



SEATTLE CITY COUNCIL

Legislative Summary

CB 119005

Record No.: CB 119005

Type: Ordinance (Ord)

Status: Passed

Version: 1

Ord. no: Ord 125342

In Control: City Clerk

File Created: 06/14/2017

Final Action: 07/14/2017

Title: AN ORDINANCE relating to the redevelopment of Yesler Terrace by the Housing Authority of the City of Seattle; authorizing the Mayor to execute a second amendment to the Yesler Terrace Cooperative Agreement with the Housing Authority of the City of Seattle that was authorized by Ordinance 123961; and authorizing the directors of the Office of Housing and Department of Neighborhoods to implement the Cooperative Agreement as amended.

Date

Notes:

Filed with City Clerk:

Mayor's Signature:

Sponsors: Burgess

Vetoed by Mayor:

Veto Overridden:

Veto Sustained:

Attachments: Ex A - Second Amendment to the Cooperative Agreement

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	06/20/2017	Mayor's leg transmitted to Council	City Clerk			
1	City Clerk	06/20/2017	sent for review	Council President's Office			
1	Council President's Office	06/21/2017	sent for review	Affordable Housing, Neighborhoods, and Finance Committee			

Action Text: The Council Bill (CB) was sent for review. to the Affordable Housing, Neighborhoods, and Finance Committee

Notes:

Legislative Summary Continued (CB 119005)

1	Full Council	06/26/2017	referred	Affordable Housing, Neighborhoods, and Finance Committee	
1	Affordable Housing, Neighborhoods, and Finance Committee	07/05/2017	pass		Pass
	Action Text:	The Committee recommends that Full Council pass the Council Bill (CB).			
		In Favor: 2 Chair Burgess, Vice Chair Herbold			
		Opposed: 0			
1	Full Council	07/10/2017	passed		Pass
	Action Text:	The Council Bill (CB) was passed by the following vote, and the President signed the Bill:			
		In Favor: 9 Councilmember Bagshaw, Councilmember Burgess, Councilmember González , Council President Harrell, Councilmember Herbold, Councilmember Johnson, Councilmember Juarez, Councilmember O'Brien, Councilmember Sawant			
		Opposed: 0			
1	City Clerk	07/12/2017	submitted for Mayor's signature	Mayor	
1	Mayor	07/14/2017	Signed		
1	Mayor	07/14/2017	returned	City Clerk	
1	City Clerk	07/14/2017	attested by City Clerk		
	Action Text:	The Ordinance (Ord) was attested by City Clerk.			
	Notes:				

CITY OF SEATTLE

ORDINANCE 125342

COUNCIL BILL 119005

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5 AN ORDINANCE relating to the redevelopment of Yesler Terrace by the Housing Authority of
6 the City of Seattle; authorizing the Mayor to execute a second amendment to the Yesler
7 Terrace Cooperative Agreement with the Housing Authority of the City of Seattle that
8 was authorized by Ordinance 123961; and authorizing the directors of the Office of
9 Housing and Department of Neighborhoods to implement the Cooperative Agreement as
10 amended.
11

12 WHEREAS, the Housing Authority of the City of Seattle (SHA) has received a \$30 million grant
13 from the U.S. Department of Housing and Urban Development under the Choice
14 Neighborhoods Initiative to partially fund the redevelopment of the public housing
15 community known as Yesler Terrace in Seattle's First Hill neighborhood into a mixed-
16 income mixed-use community in partnership with public and private entities; and

17 WHEREAS, on September 21, 2012, The City of Seattle (City) and SHA signed the Yesler
18 Terrace Cooperative Agreement ("Cooperative Agreement"), in which SHA committed
19 to produce 561 units of Replacement Housing (as defined in the Cooperative Agreement)
20 and 290 units of housing for households with incomes up to 60 percent of median income
21 ("60% of AMI Housing"), and the City committed up to \$7.62 million in Office of
22 Housing rental housing development funds and up to \$300,000 in Office of Housing
23 weatherization funds to assist with development of this housing; and

24 WHEREAS, in the Cooperative Agreement the City also committed \$3 million in Department of
25 Parks and Recreation funds and the City has subsequently contributed \$3.15 million in
26 Department of Transportation funds and \$3 million in Public Utility Department funds
27 through the adopted City budget as provided in the Cooperative Agreement; and

1 WHEREAS, in the Cooperative Agreement SHA agreed to provide access to a minimum of 0.3
2 acres of P-Patch Community Gardens during the redevelopment of Yesler Terrace, and to
3 increase the availability of P-Patch locations to no less than one acre when permitted
4 development at Yesler Terrace reached 3,500 housing units; and

