

Ordinance No. 121946

Council Bill No. 115395

AN ORDINANCE relating to the transfer of City real property; authorizing the transfer of 1321 26th Avenue South to Habitat for Humanity of Seattle/South King County or its designee; authorizing the Director of the Office of Housing to execute, deliver, and administer the contract for transfer of land, deed and related documents; and ratifying and confirming prior acts.

CF No. _____

Date Introduced:	SEP 19 2005	
Date 1st Referred:	To: (committee)	Housing, Human Services & Health
SEP 19 2005		
Date Re - Referred:	To: (committee)	
Date Re - Referred:	To: (committee)	
Date of Final Passage:	Full Council Vote:	
9-26-05	9-0	
Date Presented to Mayor:	Date Approved:	
9-27-05	10/3/05	
Date Returned to City Clerk:	Date Published:	T.O. <input checked="" type="checkbox"/> F.T. <input type="checkbox"/>
10/3/05	499 <i>[Signature]</i>	
Date Vetoed by Mayor:	Date Veto Published:	
Date Passed Over Veto:	Veto Sustained:	

The City of Seattle - Legislative Department

Council Bill/Ordinance sponsored by: _____

Councilmember

Committee Action:

9/20/05 ⁽²⁾ passed AS Amended 2-0 TR, PS
9-26-05 Passed 9-0

This file is complete and ready for presentation to Full Council. Committee: _____ (Initial/date)

Law Department

Law Dept. Review

OMP Review

[Signature]
City Clerk Review

[Signature]
Electronic Copy Loaded

Indexed

ORDINANCE 121946

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3 AN ORDINANCE relating to the transfer of City real property; authorizing the transfer of 1321
4 26th Avenue South to Habitat for Humanity of Seattle/South King County or its designee;
5 authorizing the Director of the Office of Housing to execute, deliver, and administer the
6 contract for transfer of land, deed and related documents; and ratifying and confirming
7 prior acts.

8
9 WHEREAS, by Ordinance 116516, amended by Ordinance 119313, the City Council authorized
10 the City to enter into a Land Transfer Agreement to purchase certain improved and
11 unimproved real property in the I-90 corridor from the State of Washington, which Land
12 Transfer Agreement was executed on May 5, 1993 and subsequently amended, and
13 further authorized issuance to the State of promissory notes of the City for the deferred
14 portion of the purchase price of each improved parcel; and

15
16 WHEREAS, by Resolution 27901, City Council approved the I-90 Area Development Policies as
17 the basic City policy governing the development of surplus publicly-owned land in the I-
18 90 corridor, and such policies were amended on December 11, 1995, by Resolution
19 29258; and

20
21 WHEREAS, these policies promote use of I-90 properties for homeownership; and

22
23 WHEREAS, Habitat for Humanity of Seattle/South King County ("Habitat") desires to acquire
24 1321 26th Ave. South to facilitate construction of new homes for sale to low-income
25 homebuyers, and

26
27 WHEREAS, the Director of the Office of Housing has recommended that the property located at
28 1321 26th Avenue South be transferred to Habitat;

NOW, THEREFORE,

BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:

Section 1. The Director of the Office of Housing ("Director") is authorized to enter into
and perform an agreement ("Agreement") with Habitat for Humanity of Seattle/South King
County ("Habitat") or to a designee of Habitat approved by the Director (Habitat and any
approved designee, and any assignee of the Agreement approved by the Director, are referred to
as "Transferee"), for the transfer of the property legally described as:



1 Parcel tax number: 1285300105 - 1321 26th Avenue South

2 Legal description: Lots 17 and 18 in Block 2 of Cable Line Addition to the City of
3 Seattle, as per plat recorded in Volume 3, of Plats, page 13, records of King County;
4 together with that portion of the South 15 feet of South Wadsworth Place adjoining said
5 premises, vacated by Ordinance No. 33195; Situate in the City of Seattle, County of King,
6 State of Washington.

