



# SEATTLE CITY COUNCIL

## Legislative Summary

CB 118762

Record No.: CB 118762

Type: Ordinance (Ord)

Status: Passed

Version: 1

Ord. no: Ord 125121

In Control: City Clerk

File Created: 08/01/2016

Final Action: 09/09/2016

**Title:** AN ORDINANCE relating to transferable development rights (TDR); authorizing The City of Seattle to purchase housing TDR from a lot at 1902 2nd Avenue in Seattle; and authorizing related agreements and acceptance of a deed.

Date

Notes: D2a

Filed with City Clerk:

Mayor's Signature:

Sponsors: Burgess

Vetoed by Mayor:

Veto Overridden:

Veto Sustained:

Attachments: Att B – Statutory Warranty Deed

Drafter: kelly.gonzalez@seattle.gov

Filing Requirements/Dept Action:

History of Legislative File

Legal Notice Published:

Yes

No

Ver- sion:	Acting Body:	Date:	Action:	Sent To:	Due Date:	Return Date:	Result:
1	Mayor	08/09/2016	Mayor's leg transmitted to Council	City Clerk			
	<b>Action Text:</b>		The Council Bill (CB) was Mayor's leg transmitted to Council. to the City Clerk				
	<b>Notes:</b>						
1	City Clerk	08/09/2016	sent for review	Council President's Office			
	<b>Action Text:</b>		The Council Bill (CB) was sent for review. to the Council President's Office				
	<b>Notes:</b>						
1	Council President's Office	08/11/2016	sent for review	Affordable Housing, Neighborhoods, and Finance Committee			
	<b>Action Text:</b>		The Council Bill (CB) was sent for review. to the Affordable Housing, Neighborhoods, and Finance Committee				
	<b>Notes:</b>						

Legislative Summary Continued (CB 118762)

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1	Full Council	08/15/2016	referred	Affordable Housing, Neighborhoods, and Finance Committee		
1	Affordable Housing, Neighborhoods, and Finance Committee	08/17/2016	pass		09/06/2016	Pass
	<b>Action Text:</b>	The Committee recommends that Full Council pass the Council Bill (CB).				
	<b>Notes:</b>	In Favor: 2 Chair Burgess, Vice Chair Herbold				
		Opposed: 0				
		Absent(NV): 1 Member Johnson				
1	Full Council	09/06/2016	passed			Pass
	<b>Action Text:</b>	The Council Bill (CB) was passed by the following vote, and the President signed the Bill:				
	<b>Notes:</b>	In Favor: 8 Councilmember Bagshaw, Councilmember Burgess, Councilmember González , Council President Harrell, Councilmember Herbold, Councilmember Johnson, Councilmember O'Brien, Councilmember Sawant				
		Opposed: 0				
1	City Clerk	09/08/2016	submitted for Mayor's signature	Mayor		
1	Mayor	09/09/2016	Signed			
	<b>Action Text:</b>	The Council Bill (CB) was Signed.				
	<b>Notes:</b>					
1	Mayor	09/09/2016	returned	City Clerk		
	<b>Action Text:</b>	The Council Bill (CB) was returned. to the City Clerk				
	<b>Notes:</b>					
1	City Clerk	09/09/2016	attested by City Clerk			
	<b>Action Text:</b>	The Ordinance (Ord) was attested by City Clerk.				
	<b>Notes:</b>					

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**CITY OF SEATTLE**

**ORDINANCE** 125121

**COUNCIL BILL** 118762

1  
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4  
5 AN ORDINANCE relating to transferable development rights (TDR); authorizing The City of  
6 Seattle to purchase housing TDR from a lot at 1902 2nd Avenue in Seattle; and  
7 authorizing related agreements and acceptance of a deed.  
8

9 WHEREAS, under the Land Use Code provisions of the Seattle Municipal Code (SMC), certain  
10 properties, including those preserved for low-income housing, are eligible to transfer  
11 unused development rights; and

12 WHEREAS, the Department of Construction and Inspections, in consultation with the Office of  
13 Housing, has determined that the lot on which the Josephinum is located meets the  
14 housing transferable development rights (TDR) site requirements as defined in Chapter  
15 23.84A of the SMC; and

16 WHEREAS, in a letter dated October 22, 2015, the Department of Planning and Development  
17 (as predecessor to the Department of Construction and Inspections) certified 54,820  
18 square feet of housing TDR as eligible for transfer from that lot, according to the  
19 provisions of SMC 23.49.014; and

20 WHEREAS, by Ordinance 114029, as amended, the City established a "TDR Bank" and  
21 authorized the Director of the Office of Housing to negotiate the purchase of housing  
22 TDR from such properties in order to aid in the preservation of low-income housing; and

23 WHEREAS, Archdiocesan Housing Authority and Catholic Community Services of Western  
24 Washington (collectively, "Seller") are the owners of the Josephinum, a 220-unit  
25 residential building that includes 192 rental units affordable to households with incomes