5 WHEREAS, on May 16, 2017, the City and SHA signed an amendment to the Cooperative
6 Agreement relating to funding for a housing development previously authorized in the
7 Cooperative Agreement, which specified a different location within Yesler Terrace and
8 changed the year of funding; and

9 WHEREAS, SHA has completed three housing developments with 201 units of Replacement
10 Housing and 60% of AMI Housing, and has two projects under development with an
11 additional 197 units of Replacement Housing and 60% of AMI Housing, consistent with
12 Cooperative Agreement requirements for Phase I and II of the Yesler Terrace
13 redevelopment, and the Office of Housing has fully committed \$7.62 million in
14 development funds and \$50,000 in weatherization funds to four of these buildings as
15 authorized in the Cooperative Agreement; and

16 WHEREAS, Office of Housing funding is subject to the Housing Funding Policies adopted by
17 Ordinance 125308, which allow funding for housing to be developed at Yesler Terrace
18 only as authorized in the Cooperative Agreement approved by the City Council, as it may
19 be amended; and

20 WHEREAS, SHA intends to produce the balance of Replacement Housing and 60% of AMI
21 Housing in four additional buildings, including a project developed by a nonprofit owner
22 according to requirements in the Cooperative Agreement, and has requested \$13 million
23 in Office of Housing funds to support three of these housing developments; and

1 WHEREAS, SHA seeks other changes to the Cooperative Agreement to reach established goals
2 for housing and community gardens and to provide for improved operation of housing
3 over time; NOW, THEREFORE,

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

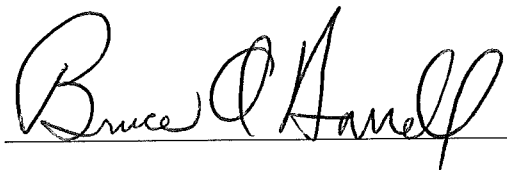
5 Section 1. The Mayor is authorized to execute, for and on behalf of The City of Seattle,
6 an amendment, substantially in the form attached to this ordinance as Exhibit A, to the Yesler
7 Terrace Cooperative Agreement dated September 21, 2012, as previously amended by
8 amendment dated May 16, 2017 (as so amended, "Cooperative Agreement"), with the Housing
9 Authority of the City of Seattle.

10 Section 2. The Director of Housing is authorized to implement the terms of the
11 Cooperative Agreement for funding and occupancy of Replacement Housing and 60% of AMI
12 Housing as amended pursuant to this ordinance. This may include, without limitation,
13 amendments to funding documents entered into prior to the effective date of this ordinance.


14 Section 3. The Director of Neighborhoods is authorized to implement the terms of the
15 Cooperative Agreement for P-Patch Community Gardens as amended pursuant to this ordinance.
16

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.

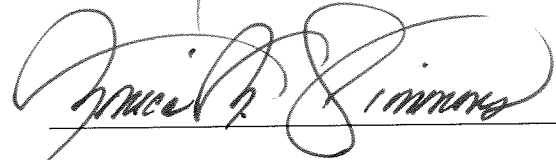
4 Passed by the City Council the 10th day of July, 2017,
5 and signed by me in open session in authentication of its passage this 10th day of
6 July, 2017.

7 
8 President _____ of the City Council

9 Approved by me this 14 day of July, 2017.

10 
11 Edward B. Murray, Mayor

12
13
14 Filed by me this 14th day of JULY, 2017.

15 
16 Monica Martinez Simmons, City Clerk

17 (Seal)

18 Exhibits:
19 Exhibit A – Form of Second Amendment to the Cooperative Agreement
20

Exhibit A: Form of Second Amendment to the Cooperative Agreement

This Second Amendment to Cooperative Agreement is entered into between the Housing Authority of the City of Seattle (“SHA”), a public body corporate and politic under the laws of the State of Washington, and The City of Seattle (“City”), a Washington municipal corporation.

- A. SHA and City have entered into a Cooperative Agreement dated September 21, 2012, as amended by an Amendment executed on May 16, 2017 under City of Seattle Ordinance 125290 (“First Amendment”), pertaining to the redevelopment of Yesler Terrace (as so amended, the “Agreement”).
- B. The parties agree that the following subsections or paragraphs of the Agreement are amended by deleting the text struck out below and inserting the text underlined below.
- C. Except as expressly set forth below, the Agreement remains in full force and effect. References to the “date hereof” or similar language continue to refer to September 21, 2012.