7 (the "Property") on the terms and subject to the conditions authorized in this ordinance. The
8 Agreement shall reflect the provisions included in the Term Sheet attached to this ordinance as
9 Attachment A, with such revisions and additions, not inconsistent with the express terms of this
10 ordinance or with applicable law, as the Director may determine are reasonably necessary to
11 carry out the intent of this ordinance. Upon transfer of the Property Transferee shall sign and
12 deliver to the City a promissory note ("Note") in the amount of \$270,000 secured by a deed of
13 trust on the Property, in accordance with the Agreement. The terms of the Note shall be
14 substantially as set forth in Attachment A except as they may be modified by written agreement
15 based on a determination by the Director that, after review of the Transferee's development plans
16 and the reasonable costs of developing the housing and maintaining long-term affordability; the
17 terms in Attachment A are or may be more favorable than reasonably required in order for
18 Transferee to provide and maintain long-term affordable housing at the income levels established
19 under commitments to the City. In order to carry out the Agreement for and on behalf of the
20 City, the Director is authorized to execute a deed for the Property, the form of which is
21 substantially shown on Attachment B, and upon satisfaction of the conditions precedent under
22 the Agreement, except for any that may be waived in writing by the Director, the Director is
23 authorized to cause the deed to be recorded and delivered to the Transferee. The Director is
24 authorized to execute, deliver, accept, record, modify, enforce and administer such other
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1 documents, which may include amendments and extensions to the Agreement, and take such
2 other actions, as she shall deem necessary or advisable to implement the purpose of this
3 ordinance.

4 Section 2. The Agreement shall require Transferee to use diligent efforts to pursue design
5 work, financing applications, environmental reports, permit applications and all other steps
6 necessary to construct and permanently finance improvements on the Property as described in
7 Section 3 of this ordinance. All such efforts of Transferee shall be at its own expense and risk.
8 The Agreement may provide interim deadlines as deemed appropriate by the Director, which may
9 be extended in the discretion of the Director. The Agreement shall terminate if the conditions to
10 transfer of the Property by the City are not satisfied within two (2) years of the effective date of
11 this ordinance, except that extensions may be granted by the Director if in her judgment an
12 extension furthers the City's objectives.

13 Section 3. The improvements to be developed on the Property are to include the
14 maximum number of houses that regulations allow to be constructed on the Property, for initial
15 sale to households with income at or below 80% of median family income, as defined in the
16 Agreement, with sale prices affordable to such households as determined in the Agreement.
17 Future sale prices shall be restricted to maintain affordability to low-income households, as
18 defined in the Agreement.

19 Section 4. The disposition procedures in the I-90 Area Development Policies, as adopted
20 in Resolution 27901 and amended in Resolution 29258, and provisions of such Policies with
21 respect to intended or preferred uses or development, shall be waived with respect to the transfer
22 of the Property to Transferee.



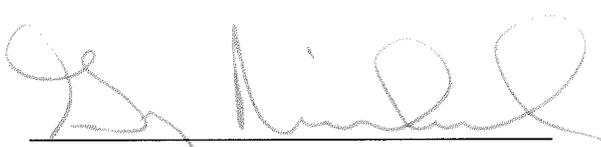
1 Section 5. Any act pursuant to the authority and prior to the effective date of this
2 ordinance is hereby ratified and confirmed.

3 Section 6. This ordinance shall take effect and be in force thirty (30) days from and after
4 its approval by the Mayor, but if not approved and returned by the Mayor within ten (10) days
5 after presentation, it shall take effect as provided by Municipal Code Section 1.04.020.
6

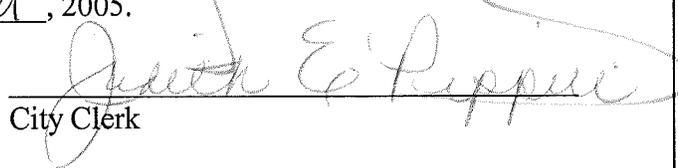
7 Passed by the City Council the 26th day of September, 2005, and signed by me in open
8 session in authentication of its passage this 26th day of September, 2005.

9 
10 President _____ of the City Council

11 Approved by me this 3rd day of October, 2005.

12 
13 _____
14 Gregory J. Nickels, Mayor

15 Filed by me this 3rd day of October, 2005.

16 
17 _____
18 City Clerk

19 (Seal)

20 Attachment A: Term Sheet
21 Attachment B: Form of Quitclaim Deed
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ATTACHMENT A: TERM SHEET

TRANSFER OF I-90 SURPLUS PROPERTY FROM THE CITY OF SEATTLE (hereafter
"City")
TO HABITAT FOR HUMANITY of SEATTLE/SOUTH KING COUNTY OR ITS DESIGNEE
(anticipated to be Homestead Community Land Trust) (hereafter "Transferee")

This term sheet describes the basic terms of the proposed transfer of I-90 property between Transferee (anticipated to be Homestead Community Land Trust) and City. Any binding commitment by the City to transfer the property will be made only after City Council approval by ordinance and upon signing of a definitive agreement (the "Agreement"). The Agreement is intended to include the following terms:

