



SEATTLE CITY COUNCIL

Legislative Summary

CB 119641

Record No.: CB 119641

Type: Ordinance (Ord)

Status: Passed

Version: 1

Ord. no: Ord 125931

In Control: City Clerk

File Created: 09/04/2019

Final Action: 09/25/2019

Title: AN ORDINANCE relating to property at Sand Point; authorizing an amendment to the Amended and Restated Lease between Sand Point Community Connections LLC and the City authorized by Ordinance 122459, as amended by Ordinance 123195 and Ordinance 125366; removing one parcel from that lease; authorizing the Director of Housing to grant a new lease of the removed parcel; and authorizing related agreements and actions to support the development of cottages for the homeless on that parcel..

Date

Notes:

Filed with City Clerk:

Mayor's Signature:

Sponsors: Bagshaw

Vetoed by Mayor:

Veto Overridden:

Veto Sustained:

Attachments: Att 1 - Term Sheet

Drafter: adam.schaefer@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	09/04/2019	Mayor's leg transmitted to Council	City Clerk			
1	City Clerk	09/05/2019	sent for review	Council President's Office			
1	Council President's Office	09/06/2019	sent for review	Finance and Neighborhoods Committee			
Action Text: The Council Bill (CB) was sent for review. to the Finance and Neighborhoods Committee							
1	City Council	09/09/2019	referred	Finance and Neighborhoods Committee			

Legislative Summary Continued (CB 119641)

- | | | | | | |
|---|---|------------|------------------------|------------|------|
| 1 | Finance and
Neighborhoods
Committee | 09/11/2019 | pass | | Pass |
| | Action Text: The Committee recommends that City Council pass the Council Bill (CB).
In Favor: 3 Chair Bagshaw, Vice Chair González , Mosqueda
Opposed: 0 | | | | |
| 1 | City Council | 09/16/2019 | passed | | Pass |
| | Action Text: The Council Bill (CB) was passed by the following vote, and the President signed the Bill:
In Favor: 8 Councilmember Bagshaw, Councilmember González , Council
President Harrell, Councilmember Juarez, Councilmember Mosqueda,
Councilmember O'Brien, Councilmember Pacheco, Councilmember
Sawant
Opposed: 0
Absent(NV): 1 Councilmember Herbold | | | | |
| 1 | City Clerk | 09/18/2019 | submitted for | Mayor | |
| | Mayor's signature | | | | |
| 1 | Mayor | 09/24/2019 | Signed | | |
| | Action Text: The Council Bill (CB) was Signed. | | | | |
| 1 | Mayor | 09/25/2019 | returned | City Clerk | |
| | Action Text: The Council Bill (CB) was returned. to the City Clerk | | | | |
| 1 | City Clerk | 09/25/2019 | attested by City Clerk | | |
| | Action Text: The Ordinance (Ord) was attested by City Clerk. | | | | |
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CITY OF SEATTLE

ORDINANCE 125931

COUNCIL BILL 119641

AN ORDINANCE relating to property at Sand Point; authorizing an amendment to the Amended and Restated Lease between Sand Point Community Connections LLC and the City authorized by Ordinance 122459, as amended by Ordinance 123195 and Ordinance 125366; removing one parcel from that lease; authorizing the Director of Housing to grant a new lease of the removed parcel; and authorizing related agreements and actions to support the development of cottages for the homeless on that parcel.

WHEREAS, Ordinance 122459, passed August 13, 2007, authorized the Director of Housing to execute an Amended and Restated Lease ("Lease") between Sand Point Community Connections LLC ("SPCC") and The City of Seattle for several parcels of property at Sand Point acquired from the United States Navy for the purpose of providing housing and services to the homeless; and

WHEREAS, the Low Income Housing Institute ("LIHI") has proposed, in order to facilitate the development and financing of cottages for the homeless on Sand Point Parcel 9, that the Lease be amended to remove Parcel 9 and that the City grant a separate lease of that parcel to LIHI; NOW, THEREFORE,

BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:

Section 1. The Director of Housing or his or her designee ("Director") is authorized to execute, deliver, acknowledge, accept, record, perform, enforce and administer on behalf of the City an amendment and partial termination of the Lease to remove parcel number 240950-0021, otherwise known as Sand Point Parcel 9, from the Lease between the City and Sand Point Community Connections LLC. The Director, and his or her respective designees shall have the same authority with respect to the Lease, as so amended, as was granted to the Director, and his

1 or her respective designees with respect to the Lease by Ordinance 122459, as amended, in
2 addition to any other authority granted by this ordinance or otherwise by ordinance.

