



Legislation Text

File #: CB 120703, Version: 1

CITY OF SEATTLE

ORDINANCE _____

COUNCIL BILL _____

AN ORDINANCE relating to affordable housing; amending Ordinance 126258 to authorize forgiveness of a loan to Community Roots Housing.

WHEREAS, the City made a loan in the principal amount of \$1,000,000 to Community Roots Housing pursuant to Ordinance 126258 to mitigate the financial impacts of COVID-19; and

WHEREAS, the financial impacts of COVID-19 impaired Community Roots Housing's ability to repay the loan; and

WHEREAS, forgiveness of the loan may improve Community Roots Housing's ability to actively develop, operate and maintain affordable housing in Seattle; NOW, THEREFORE,

BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:

Section 1. Section 2 of Ordinance 126258 is amended as follows:

Section 2. The principal amount of the Loan shall be payable in installments upon the earlier of (i) the loan schedule included in the promissory note and loan agreement (collectively, the "Loan Documents"); or (ii) demand by the City. If the Loan principal has not been fully repaid by the maturity date defined in the Loan Documents due to ongoing financial conditions that create a hardship for Community Roots Housing to successfully complete payments on the installments, the OH Director is authorized to extend the term for an additional period of up to three years in the OH Director's reasonable discretion. The Loan shall bear interest at the rate of the City's internal rate of borrowing; however, the interest expense shall be borne by the City and shall not be payable by Community Roots

Housing. The principal balance outstanding on the Loan at any time shall not exceed \$1,000,000.

Principal payments shall be deposited in the General Fund via Finance General and may not be lent again in any amount exceeding an aggregate total of \$1,000,000 without Council approval. Other terms and conditions of the Loan not described in this ordinance shall be negotiated by the OH Director and Community Roots Housing. The OH Director is further authorized to forgive the Loan, including both principal and interest, due to ongoing financial conditions that create a hardship for Community Roots Housing, provided that the OH Director in the Director’s discretion determines that forgiveness of the Loan will improve Community Roots Housing’s ability to actively develop, operate, and maintain affordable housing in Seattle.

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

Passed by the City Council the _____ day of _____, 2023, and signed by me in open session in authentication of its passage this _____ day of _____, 2023.

President _____ of the City Council

Approved / returned unsigned / vetoed this _____ day of _____, 2023.

Bruce A. Harrell, Mayor

Filed by me this _____ day of _____, 2023.

Scheereen Dedman, City Clerk

(Seal)