1. **Transfer.** City shall transfer to Transferee, anticipated to be Homestead Community Land Trust (HCLT), certain real property located in the City of Seattle, commonly known as 1321 26th Avenue South ("Property").
2. **Price; Security.** The transfer shall be for a stated price of \$270,000. However, no payment will be due as long as the land portion of the Property is held by a nonprofit dedicated to maintaining homeownership for low-income buyers, and such nonprofit continues leasing land to low-income buyers of improvements on terms designed to maintain affordability as set forth in the Agreement. Transferee shall sign a non-recourse promissory note, with no fixed due date in the amount of \$270,000 secured by a first deed of trust on the Property, with 3% simple interest accruing annually. The City shall have the right to call the balance of principal and interest due under circumstances outlined in the Agreement.
3. **Development Plan:**
 - a) The Agreement shall require Habitat for Humanity of Seattle/South King County (Habitat) to use diligent efforts to pursue design work, financing applications, environmental reports, permit applications and all other steps necessary to construct and permanently finance improvements on the Property as described in Section 3 of the ordinance authorizing the Agreement. All such efforts of Habitat shall be at its own expense and risk. Habitat shall secure required permits to demolish the existing house on the property and proceed with demolition as rapidly as possible after execution of the Agreement.
 - b) Habitat intends to construct the maximum number of houses permitted by land use code regulations. Habitat shall seek required approval to subdivide the property or shall pursue a lot boundary adjustment, in either case to permit construction of 2 houses.
 - c) Upon completion of construction, Habitat shall sell the house(s) to qualified low-income buyer(s) with income at time of closing (purchase) at or below 80% of median family income.
 - d) Habitat intends to assign its rights under the Agreement to HCLT, or another nonprofit entity subject to City approval, that will continue ownership of the land. That entity shall lease the land to the homebuyer(s) on terms approved by the City. The lease shall



contain resale restrictions designed to allow improvements to be sold to households with income at or below 80% of median family income.

4. Conditions precedent to construction and closing:

- a) Habitat and HCLT shall provide detailed description of roles and responsibilities of entities that will be involved in construction, identifying and qualifying homebuyers, and land ownership. Habitat and HCLT will also provide development timeline, construction and take-out financing structure, development budgets, draft documents to be used relating to land lease and sale of improvements, and any other materials or documents requested by the City that describe how the house(s) will remain affordable to initial and subsequent low-income homebuyers. Requested descriptions, information, and documents shall be provided at least 30 days prior to demolition or start of any aspect of construction. All such descriptions, documents and entities must be acceptable to the City in its discretion. City approval is required prior to demolition or start of any aspect of construction.
- b) Prior to City approval identified in paragraph "a" above, Habitat may begin, at its sole expense, all regulatory processes required to determine the maximum number of houses that can be constructed on the property.
- c) Following City approval, Habitat shall demolish the existing structures and prepare the property for development at Habitat's sole expense.
- d) Habitat shall complete construction of the maximum number of houses permitted at its sole expense. Habitat shall be the owner of improvements constructed on the Property.
- e) Habitat shall identify qualified home buyers for the house(s) constructed .
- f) Habitat shall complete any agreements needed with the nonprofit entity that will assume ownership of the Property, anticipated to be HCLT. Habitat shall propose assignment to a nonprofit, anticipated to be HCLT, for City approval prior to closing of the transfer.
- g) Habitat and HCLT shall provide all final land lease and loan documents relating to sale to homebuyers to City for approval prior to closing of the transfer to Transferee.

5. Development Schedule.

- ❖ One year following the effective date of the ordinance, Habitat shall have secured all required approvals to begin construction.
- ❖ Two years following the effective date of the ordinance, Habitat and HCLT shall have completed construction and closing of the transfer of the Property to Transferee shall have occurred.

Habitat and HCLT may request extensions of either of the above dates by submitting a request to the City's Director of the Office of Housing.

- 6. Transfer of Title / Closing/Possession.** Closing shall take place on such date as the Transferee may specify in a written notice to the City, delivered to the City at least 10 days in advance of the closing date specified in the written notice, but such notice may be given only after satisfaction of all conditions to closing. Title shall be conveyed by Quit Claim Deed. Possession of the Property shall transfer to Habitat upon execution of the Agreement. After transfer of possession Habitat shall have all risk of loss and shall indemnify and hold



harmless the City from any liability in connection with the possession, development or maintenance of the Property. During the period of time between transfer of possession and closing, Habitat shall maintain insurance against any such liability, in amounts and with coverages satisfactory to the City, with the City named as additional insured. Upon transfer of possession Habitat shall be responsible for all taxes and other governmental charges, utilities, repairs and maintenance of the Property. After closing, HCLT (if designated Transferee) will assure that the property is continuously insured against liability, in amounts and with coverages satisfactory to the City, with the City named as additional insured.

