

CITY OF SEATTLE

RESOLUTION _____

..title

A RESOLUTION committing to collaborate with the Executive to ensure the transfer of properties that have a mutual and offsetting benefit lease to the organizations currently residing in those facilities no later than March 2019 in circumstances where those organizations have expressed interest in taking ownership of those properties and demonstrated the financial capability of maintaining the facility.

..body

WHEREAS, the non-profit organizations occupying city-owned facilities with mutual and offsetting benefit leases have provided vital services to Seattle for decades; and

WHEREAS, a response from the Department of Finance and Administrative Services to statement of legislative intent 58-1-A-2 in 2013 indicates that the City’s current approach to properties that have a mutual and offsetting benefit (MOB) lease is not sustainable because the existing methodology for calculating cash rent does not cover facility maintenance costs and the non-profits residing in these properties have limited ability to absorb a larger share of rent without needing to reduce services; and

WHEREAS, on October 5, 2016, Seattle’s Office of Housing (OH) determined that the benefits of redeveloping the property at 722 18th Avenue (formerly Fire Station 23) for affordable housing do not outweigh the benefits of having Byrd Barr Place (formerly Centerstone) continue to provide services to the community at that location; and

WHEREAS, for 50 years, Byrd Barr Place has provided essential human services to Seattle residents who are struggling to make ends meet, most of whom live at 150% or more below the federal poverty level; and

WHEREAS, on October 7, 2016, OH determined that mitigating the steep slope on the east side of the property at 500 30th Avenue South (Central Area Senior Center) would make

1 redeveloping the site with affordable housing financially unfeasible and the benefits of
2 having Central Area Senior Center (CASC) continue to serve African-American seniors
3 in the community far outweigh the benefits of redeveloping the site for affordable
4 housing; and

5 WHEREAS, the Central Area Senior Center, founded in 1972, is a nonprofit volunteer-supported
6 resource providing services to support the emotional, social, and physical well-being of
7 older adults and their families; and

8 WHEREAS, on October 9, 2015, OH determined that co-development at the Greenwood Senior
9 Center would not offer meaningful cost savings sufficient to present a more cost-effective
10 option for the development of affordable housing than development on other market-rate
11 sites; and

12 WHEREAS, The Phinney Neighborhood Association's Greenwood Senior Center is a non-profit
13 organization that has been serving older adults and seniors since 1978 and centers an
14 inclusive community that provides social, physical, and educational activities focused
15 around the needs of older adults, as well as works to fight isolation, build camaraderie,
16 and enrich each other's lives; and

17 WHEREAS, on July 15, 2015, Byrd Barr Place received a grant from the Washington
18 Department of Commerce for \$1,455,000 to renovate the building it occupies under the
19 condition that it owns or holds a long-term lease for a minimum of ten years for the
20 property; and

21 WHEREAS, if Byrd Barr Place does not obtain ownership or a long-term lease by June 2019
22 they will lose the \$1,455,000 grant from the Washington Department of Commerce; and

1 WHEREAS, a report prepared by Soul Light and submitted to the Department of Finance and
2 Administrative Services on September 13, 2017 determined that Byrd Barr Place and the
3 Central Area Senior Center meet all documented criteria for receiving the property in
4 which they currently reside and City departments believe these organizations have the
5 capability of managing these properties after their transfer; NOW, THEREFORE,

6 **BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SEATTLE, THE**
7 **MAYOR CONCURRING, THAT:**

8 Section 1. The City Council will collaborate with the Executive to complete transfer of
9 the City-owned properties at 722 18th Avenue, 500 30th Avenue South, and the Greenwood
10 Senior Center with mutual and offsetting benefit (MOB) leases to the non-profit organizations
11 currently residing in those facilities no later than March 31, 2019 as recommended in prior
12 consultant reports to the City of Seattle.

13 Section 2. The City Council will establish, document, and communicate clear criteria and
14 timelines for entering into long-term leases or transferring the remaining properties with MOB
15 leases if the Executive has not taken action regarding these properties by March 31, 2019.

