. If the project is required to have 20% of the units affordable, 12 of the studios must be affordable. If at least one (but preferably four for proportional representation per SMC 3.27.040(A)(8)) of each of the three different square-foot units is designated affordable, the Director's approval isn't required because the affordable and market rate units are the same size.
 - The Director may approve affordable units smaller than market-rate units, but:
 - Studios must be at least 500 square feet, one-bedrooms at least 600 square feet, two-bedrooms at least 800 square feet, and three-bedrooms at least 1,000 square feet; and
 - Rooms within the units must provide adequate space for their intended uses, in the Director's opinion.
5. **Unit locations.** The affordable units must be intermingled with the market rate units of the project SMC 20.40.235(C)(2)(a).
- If affordable units compose 10% of the total number of units in a project, then affordable units may not exceed 20% of the units on any floor. If affordable units compose 20% of the total project, then the limit per floor is 40%.
 - If the project comprises two or more buildings (or towers), the affordable units should be distributed generally with proportion to the overall distribution of units between the buildings (or towers).
6. **Timing/availability.** As the project opens, affordable units must be available for occupancy at the same time as the market rate units SMC 20.40.235 (C)(3). This includes affordable housing provided off-site through an alternative compliance agreement. If circumstances warrant (such as a project with two or more buildings), staff may agree to a phasing plan that specifies the timing of the affordable units in relation to certain project milestones.

Task 2: Contact Affordable Housing Coordinator and ask questions.

The Affordable Housing Coordinator helps applicants understand the City's affordable housing requirements, write and execute the covenant, and monitor compliance with covenants:

Kerry Feeman, kfeeman@shorelinewa.gov

The Affordable Housing Coordinator will answer questions regarding MFTE, affordable housing requirements, and this approval process.

Task 3: Submit the following project information with your permit application.

1. Please submit plans with designated affordable units labelled (if MFTE, can be labelled MFTE). Unit designation of studio, open one bedroom, one bedroom, two bedroom etc. should also be clearly labelled.
2. Submit a table containing the following information:
 - Unit Number
 - Unit Designation (affordable or market rate)
 - Number of Bedrooms (0, 1, 2, 3 etc.)
 - Square Footage of each unit
3. For each different type of unit (where different type is determined by number of bedrooms and square footage, for example, 0 with 506sq ft, 0 with 516sq ft, 1 with 602sq ft, 1 with 722sq ft, 2 with 900 sq ft, 2 with 966 sq ft, etc.) provide the following information:
 - Square Footage of floor area of each bedroom (for studios, this can be total square footage of unit)
 - Dimensions of each bedroom (NA for studios)
 - Presence of a door (Y/N/NA)
 - Presence of a window (Y/N/NA)
 - Presence of a closet (Y/N/NA)
 - Total number of market rate units of each type
 - Total number of affordable units of each type

Task 4: Submit information for drafting of covenant once designated affordable housing units are approved.

The Affordable Housing Coordinator will prepare an affordable housing covenant for the project, which requires the following information from the developer/applicant (submit by email to kfeeman@shorelinewa.gov.)

- Project Name.
- Parcel ID(s).
- Project address.
- Owner (company) name, including type and state.
- Residential Targeted Area.
- Total units.
- All units: quantity of each type.
- Owner's mailing address.
- Name and title of Owner's signer.
- Abbreviated legal description.
- Full legal description.
- Floor plans indicating location of affordable units with the square footage and unit numbers clearly labelled. Plans will be attached to the covenant and will need to follow King County recording requirements.

Task 5: Approve covenant, execute and return to the City.

Applicant/Owner signs the approved covenant and returns it to the Affordable Housing Coordinator.

Task 6: Get fully-executed covenant from Affordable Housing Coordinator and record it at King County Records (fee required).

Affordable Housing Coordinator will return the fully executed covenant to the applicant/owner, who will record the document with King County and send a digital copy to kfeeman@shorelinewa.gov, once recorded.

Task 7: Before pre-leasing begins, contact Affordable Housing Coordinator to schedule an on-site visit and review monitoring requirements.

Within 45 days of pre-leasing, the applicant will schedule a building tour and compliance review meeting with the Affordable Housing Coordinator.

Task 8: Lease up and get Certificate of Occupancy. (Pay fee in lieu of fractional units, if required.)

Affordable Housing Coordinator will be available via e-mail and phone to answer questions during lease-up.

Task 9: Submit property certification report every 30 days (and correct compliance issues, if any).

Submit report to kfeeman@shorelinewa.gov and correct any compliance issues. Continue to submit a report every 30 days until the property is 90% complete.

Task 10: Submit annual property certification and respond to corrections in a timely manner.

The report will be due annually and is identical to the MFTE report. The report will be reviewed, and corrections will be requested if errors are found. Please respond to the corrections in a timely manner and apply a credit or refund to tenants if needed.