7. **Other conditions.**

- ❖ Agreement will contain other conditions determined by the City's Director of the Office of Housing to be necessary to provide desired outcomes.
- ❖ The transfer to Transferee shall be "AS IS," without any warranty as to any matters related to the condition of the premises, including without limitation the presence of any hazardous materials or underground tanks, or any other environmental matters.

8. **Expenses.** Transferee shall pay all costs of closing the transfer, including without limitation escrow fees and recording charges, and shall pay for any title insurance policy desired by Transferee.



Attachment B: Form of Quitclaim Deed

After recording, return to:
Seattle Office of Housing
700 Fifth Avenue, Suite 5700
Seattle, WA 981124-4725
Attn: Rick Hooper

QUITCLAIM DEED SUBJECT TO CONDITION SUBSEQUENT / POWER OF TERMINATION, with GRANTEE's COVENANTS, RELEASES AND INDEMNITY

Reference number of related documents: N/A

Grantor: The City of Seattle

Grantee: [HABITAT FOR HUMANITY OF SEATTLE/SOUTH KING COUNTY or Designee]

Grant. The City of Seattle, a Washington municipal corporation ("Grantor"), for consideration described in that certain Transfer Agreement described below, hereby conveys and quit claims to _____ ("Grantee"), that certain real property located in the City of Seattle, King County, Washington, and legally described as follows ("Property"):

Lots 17 and 18 in Block 2 of Cable Line Addition to the City of Seattle, as per plat recorded in Volume 3, of Plats, page 13, records of King County; together with that portion of the South 15 feet of South Wadsworth Place adjoining said premises, vacated by Ordinance No. 33195; Situate in the City of Seattle, County of King, State of Washington.

Grantee's Covenants, Releases and Indemnity ("Covenant")

The Property is conveyed **AS-IS, WHERE-IS, WITH-ALL-FAULTS, AND WITHOUT ANY REPRESENTATION OR WARRANTY WHATSOEVER, EXPRESS OR IMPLIED, AS TO ITS CONDITION, ENVIRONMENTAL OR OTHERWISE, OR ITS SUITABILITY OR SUFFICIENCY FOR THE GRANTEE'S INTENDED USES AND PURPOSES.** Grantee acknowledges that adverse physical, economic or other conditions (including without limitation, adverse environmental soils and ground-water conditions), either latent or patent, may exist on the Property and assumes Grantor's responsibility for all environmental conditions of the Property, known or unknown, including but not limited to responsibility, if any, for investigation, removal or remediation actions relating to the presence, release or threatened release of any Hazardous Substance or other environmental contamination relating to the Property. Grantee also releases, covenants not to sue, and shall indemnify, defend, and hold Grantor and its past, present and future officials, employees, and agents, harmless from and against any and all claims, demands, penalties, fees, damages, losses, expenses (including but not limited to fees and costs of regulatory agencies, attorneys, contractors and consultants), and liabilities arising out of, or in any way connected with, the condition of the Property including but not limited to any alleged or actual past, present or future presence, release or threatened release of any Hazardous Substance in, on, under or emanating from the Property, or any portion thereof or improvement thereon, from any cause



whatsoever; it being intended that Grantee shall so indemnify Grantor and such personnel without regard to any fault or responsibility of Grantor or Grantee. Grantee is aware of the rights it might otherwise have to seek recovery from Grantor for costs of remediation and cleanup of Hazardous Substances under applicable law, including without limitation the Washington Model Toxics Control Act ("MTCA") and the federal Comprehensive Environmental Response, Compensation, and Liability Act ("CERCLA"), and Grantee hereby knowingly waives all such rights, now existing or hereafter arising, and voluntarily relinquishes those rights and forever releases the Grantor from any such obligation. The obligation to complete all environmental investigation, removal or remediation of the Property and the acknowledgements, releases, and covenants herein touch and concern the Property, are intended to run with the land and bind Grantee and Grantee's heirs, successors and assigns, and inure to the benefit of Grantor and its successors and assigns.

For purposes of this **Covenant**, the term "Hazardous Substance" shall mean petroleum products and compounds containing them; flammable materials; radioactive materials; polychlorinated biphenyls ("PCBs") and compounds containing them; lead, asbestos or asbestos-containing materials in any friable form; underground or above-ground storage tanks; and any substance or material that is now is or hereafter becomes regulated under any federal, state, or local statute, ordinance, rule, regulation, or other law relating to environmental protection, contamination or cleanup.

