

**CITY OF SEATTLE**  
**ORDINANCE** 126961  
COUNCIL BILL 120714

AN ORDINANCE relating to the transfer of City real property for housing development; amending Ordinance 124917 to transfer jurisdiction of the former Dumar Substation, 1605 SW Holden Street, to the Office of Housing for the purpose of developing permanently affordable homeownership; authorizing the Director of the Office of Housing or the Director’s designee (“Director”) to issue a request for proposals and to select a developer and thereafter to execute and deliver a contract for transfer of land, deed, and related documents; and ratifying and confirming certain prior acts.

WHEREAS, in Ordinance 124917, The City of Seattle (“City”) declared the former Dumar Substation located at 1605 SW Holden Street (legally described below, the “Property”), as surplus; and

WHEREAS, local community members, including the Highland Park Action Committee (HPAC) have been advocating for the development of the Property for almost a decade, and support affordable housing being built on this site as well as having an activated ground-floor commercial space; and

WHEREAS, access to publicly owned land for use as affordable housing at key locations furthers the City’s fair housing goals and offers cost savings that increase project viability; and

WHEREAS, RCW 39.33.015 authorizes a transfer of property for affordable housing on mutually agreeable terms and conditions; and

WHEREAS, the Office of Housing and the City Light Department have agreed to a transfer of jurisdiction of the Property to the Office of Housing for permanently affordable homeownership and other purposes as well as financial consideration of \$424,000; and

1 WHEREAS, the Office of Housing has experience conducting a competitive process for surplus  
2 City property for permanently affordable homeownership and thereafter ensuring the  
3 successful development of such housing; and

4 WHEREAS, the Office of Housing is prepared to complete the competitive process in the next  
5 six months and thereafter to diligently work with the selected developer to ensure project  
6 completion; NOW, THEREFORE,

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

8 Section 1. The Property is located at 1605 SW Holden Street, Seattle, WA 98106, and is  
9 legally described as follows:

10 Lots 1 and 2, Block 9, Dumar Division No 2, according to the plat thereof recorded in  
11 Volume 23 of Plats, Page 9, records of King County, Washington;

12 Except that portion thereof described in Ordinance 104519 as follows:

13 Beginning at the Southeast corner of said Lot 2; thence North 00°17'11" East along the  
14 East line of said Lots 80.01 feet to the Northeast corner of said Lot 1; thence North  
15 89°49'58" West along the North line of said Lot 1 a distance of 28.02 feet to a point of  
16 curve; thence Southeasterly along a curve to the right, having a radius of 14 feet, an arc  
17 distance of 21.46 feet to a point of tangency; thence South 02°00'21" East 66.58 feet to  
18 the South line of said Lot 2; thence South 89°49'56" East along said South line 11.34 feet  
19 to the beginning; together with all covenants conditions and restrictions of record.

20 (KC Tax Parcel No. 211320-0005; SCL PM No. 240325-4-301)

21 Section 2. Section 8 of Ordinance 124917 is amended as follows:

22 Section 8. Two years from the effective date of this ordinance, the CEO or the  
23 CEO's designee is authorized to offer the Former Dakota ~~((and Dumar Substation  
24 properties))~~ property, as described in Section 1, for sale for fair market value by  
25 negotiated sale or through a brokered sale to be managed by the City's Department of  
26 Finance and Administrative Services, and to accept the best offer for the property.

1           Section 3. Jurisdiction over the Property is hereby transferred from the City Light  
2 Department to the Office of Housing upon the effective date of this ordinance and payment of  
3 \$424,000 by the Office of Housing to the City Light Department for the purpose of developing  
4 permanently affordable homeownership for low-income households at or below 80 percent of the  
5 area median income.

6           Section 4. The Director of the Office of Housing or the Director’s designee (“Director”)  
7 is authorized to conduct a competitive process for development of the Property for permanently  
8 affordable homeownership and other purposes, which may include commercial space.  
9 Thereafter, the Director is authorized to negotiate a property transfer agreement (“Agreement”)  
10 and any ancillary documents to accomplish the transfer of ownership of the Property to the  
11 selected developer (“Developer”), or with a designee or assignee of the Developer approved by  
12 the Director, on the terms and subject to the conditions authorized in this ordinance. The Director  
13 is also authorized to make amendments to the legal description in Section 1 of this ordinance as  
14 may be necessary to correct scrivener’s errors or to conform the legal description to the precise  
15 boundaries of the Property.

16           Section 5. The Agreement shall reflect the provisions included in the Term Sheet attached  
17 to this ordinance as Attachment A, and shall require a certain minimum of housing units to be  
18 developed, as determined by the Director to be feasible, for sale and affordable to households  
19 with incomes at the time of sale of 80 percent or less of the area median income, with such  
20 revisions and additions as the Director may determine are reasonably necessary to carry out the  
21 intent of this ordinance.

1           Section 6. The housing units, together with any additional improvements to be developed  
2 on the Property with the approval of the Director and all necessary regulatory approvals, are  
3 referred to in this ordinance as the “Project.”

4           Section 7. The Director is authorized to execute and deliver such additional documents,  
5 which may include amendments to the Agreement and related covenants, and to take such other  
6 actions as may be necessary or appropriate to implement the intent of this ordinance and  
7 development of the Project, and to administer and enforce the Agreement, covenants, and any  
8 other such documents that the Director deems appropriate to implement the intent of this  
9 ordinance and development of the Project. The authority given to the Director in this ordinance  
10 may be delegated to and exercised by the Director’s designee.

11           Section 8. Upon transfer of title to the Property, the Director shall require the transferee  
12 to accept the Property “as-is, where-is, with all faults” and to release, indemnify, and hold the  
13 City harmless from any future claims regarding the condition of the Property, including but not  
14 limited to any and all claims related to environmental conditions.

15           Section 9. Any act consistent with the authority of this ordinance taken after its passage  
16 and prior to its effective date is ratified and confirmed.

1 Section 10. 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 5th day of December, 2023,  
5 and signed by me in open session in authentication of its passage this 5th day of  
6 December, 2023.

7 

8 President Pro Tem of the City Council

9  Approved /  returned unsigned /  vetoed this 18th day of December, 2023.

10 

11 Bruce A. Harrell, Mayor

12 Filed by me this 18th day of December, 2023.

13 

14 Scheereen Dedman, City Clerk

15 (Seal)

16 Attachments:

17 Attachment A – Term Sheet: Transfer of Property from The City of Seattle (“City”) to Selected  
18 Developer or Its Designee or Assignee (“Transferee”)

## **Attachment A: 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.
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 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 minimum number of affordable housing units shall be determined by the Director in her discretion based on what she determines to be financially and otherwise feasible at the Property.
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 convey to the City 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.