1 at or below 50 percent of median income, and propose to sell housing TDR to the City  
2 according to the SMC's provisions; and

3 WHEREAS, funds are available in the TDR/Mitigation Subfund and the Office of Housing has  
4 existing expenditure authority for the purchase of housing TDR; NOW, THEREFORE,

5 **BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:**

6 Section 1. The Director of the Office of Housing ("OH Director") is authorized, for and  
7 on behalf of The City of Seattle, to execute, deliver, perform, administer, and enforce an  
8 agreement for the purchase of up to 54,820 square feet of housing transferable development  
9 rights (TDR) for a total price not to exceed \$1,653,919 based on the terms set forth in  
10 Attachment A to this ordinance, with such additional terms and conditions and such  
11 modifications, other than increase in price, as the OH Director shall find to be appropriate  
12 according to the intent of this ordinance. The housing TDR to be purchased are from the property  
13 known as the Josephinum, located at 1902 2nd Avenue in Seattle (the "Property"), legally  
14 described as follows:

15 The Southeasterly 25 feet of Lot 8 and all of Lots 9 and 12 in Block 46 of Addition to the  
16 Town of Seattle, as laid out by A.A. Denny (commonly known as A.A. Denny's 6th Addition to  
17 the City of Seattle), as per plat recorded in Volume 1 of Plats, page 99, records of King County;

18 Except the Southwesterly 12 feet thereof condemned in King County Superior Court  
19 Cause No. 39151 for 2nd Avenue;

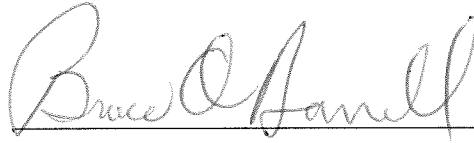
20 Situate in the City of Seattle, County of King, State of Washington.

21 Section 2. Purchase of any amount of housing TDR derived from the Property is  
22 conditioned upon recordation of a TDR agreement, consistent with Seattle Municipal Code  
23 Section 23.49.014, that includes the Seller's commitment to invest the sale proceeds in the  
24 rehabilitation of low-income housing as approved by the OH Director and consistent with the  
25 provisions of the Seattle Municipal Code.

1           Section 3. The OH Director is further authorized, for and on behalf of the City, to accept  
2 and record a statutory warranty deed, substantially in the form of Attachment B to this ordinance,  
3 to the housing TDR to be purchased and to execute, deliver, modify, administer, and enforce  
4 such other agreements and documents as may be reasonably necessary to carry out the intent of  
5 this ordinance.

1 Section 4. This ordinance shall take effect and be in force 30 days after its approval by  
2 the Mayor, but if not approved and returned by the Mayor within ten days after presentation, it  
3 shall take effect as provided by Seattle Municipal Code Section 1.04.020.

4 Passed by the City Council the 6<sup>th</sup> day of September, 2016,  
5 and signed by me in open session in authentication of its passage this 6<sup>th</sup> day of  
6 September, 2016.

7 

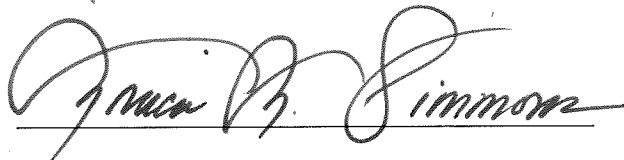
8 President \_\_\_\_\_ of the City Council

9 Approved by me this 9<sup>th</sup> day of September, 2016.

10 

11 Edward B. Murray, Mayor

12 Filed by me this 9<sup>th</sup> day of September, 2016.

13 

14 Monica Martinez Simmons, City Clerk

15 (Seal)

16 Attachments:  
17 Attachment A: Term Sheet  
18 Attachment B: Statutory Warranty Deed

## TERM SHEET

SALE OF TDR BY ARCHDIOCESAN HOUSING AUTHORITY and CATHOLIC  
COMMUNITY SERVICES OF WESTERN WASHINGTON (collectively and hereafter  
“Seller”)  
TO THE CITY OF SEATTLE (hereafter “Buyer”)

This term sheet describes the basic terms of the proposed purchase and sale of Transferable Development Rights (“TDR”) between Buyer and Seller. Any binding commitment by the Buyer to buy TDR will be made only after City Council approval by ordinance and upon signing of a definitive purchase and sale agreement (the “Agreement”). The Agreement is intended to include the following terms:

1. **Housing TDR Site.** Seller is the owner of the Josephinum, a 14 story residential building located at 1902 2<sup>nd</sup> Avenue, just north of Seattle’s downtown shopping core, and the lot on which Josephinum is located (“Housing TDR Site”).
2. **TDR Agreement.** Seller will enter into a TDR Agreement with The City of Seattle, consistent with SMC 23.49.014.D, in addition to the Agreement referenced above.
3. **TDR Available.** Seller represents that the Seattle Department of Construction and Inspections (SDCI) has calculated 54,820 square feet of housing TDR available on the Housing TDR Site in accordance with SMC 23.49.014.
4. **Purchase and Sale of TDR.** Seller shall sell and Buyer shall buy up to 54,820 square feet of housing TDR available from the Housing TDR Site.
5. **Seller Warranties.** Seller will represent and warrant to Buyer that, as of the date of execution of the Agreement and as of the closing of the sale:

Seller is the owner of the Housing TDR Site subject to no liens or encumbrances except as set forth on the policy of title insurance issued to Buyer in connection with Buyer’s 2014 loan to Seller secured by the Housing TDR Site.