Grantee's release and covenant not to sue shall include both claims by Grantee as original plaintiff against Grantor and any cross-claims, third-party claims or other claims against Grantor by Grantee based upon claims made against Grantee by any third parties. The obligation to indemnify and defend shall include, but not be limited to, any liability of Grantor to any and all federal, state or local regulatory agencies or other persons or entities for remedial action costs and natural resources damages claims. **This Covenant means that Grantee accepts the Property "as-is, where-is and with-all-faults," and that Grantee assumes all responsibility of Grantor to investigate, remove and remediate any environmental conditions on the Property and has no recourse against Grantor or any of its officers, employees or agents for any claim or liability with respect to the Property.** This Covenant shall apply regardless of whether or not Grantee is culpable, negligent or in violation of any law, ordinance, rule or regulation. Nothing herein shall release, discharge or affect any rights or causes of action that Grantor or Grantee may have against any other person or entity, except as otherwise expressly stated herein, and each of the parties reserves all such rights including, but not limited to, claims for contribution or cost recovery relating to any Hazardous Substance in, on, under or emanating from the Property.

Nondiscrimination. Grantee further covenants that there shall be no discrimination upon the basis of race, color, religion, sex, or national origin, in the sale, lease or rental, or in the use or occupancy, of the Property or any improvements erected or to be erected thereon. Both the Grantor and the United States of America shall be entitled to enforce this paragraph, which shall run with the land and bind Grantee and Grantee's heirs, successors and assigns.

The terms of this Covenant are in addition to, and not in substitution for, those terms of the Transfer Agreement dated _____, 2005 between Grantor and Grantee (the "Contract") that, by the terms of such Contract, survive the delivery of this deed.

Condition Subsequent / Power of Termination. This conveyance is subject to the following condition and power of termination which shall be binding on the Grantee and its successors and assigns, and to which Grantee agrees on behalf of Grantee and its successors and assigns:



1. Condition Subsequent. This Deed and all rights of Grantee hereunder are subject to a condition subsequent upon the occurrence of which Grantor or its governmental successors or assigns shall have the absolute right, subject only to the express limitations set forth herein, to terminate, by notice to Grantee or by reentering and taking possession of the Property, the estate conveyed under this deed and all rights of all persons claiming by or through Grantee, whereupon fee simple title to the Property shall revert entirely in Grantor or its governmental successors or assigns. The condition subsequent shall have occurred unless the following shall have occurred on or before _____: Grantee shall have obtained from the Seattle Department of Planning and Development ("DPD") the Certificate of Occupancy for the Property consistent with the Schematic Design and Summary Description.
2. Certificate of Compliance. Upon recording of a Certificate of Compliance duly signed by the Director of the Office of Housing of the Grantor, stating that the Grantee has timely satisfied the above requirement such that the condition subsequent cannot occur, or that if such requirements have not been timely satisfied they have been waived by the City, the condition subsequent in this deed shall be of no further force or effect.
3. Miscellaneous. Capitalized terms not defined herein shall have the meanings set forth in the Contract. Time is of the essence of all of the provisions hereof.

Executed this ____ day of _____, 2005, pursuant to Ordinance _____ of The City of Seattle.

THE CITY OF SEATTLE

By: _____
 Adrienne E. Quinn, Director
 Office of Housing

Grantee:

By: _____
 Print Name: _____
 Print Title: _____



STATE OF WASHINGTON)
) ss
COUNTY OF KING)

On this ____ day of _____, 200__, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared Adrienne E. Quinn, to me known to be the Director of the Office of Housing of THE CITY OF SEATTLE, the municipal corporation on behalf of which the within and foregoing instrument was executed, and acknowledged said instrument to be the free and voluntary act and deed of said municipal corporation, for the uses and purposes therein mentioned, and on oath stated that she was authorized to execute said instrument.

WITNESS my hand and official seal hereto affixed the day and year in this instrument above written.

(Signature) (Print or Type Name)
NOTARY PUBLIC in and for the State of Washington, residing at _____

My commission expires _____.

STATE OF WASHINGTON)
) ss
COUNTY OF KING)

On this ____ day of _____, 200__, before me, the undersigned, a Notary Public in and for the State of _____, duly commissioned and sworn, personally appeared _____, to me known to be the _____ of _____, or it's designee, a Washington corporation on behalf of which the within and foregoing instrument was executed, and acknowledged said instrument to be the free and voluntary act and deed of said corporation, for the uses and purposes therein mentioned, and on oath stated that s/he was authorized to execute said instrument.

WITNESS my hand and official seal hereto affixed the day and year in this instrument above written.