3 Section 2. The Director is authorized to execute, deliver, acknowledge, accept, record,
4 amend, perform, enforce and administer on behalf of the City a new Ground Lease of Sand Point
5 Parcel 9, parcel number 240950-0021, to LIHI (or a subsidiary or affiliate of LIHI), consistent
6 with the Term Sheet attached to this ordinance as Attachment 1. The Director, and his or her
7 respective designees, shall have the same authority with respect to any lease authorized in this
8 section as granted to the Director, and his or her respective designees with respect to the Lease
9 by Ordinance 122459, in addition to any other authority granted by this ordinance or otherwise
10 by ordinance.

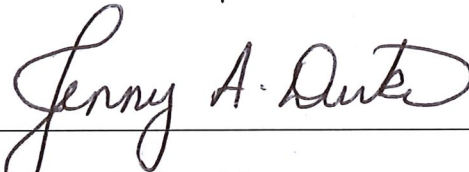
1 Section 3. This ordinance shall take effect and be in force 30 days after its approval by
2 the Mayor, but if not approved and returned by the Mayor within ten days after presentation, it
3 shall take effect as provided by Seattle Municipal Code Section 1.04.020.

4 Passed by the City Council the 10th day of September, 2019,
5 and signed by me in open session in authentication of its passage this 10th day of
6 September, 2019.

7 

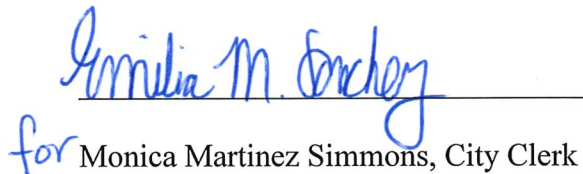
8 President _____ of the City Council

9 Approved by me this 24th day of September, 2019.

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11 Jenny A. Durkan, Mayor

12 Filed by me this 25th day of September, 2019.

13 
14 for Monica Martinez Simmons, City Clerk

15 (Seal)
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20 Attachments:

21 Attachment 1 –Term Sheet – Lease of Property from the City of Seattle to Low Income Housing
22 Institute or Its Subsidiary

Attachment 1: Term Sheet

LEASE OF PROPERTY FROM THE CITY OF SEATTLE TO LOW INCOME HOUSING INSTITUTE OR ITS SUBSIDIARY

This term sheet describes the basic terms of the proposed lease of certain real property commonly known as Parcel 9 at 6343 NE 65th Street, Seattle, WA (the "Property") between Low Income Housing Institute (LIHI), a Washington nonprofit corporation or its wholly owned subsidiary SP Cottages LLC, a Washington limited liability company (collectively, the "Lessee") and The City of Seattle, a Washington municipal corporation acting by and through its Office of Housing (the "City"). The Agreement will include the following terms:

1. Lease. The lease of the Property shall be by a long-term ground lease between the City of Seattle and LIHI or its subsidiary. The initial term of the lease will be for 30 years. Lessee will have 3 options to renew the term for 10 years each, provided that Lessee is not in default under the Lease and the cottages continue to be in good and habitable condition at the time of each renewal.
2. Consideration. In consideration for the City leasing the Property to Lessee, Lessee shall agree to construct or cause to be constructed within the Property improvements substantially as described in those plans and specifications prepared by Karen DeLucas Architecture under Master Use Permit No. _____, which improvements shall be a common building and 20-25 studio and one-bedroom cottages (the "Project"), all of which will be for rent to homeless households, as defined by the City's Office of Housing.
3. Conditions precedent to the City's obligation to lease the property:
 - a. Lessee shall have been awarded an Innovative Methods to Address Homelessness in King County grant from the Washington State Department of Commerce (the "State") for construction and operation of the Project.
 - b. Lessee shall have implemented the community engagement plan for the Project.
 - c. Lessee shall have provided evidence or assurances satisfactory to the Office of Housing that Lessee has secured all necessary construction financing to fund the construction of the Project.
4. Other conditions.
 - a. In carrying out the Project, Lessee shall satisfy the State's due diligence and other requirements of the State's Innovative Methods grant.
 - b. The lease will contain other reasonable and mutually agreed conditions determined by the Director to be necessary to provide the desired outcomes.
 - c. The lease shall be subject to all easements, agreements and covenants of record, including any requirements in the property deed from the US Navy to the City.
 - d. Reverter Clause. If property ceases to be used for homeless housing, property shall revert to the City for use at City's sole discretion.

- e. The rights and obligations of the current lessee of the property, Sand Point Community Connections LLC, under that certain Memorandum of Agreement between Seattle Public Utilities and Sand Point Community Connections LLC Concerning the Windermere CSO Storage Facility Siting and Magnuson Park Parcel 9 dated October 19, 2010 and recorded in the records of King County under recording number 20110110001096, shall be assigned to and assumed by Lessee.
- f. Lessee shall obtain approval from the State of the final plan set and development budget including projected rental and operating costs.
- g. Lessee shall obtain permits for the development of the Property consistent with the designs approved by the State.