The sale of the housing TDR has been duly authorized by all necessary corporate actions of Seller.

6. **Purchase Price.** Buyer agrees to pay a purchase price of \$30.17 per square foot for housing TDR available from the Housing TDR Site.
7. **Transfer of Title/Closing.**

7.1 The closing date shall be the date that title is transferred from Seller to Buyer (the “Closing Date”). There shall be a single Closing Date. If so required by Buyer, the sale

shall be closed by a licensed escrow agent. Buyer shall specify at least ten (10) days prior to the Closing Date the amount of housing TDR to be purchased and the desired Closing Date. Seller shall demonstrate to the satisfaction of Buyer that it has satisfied all conditions to transfer of housing TDR, and the amount of TDR available for transfer, not later than \_\_\_\_\_, 2016.

7.2 Buyer shall pay all cash at closing in the amount of the purchase price applicable to the transaction.

7.3 On the Closing Date, Seller shall execute and cause to be recorded, and instruct the County recording officer to deliver to Buyer, a statutory warranty deed for the housing TDR.

7.4 Costs of recording shall be paid from proceeds of the TDR sale.

**8. Title and Title Insurance.**

8.1 Seller shall demonstrate to the satisfaction of the Buyer that the TDR sold are not subject to any liens, encumbrances, options or rights of first refusal, or defects in title, but Seller shall not be required to provide or pay for title insurance.

8.2 Buyer may obtain title insurance or title reports at Buyer's own expense. Buyer shall provide a copy of any title report of commitment to Seller, promptly upon receipt. Buyer understands that title insurance for housing TDR may not be available or may contain non-standard exceptions and exclusions.

**9. Use of TDR Proceeds.**

9.1 Seller shall use the proceeds of the sale of housing TDR from the Housing TDR Site for rehabilitation of low-income housing at the Josephinum or other low-income housing properties subject to a scope of work approved by the City of Seattle Office of Housing and appended to the TDR Agreement.



Att B – Statutory Warranty Deed  
Via

After recording, return to:

Dan Foley  
City of Seattle, Office of Housing  
PO Box 94725  
Seattle, WA 98124-4725

**STATUTORY WARRANTY DEED—DEVELOPMENT RIGHTS**

**Reference numbers of related documents:** Not applicable.

**Grantors:** Archdiocesan Housing Authority, a Washington non-profit corporation  
Catholic Community Services of Western Washington, a Washington non-profit  
corporation

**Grantee:** The City of Seattle, a Washington municipal corporation

**Legal Descriptions:**

1. Abbreviated form

TDR Sending Lot: Ptn. Lot 8 and all of lots 9 & 12, Blk. 46, A.A. Denny's 6<sup>th</sup>  
Add., Vol 1 of plats, pg 99, King County

2. Additional legal description is on page 2 below.

**Assessor's Property Tax Parcel Account Number(s):**

TDR Sending Lot: 1977201060-08 & 1977201060-99

The Grantors, Archdiocesan Housing Authority, a Washington non-profit corporation, and Catholic Community Services of Western Washington, a Washington non-profit corporation, for and in consideration of Ten Dollars (\$10.00) and other good and valuable consideration, convey and warrant to Grantee, THE CITY OF SEATTLE, a Washington municipal corporation, the following amount of housing Transferable Development Rights ("TDR"), pursuant to Section 23.49.014 of the Seattle Municipal Code: Fifty-Four Thousand Eight-Hundred Twenty (54,820) square feet of housing TDR from the real property on which there is located a housing structure known as the "Josephinum", legally described as follows:



Att B – Statutory Warranty Deed  
Via

COUNTY OF KING )

On this \_\_\_\_\_ day of \_\_\_\_\_, 2016 before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared \_\_\_\_\_, to me personally known (or proven on the basis of satisfactory evidence) to be the \_\_\_\_\_ of Archdiocesan Housing Authority, the Washington non-profit corporation that executed the within and foregoing instrument, and acknowledged said instrument to be the free and voluntary act and deed of said corporation for the uses and purposes therein mentioned.

WITNESS my hand and seal hereto affixed the day and year in this certificate above written.

(seal or stamp)

\_\_\_\_\_  
Print Name \_\_\_\_\_  
NOTARY PUBLIC in and for the State  
of Washington, residing at \_\_\_\_\_  
My commission expires \_\_\_\_\_

ACKNOWLEDGMENT