(Signature) (Print or Type Name)
NOTARY PUBLIC in and for the State of _____, residing at _____

My commission expires _____.





City of Seattle

Gregory J. Nickels, Mayor

Office of the Mayor

September 9, 2005

Honorable Jan Drago
President
Seattle City Council
City Hall, 2nd Floor

Dear Council President Drago:

The attached proposed ordinance authorizes the Director of the Office of Housing to transfer City-owned property to Habitat for Humanity. The property is located in Seattle's Central Area, at 1321 26th Avenue South. Habitat for Humanity plans to construct 2 new homes for low-income homebuyers on the property. Resale restrictions will help insure the houses remain affordable for many years.

This property was purchased by the State for I-90 purposes and then transferred to the City when the State determined it was not needed for I-90. By Ordinance 115362, the City Council adopted the I-90 Homeownership Plan, which set forth the policies for disposing of houses obtained from the State. Transferring the property to Habitat for Humanity for the development of low-income homeownership implements policies set forth in the I-90 Homeownership Plan.

The Office of Housing has received numerous inquiries from interested buyers, as well as requests from community residents that the City sell the property as soon as possible. Thank you for your consideration of this legislation. Should you have questions, please contact Angela Brooks in the Office of Housing at 684-0262.

Sincerely,

A handwritten signature in cursive script, appearing to read "Greg Nickels".

GREG NICKELS
Mayor of Seattle

cc: Honorable Members of the Seattle City Council



FISCAL NOTE FOR NON-CAPITAL PROJECTS

Department:	Contact Person/Phone:	DOF Analyst/Phone:
OH	Angela Brooks/4-0262	Janet Credo/4-8687

Legislation Title:

AN ORDINANCE relating to the transfer of City real property; authorizing the transfer of 1321 26th Avenue South to Habitat for Humanity of Seattle/South King County ("Habitat") or its designee; authorizing the Director of the Office of Housing to execute, deliver, and administer the contract for transfer of land, deed and related documents; and ratifying and confirming prior acts.

• **Summary of the Legislation:**

This legislation will authorize OH to transfer the property located at 1321 26th Ave. S. to Habitat for a sale price of \$270,000 (established by 2004 appraisal). However, no payment will be due as long as the land portion of the Property is held by a nonprofit dedicated to maintaining homeownership for low-income buyers, and such nonprofit continues leasing land to low-income buyers of housing structures on the land. Habitat will sign a non-recourse promissory note, with no fixed due date in the amount of \$270,000 secured by a first deed of trust on the Property, with 3% simple interest accruing annually. The City shall have the right to call the balance of principal and interest due under circumstances outlined in the Agreement.

Because no payment is expected, this legislation does not have fiscal implications.

• **Background:** *(Include brief description of the purpose and context of legislation and include record of previous legislation and funding history, if applicable):*

This property originally came to the City from the State as one of a group of surplus I-90 properties occupied by tenants. We were then to sell the rehabilitated property to the tenants, helping them become homeowners. Soon after transfer to the City the house at 1321 26th South was declared unfit for habitation, and we relocated that tenant to another I-90 house in the same block. We are now assisting that tenant in purchase of the house he is now occupying. We boarded up the house at 1321 26th South, which has continued to be a neighborhood blight (bad condition; frequent break-ins and illegal occupancy).

We recently entered into talks with Habitat for Humanity, an organization looking for property in Seattle. We are working with them to implement the following concept: Council approved ordinance allows OH to sign a Purchase and Sale Agreement with Habitat to permit them to gain possession of the property; actual transfer of the property occurs after Habitat has constructed 2 homes on the site (or 1 if regulations end up not allowing 2) and is



Angela Brooks
September 7, 2005
1321 26th Ave. S.
Version #: 3

ready to sell the house(s) to buyers on Habitat's list; transfer of the land then goes to Homestead Community Land Trust (Habitat will assign their rights under the Purchase and Sale Agreement to Homestead), a nonprofit intending to own the land long term, leasing it to the buyers of the Habitat homes to maintain long term affordability to homebuyers earning less than 80% of median income. All of this will help these homes remain affordable over a very long time.

- Please check one of the following:

This legislation does not have any financial implications. (Stop here and delete the remainder of this document prior to saving and printing.)

This legislation has financial implications. (Please complete all relevant sections that follow.)



