

The City of Seattle
Ordinance 127462
Council Bill 121237

An ordinance relating to the Seattle Office of Housing (OH); placing acquired real property in the Montlake neighborhood under the jurisdiction of OH; authorizing OH to issue a competitive request for proposals for selection of a preferred developer and to execute and deliver a contract for transfer of land, deed, and related documents to the selected developer; and ratifying and confirming certain prior acts.

Recitals:

Access to surplus publicly owned land for development of affordable housing for income-eligible households at key locations furthers The City of Seattle's fair housing goals and offers cost savings that increase project viability.

As of March 31, 2026 the median home sale price in Seattle was \$804,000 according to Zillow, which is out of reach for low and moderate-income households.

This site offers an opportunity to create affordable homeownership opportunities for low and moderate-income households in a high opportunity neighborhood.

Surplus real property in Seattle's Montlake neighborhood (Montlake Homes Site) is currently owned by Washington State Department of Transportation (WSDOT) to support the construction efforts for SR 520.

Now that such construction is complete, the land is vacant, and WSDOT seeks to sell

and transfer the surplus property in accordance with Washington State

Legislature budget provisos in Engrossed Substitute House Bill 2134, subsection

304(21)(b) (Chapter 310, Laws of 2024), and Substitute Senate Bill 6003,

Section 1033 (Chapter 259, Laws of 2026).

The Washington State Legislature has appropriated \$6,050,000 to fund the Office of

Housing's acquisition of the Montlake Homes Site from WSDOT for development

of permanently affordable homeownership.

Therefore,

Be it ordained by The City of Seattle as follows:

Section 1. The Director of the Seattle Office of Housing or designee (Director) is authorized to execute such documents as deemed necessary for The City of Seattle to purchase the Montlake Homes Site, as described in the legal description attached to this ordinance as Exhibit A, from the Washington Department of Transportation (WSDOT), together with all rights, privileges, and other property pertaining thereto and to pay any additional costs or fees related to such conveyance.

Section 2. The Director is authorized on behalf of the City of Seattle to pay an amount not to exceed \$6,050,000 to WSDOT and in exchange to accept from WSDOT a deed transferring the Montlake Homes Site to The City of Seattle.

Section 3. Upon acquisition by The City of Seattle, the Montlake Homes Site shall be under the jurisdiction of the Seattle Office of Housing (OH).

Section 4. The Director is authorized to conduct a competitive process to select a preferred development organization to develop the project, which shall include at least

50 permanently affordable homes on the Montlake Homes Site. Thereafter, the Director is authorized to negotiate and execute a property transfer agreement between OH and the selected development organization or, if approved by OH, the organization's designee or assignee (Developer) and any ancillary documents required to accomplish the transfer of ownership to the Developer, on the terms and subject to the conditions authorized in this ordinance, including those found in the Montlake Homes Request for Proposals Term Sheet, attached to this ordinance as Exhibit B.

Section 5. The Director is authorized to execute such other documents and to undertake all necessary actions and obligations necessary for development of permanently affordable homes on the Montlake Homes Site.

Section 6. The Director shall provide a summary of the selected proposal to the Chair of the Housing, Arts and Civil Rights Committee, or successor committee, once the competitive process is complete. The summary should identify the developer(s), number and size of units, and affordability levels of units.

Section 7. Any act consistent with the authority of this ordinance taken after its passage and prior to its effective date is ratified and confirmed.

Attachments:

Exhibit A – Montlake Homes Site Full Legal Description

Exhibit B – Montlake Homes Request for Proposals Term Sheet

This ordinance shall take effect as provided by Seattle Municipal Code Sections
1.04.020 and 1.04.070.

Passed by the City Council and signed in open session in authentication of its
passage on June 30, 2026.



President _____ of the City Council

Approved _____ on July 8, 2026.



Katie B. Wilson, Mayor

Attested on July 8, 2026.



Scheereen Dedman, City Clerk

Seal

Exhibit A – Montlake Homes Site Full Legal Description

Commencing at a point opposite Highway Engineer's Station (hereinafter referred to as HES) 60+58.85 on the SR 520 line survey of SR 520, SR 5 interchange vicinity to Montlake interchange vicinity and 355.11 feet southeasterly therefrom;

Thence southeasterly to a point opposite HES 60+73.20 on said line survey and 364.59 feet southeasterly therefrom, said point being the point of beginning for the tract of land herein being conveyed;

Thence southeasterly to a point opposite HES 61+37.82 on said line survey and 407.28 feet southeasterly therefrom;

Thence easterly to a point opposite HES 62+63.34 on said line survey and 455.44 feet southeasterly therefrom;

Thence northerly to a point opposite HES 63+49.67 on said line survey and 347.85 feet southeasterly therefrom;

Thence northwesterly to a point opposite HES 63+00 on said line survey and 315.94 feet southeasterly therefrom;

Thence northwesterly to a point opposite HES 62+73 on said line survey and 292.47 feet southeasterly therefrom;

Thence westerly to a point opposite HES 62+40 on said line survey and 280.40 feet southeasterly therefrom;

Thence southwesterly to a point opposite HES 61+80 on said line survey and 300.66 feet southeasterly therefrom;

Thence southwesterly to the point of beginning.

Exhibit B – Montlake Homes Request for Proposals Term Sheet

TRANSFER OF PROPERTY FROM THE CITY OF SEATTLE (“City”) TO
SELECTED DEVELOPER OR ITS DESIGNEE OR ASSIGNEE (“Transferee”)

This term sheet describes the basic terms of the proposed transfer of property between Transferee and City. The Agreement will include the following terms:

1. Transfer. Any transfer of the property shall be by Quit Claim Deed following a competitive Request for Proposals process.
2. Consideration. In consideration for the City transferring the Property to Transferee, Transferee shall agree to construct or cause to be constructed at the Property improvements substantially as described in those plans and specifications submitted by Developer to the Office of Housing, which improvements shall include a minimum number of 50 housing units to be for sale and affordable to households with incomes at the time of sale of 80% or less of the area median income (AMI), as defined by The City of Seattle’s Office of Housing. The City will give priority to proposals that include a substantial number of family sized units. The selected proposal should also adequately address how it will mitigate environmental impacts and address pedestrian safety given the site’s proximity to State Route 520, including onramps and offramps, and other busy arterials.
3. Conditions precedent to the City’s obligation to transfer the property:
 - a. Transferee shall have obtained approval from the Director of the Office of Housing (Director) of the final plan set and development budget including projected sales prices.
 - b. Transferee shall have obtained permits for the development of the Property consistent with the designs approved by the Office of Housing.
 - c. Transferee shall have provided evidence satisfactory to the Office of Housing that Transferee has secured all necessary construction financing to fund the construction of the Project.

4. Other conditions.
 - a. The Agreement may contain other conditions determined by the Director to be necessary to provide the desired outcomes.
 - b. Upon transfer of title to the property, the Office of Housing shall require the transferee to accept the property “as-is, where-is, with all faults” and to release, indemnify, and hold the City harmless from any future claims regarding the condition of the property, including but not limited to any and all claims related to environmental conditions.
 - c. Transferee shall record a covenant in favor of the City requiring at least a 50-year covenant preserving the affordable housing units built on the Property as resale-restricted affordable homes. As such, all home sales shall only be to households with incomes at or below 80% of AMI at affordable prices for a period of no less than 50 years.