1. DEFINITIONS

1.17 “Replacement Housing” means one or more of the first 561 housing units constructed or rehabilitated in the Yesler Terrace Redevelopment Area after the date hereof that (a) are restricted to occupancy solely by households in one or more of the following categories: Residents who must relocate due to demolition and construction; residents of other SHA public housing who must transfer, for example due to change in household size or reasonable accommodation, as long as such a transfer makes available a unit for households with incomes no higher 30% of median income; or households with incomes no higher than 30 percent of AMI at the time of initial occupancy of the household in the Replacement Housing unit, and (b) that satisfy the additional requirements for Replacement Housing in Article 3 below.

1.19 “Resident” means a person or household living in a public housing unit located within the MPC-YT zone at the time of execution of this Agreement.

3. HOUSING PRODUCTION PLAN

3.1.1 Replacement Housing Production

SHA shall produce or cause Nonprofit Housing Developers to produce 561 units of Replacement Housing. SHA shall allocate Federal Operating Subsidies for the Replacement Housing. Replacement Housing shall serve a broad spectrum of public housing eligible households. Monthly tenant housing costs for these units, including an allowance for rent and basic utilities, shall be those allowed under the US Housing Act and agreements between SHA and HUD and, for City-funded Replacement Housing, shall not exceed limits in agreements between SHA, or the housing owner, and OH. Replacement Housing will be occupied by or reserved for Residents who must relocate due to demolition and construction and who are eligible to return pursuant to the Relocation Plan, other public housing residents as provided in Section 1.17, or households with incomes no higher than 30 percent of AMI, at the time of initial occupancy of the

households, for a minimum of 50 years. If Federal Operating Subsidies are reduced, and the OH Director makes the determinations described in Section 3.6 below, the OH Director may adjust income limits and affordability levels for a portion of the Replacement Housing units to serve tenants with higher incomes, but not higher than 80% of AMI.

3.1.3 Replacement Housing Location

All 561 units of Replacement Housing shall be located within the Yesler Terrace Redevelopment Area. No more than ~~140~~ 190 of the Replacement Housing units shall be located east of Boren Avenue. SHA shall prioritize the inclusion of Seattle Preschool Program classrooms in Replacement Housing projects developed east of Boren Avenue, if the City provides the capital funding for such classrooms in these housing projects. To distribute the remaining Replacement Housing, a minimum of 50 Replacement Housing units shall be located in each of at least five of the eight blocks of the MPC-YT zone.

4. RELOCATION AND RIGHTS OF RESIDENTS

4.3 Right to Return

SHA shall grant to all Residents living in the MPC-YT zone at the time of execution of this Agreement who must relocate away from the Yesler Terrace Redevelopment Area due to redevelopment ~~and who indicate a preference to return to the Yesler Terrace Redevelopment Area~~ the right to return to live at Yesler Terrace when housing units become available, provided that the Resident has not been terminated from the Section 8 program in accordance with 24 CFR 982.552(b) (or successor regulations) or evicted from SHA housing for serious or repeated lease violations in accordance with 24 CFR 966.4 (or successor regulations). Residents with a right to return who have been evicted with a writ of restitution from private, unsubsidized housing will be provided an opportunity for a grievance hearing consistent with SHA's Manual of Operations, L12.9-1, as may be amended.

Residents with a right to return who indicate a preference to return ("Returning Residents") shall undergo income certification in order to place them in new Yesler Terrace housing and to establish their rent. Households with incomes up to 60% of AMI shall be offered Replacement Housing. Households with incomes above 60% of AMI shall be offered 80% of AMI Housing if they meet income eligibility requirements, or market rate housing within Yesler Terrace if household income is above 80% of AMI. Returning Residents will pay no more rent than would be required under the applicable Low Income Public Housing rent regulations and policies in place at the time of their return to Yesler Terrace.

Offers of housing to Returning Residents will be made during the initial lease-up of each new Replacement Housing building until all Replacement Housing units required by the Cooperative Agreement have been produced. Returning Residents will be given first priority during lease-up for units available for their household size. If there are not enough Replacement Housing units available to Returning Residents when the final Replacement Housing project has been fully leased, the remaining Returning Residents will receive priority on a waitlist to lease the next available Replacement Housing unit available for their household size, in accordance with a further amendment to the Relocation Plan and consistent with HUD's Choice Neighborhoods program requirements, to the extent applicable.

6. PHASE II and III

6.2 Phase II and III Housing Production

In Phase II, SHA will produce or cause to be produced at least 174 units of housing, including:

- 104 units of Replacement Housing
- 70 units of 60% of AMI Housing

The minimum 174 Replacement Housing and 60% of AMI Housing units will be developed by SHA, as follows:

- 36 Replacement Housing units, along with 24 60% of AMI Housing units, will be developed on property owned by SHA in Block 2 adjacent to the Steam Plant.
- 68 Replacement Housing units, along with 46 60% of AMI Housing units, will be developed on property owned by SHA in Block 8.