ATTACHMENT A: TERM SHEET

TRANSFER OF I-90 SURPLUS PROPERTY FROM THE CITY OF SEATTLE (hereafter
"City")
TO HABITAT FOR HUMANITY of SEATTLE/SOUTH KING COUNTY OR ITS DESIGNEE
(hereafter "Transferee")

This term sheet describes the basic terms of the proposed transfer of I-90 property between Transferee and City. Any binding commitment by the City to transfer the property will be made only after City Council approval by ordinance and upon signing of a definitive agreement (the "Agreement"). The Agreement is intended to include the following terms:

1. **Transfer.** City shall transfer to Transferee certain real property located in the City of Seattle, commonly known as 1321 26th Avenue South ("Property").
2. **Price; Security.** The transfer shall be for a stated price of \$270,000. However, no payment will be due as long as the land portion of the Property is held by a nonprofit dedicated to maintaining homeownership for low-income buyers, and such nonprofit continues leasing land to low-income buyers of improvements on terms designed to maintain affordability as set forth in the Agreement. Transferee shall sign a non-recourse promissory note, with no fixed due date in the amount of \$270,000 secured by a first deed of trust on the Property, with 3% simple interest accruing annually. The City shall have the right to call the balance of principal and interest due under circumstances outlined in the Agreement.
3. **Development Plan:**
 - a) The Agreement shall require Transferee to use diligent efforts to pursue design work, financing applications, environmental reports, permit applications and all other steps necessary to construct and permanently finance improvements on the Property as described in Section 3 of the ordinance authorizing the Agreement. All such efforts of Transferee shall be at its own expense and risk. Transferee shall secure required permits to demolish the existing house on the property and proceed with demolition as rapidly as possible after execution of the Agreement.
 - b) Transferee intends to construct the maximum number of houses permitted by land use code regulations. Transferee shall seek required approval to subdivide the property or shall pursue a lot boundary adjustment, in either case to permit construction of 2 houses.
 - c) Upon completion of construction, Transferee shall sell the house(s) to qualified low-income buyer(s) with income at time of closing (purchase) at or below 80% of median family income.
 - d) Habitat intends to assign its rights under the Agreement to Homestead Community Land Trust, or another nonprofit entity subject to City approval, that will continue ownership of the land. That entity shall lease the land to the homebuyer(s) on terms approved by the City. The lease shall contain resale restrictions designed to allow improvements to be sold to households with income at or below 80% of median family income.



4. Conditions precedent to construction and closing:

- a) Transferee shall provide detailed description of roles and responsibilities of entities that will be involved in construction, identifying and qualifying homebuyers, and land ownership. Transferee will also provide development timeline, construction and take-out financing structure, development budgets, draft documents to be used relating to land lease and sale of improvements, and any other materials or documents requested by the City that describe how the house(s) will remain affordable to initial and subsequent low-income homebuyers. Requested descriptions, information, and documents shall be provided at least 30 days prior to demolition or start of any aspect of construction. All such descriptions, documents and entities must be acceptable to the City in its discretion. City approval is required prior to demolition or start of any aspect of construction.
- b) Prior to City approval identified in paragraph "a" above, Transferee may begin, at its sole expense, all regulatory processes required to determine the maximum number of houses that can be constructed on the property.
- c) Following City approval, Transferee shall demolish the existing structures and prepare the property for development at Transferee's sole expense.
- d) Transferee shall complete construction of the maximum number of houses permitted at its sole expense. Transferee shall be the owner of improvements constructed on the Property.
- e) Transferee shall identify qualified home buyers for the house(s) constructed .
- f) Habitat shall complete any agreements needed with the nonprofit entity that will assume ownership of the Property. Habitat shall propose assignment to a nonprofit for City approval prior to closing of the transfer to Transferee.
- g) Transferee shall provide all final land lease and loan documents relating to sale to homebuyers to City for approval prior to closing of the transfer to Transferee.

5. Development Schedule.

- ❖ One year following the effective date of the ordinance, Transferee shall have secured all required approvals to begin construction.
- ❖ Two years following the effective date of the ordinance, Transferee shall have completed construction and closing of the transfer of the Property to Transferee shall have occurred. Transferee may request extensions of either of the above dates by submitting a request to the City's Director of the Office of Housing.

- 6. Transfer of Title / Closing/Possession.** Closing shall take place on such date as the Transferee may specify in a written notice to the City, delivered to the City at least 10 days in advance of the closing date specified in the written notice, but such notice may be given only after satisfaction of all conditions to closing. Title shall be conveyed by Quit Claim Deed. Possession of the Property shall transfer upon execution of the Agreement. After transfer of possession the Transferee shall have all risk of loss and shall indemnify and hold harmless the City from any liability in connection with the ownership, development or maintenance of the Property. Transferee shall maintain insurance against any such liability, in amounts and with coverages satisfactory to the City, with the City named as additional insured. Upon



transfer of possession the Transferee shall be responsible for all taxes and other governmental charges, utilities, repairs and maintenance of the Property.