In Phase III, SHA will produce or cause to be produced at least 420 units of housing, including:

- 263 units of Replacement Housing
- 157 units of 60% of AMI Housing

The 420 units of housing will be developed in four projects distributed within the Yesler Terrace Redevelopment Area as required in Section 3.1.3.

6.4 City Contribution

6.4.1 Housing

The City will contribute to Phase II for the purposes set forth in this Agreement an amount not to exceed \$5.22 million for housing development. City funding will be used to support the development of at least 104 Replacement Housing units and 70 60% of AMI Housing units planned for Block 2 and Block 8. Up to \$1.8 million will be made available in 2014 and up to \$3.42 million will be made available in 2017.

The City will contribute to Phase III for the purposes set forth in this Agreement an amount not to exceed \$13 million for housing development. City funding will be used to support the development of at least 195 Replacement Housing units and 130 60% of AMI Housing units and will be made available on the schedule below.

- Up to \$6.0 million will be made available no sooner than 2018 to support development of an estimated 67 Replacement Housing units and 48 60% of AMI units.
- Up to \$3.5 million will be made available no sooner than 2019 to support development of an estimated 64 Replacement Housing units and 41 60% of AMI units.
- Up to \$3.5 million will be made available no sooner than 2020 to support development of an estimated 64 Replacement Housing units and 41 60% of AMI units.

6.4.2 Policies, Terms and Conditions for Housing Funding of Phase II and III

SHA's use and the City's release of housing funds are ~~contingent on award of Choicee Neighborhoods Phase II funding by HUD,~~ and are subject to policies applicable to funds allocated, which may include those in the Seattle Housing Levy Administrative and Financial Plan, the City's Consolidated Plan, Housing Funding Policies adopted by City Council, and federal laws and regulations as amended. The commitment of any funds by the City is not final unless and until the Director of OH approves the terms of funding for a specific project ~~makes a determination to proceed with funding~~ after completion of NEPA environmental review under 24 CFR Part 58. The City shall not be obligated to release or provide any City funds for Phase II or III until SHA delivers a detailed funding application including cost estimates that is reviewed by the City and determined by the OH Director to be in accordance with City funding guidelines. OH may review the SHA funding application separate from the project selection processes established in the Levy Administrative and Financial Plan or Housing Funding Policies.

7. FUTURE CITY CONTRIBUTIONS

Future City contributions, if any, for development beyond Phase II may come from a variety of City funding sources. ~~If future Housing Levy dollars are spent on Yesler Terrace, these funds shall be awarded through the regular Housing Levy Notice of Funding Availability (NOFA) process.~~

9. P-PATCH COMMUNITY GARDENS, TREES, & LANDSCAPE AMENITIES

9.1 P-Patch Community Gardens – required area

At the time of the execution of this ~~a~~Agreement, the MPC-YT zone contains approximately 0.3 acres of land used for food cultivation, including both P-Patch Community Gardens and gardening in private yards. Before the end of redevelopment, SHA will provide, or cause to be provided, no less than 1 acre of P-Patch Community Gardens within the MPC-YT zone, Horiuchi Park, the right-of-way of South Main Street, ~~and/or~~ the right-of-way of 10th Ave S, and/or Washington State Department of Transportation (WSDOT) right-of-way between I-5 and Yesler Terrace. P-Patch Community Gardens located in rights-of-way are subject to approval by SDOT, and in Horiuchi Park or the Neighborhood Park they are subject to approval by Seattle Parks, and urban farming carried out in the WSDOT right-of-way is subject to a lease agreement between SHA and WSDOT. No more than 7,000 square feet of P-Patch Community Gardens and/or urban farming in the WSDOT right-of-way shall count toward the 1 acre of P-Patch Community Gardens. In the event WSDOT terminates the lease or use, SHA will find space within or adjacent to YT-MPC zone to replace the community gardening area.

To count toward the requirements of this Article 9, each space reserved for P-Patch Community Gardens must:

- meet physical requirements for sun, slope, terrain and water access, as determined by the Department of Neighborhoods (DON) P-Patch Community Gardening Program;
- be located on contiguous space large enough to accommodate growing space for at least 15 households in approximately 100 square foot plots;

- provide communal features like paths, tool sheds, composting, and gathering areas; and
- allow access by the general public.

By September 1, 2017, DON and SHA shall develop a Memorandum of Understanding (MOU), or similar agreement, that documents each agency's responsibilities in achieving the 1 acre of P-Patch Community Gardens at the redeveloped Yesler Terrace. This MOU will be based on a shared understanding of the importance of geographic dispersion of community gardens and early planning, and will identify a schedule for regular meetings between agency staff to review redevelopment progress and new opportunities for creating gardening acreage.