7. **Other conditions.**

- ❖ Agreement will contain other conditions determined by the City's Director of the Office of Housing to be necessary to provide desired outcomes.
- ❖ The transfer to Transferee shall be "AS IS," without any warranty as to any matters related to the condition of the premises, including without limitation the presence of any hazardous materials or underground tanks, or any other environmental matters.

8. **Expenses.** Transferee shall pay all costs of closing the transfer, including without limitation escrow fees and recording charges, and shall pay for any title insurance policy desired by Transferee.



121946

STATE OF WASHINGTON - KING COUNTY

--SS.

190647
CITY OF SEATTLE, CLERKS OFFICE

No. TITLE ONLY

Affidavit of Publication

The undersigned, on oath states that he is an authorized representative of The Daily Journal of Commerce, a daily newspaper, which newspaper is a legal newspaper of general circulation and it is now and has been for more than six months prior to the date of publication hereinafter referred to, published in the English language continuously as a daily newspaper in Seattle, King County, Washington, and it is now and during all of said time was printed in an office maintained at the aforesaid place of publication of this newspaper. The Daily Journal of Commerce was on the 12th day of June, 1941, approved as a legal newspaper by the Superior Court of King County.

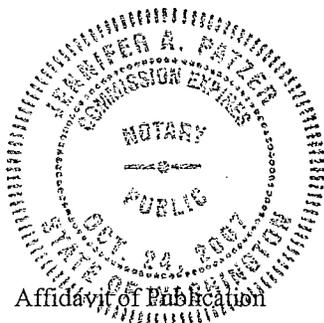
The notice in the exact form annexed, was published in regular issues of The Daily Journal of Commerce, which was regularly distributed to its subscribers during the below stated period. The annexed notice, a

CT:121933-937,943-949.

was published on

10/06/05

The amount of the fee charged for the foregoing publication is the sum of \$ 159.00, which amount has been paid in full.



[Handwritten signature]

Subscribed and sworn to before me on

10/06/05

[Handwritten signature]

Notary public for the State of Washington,
residing in Seattle

Affidavit of Publication

State of Washington, King County

City of Seattle

TITLE-ONLY PUBLICATION

The full text of the following ordinances, passed by the City Council on September 26, 2005, and published here by title only, will be mailed upon request, or can be accessed electronically at <http://clerk.ci.seattle.wa.us>. For further information, contact the Seattle City Clerk at 684-8344.

ORDINANCE NO. 121949

AN ORDINANCE appropriating money to pay certain audited claims and ordering the payment thereof.

ORDINANCE NO. 121948

AN ORDINANCE declaring an emergency and authorizing an opportunity for eligible City of Seattle employees to convert up to a total of 40 hours of accumulated and unused vacation to cash to benefit the relief efforts on behalf of victims of Hurricane Katrina, by a three-fourths vote of the City Council.

ORDINANCE NO. 121947

AN ORDINANCE relating to the Acquisition and Development Opportunity Fund category of the Neighborhood Parks, Green Spaces, Trails, and Zoo Levy; accepting the recommendations of the Parks and Green Spaces Levy Oversight Committee; authorizing the Superintendent of Parks and Recreation to proceed with certain of those capital programs; amending the 2005-2010 Capital Improvement Program; amending the Capital Facilities Element of the City's Comprehensive Plan; and amending the 2005 Adopted Budget of the Department of Parks and Recreation by making appropriations from the 2000 Parks Levy Fund; all by a three-fourths vote of the City Council.

ORDINANCE NO. 121946

AN ORDINANCE relating to the transfer of City real property; authorizing the transfer of 1321 26th Avenue South to Habitat for Humanity of Seattle/South King County or its designee; authorizing the Director of the Office of Housing to execute, deliver, and administer the contract for transfer of land, deed and related documents; and ratifying and confirming prior acts.

ORDINANCE NO. 121945

AN ORDINANCE relating to the federal Justice Assistance Grant (JAG) program; authorizing the execution of agreements under which the City will receive financial assistance from the US Department of Justice (DOJ); Bureau of Justice Assistance (BJA); authorizing an application for allocation of funds under those agreements; accepting the money when received; and increasing appropriations to the Police Department, Human Services Department and the Department of Information Technology in the 2005 Budget; all by a three-fourths vote of the City Council.

ORDINANCE NO. 121943

AN ORDINANCE relating to the Fire Department; authorizing the execution of an agreement with the Central Puget Sound Regional Transit Authority ("Sound Transit") for financial assistance to purchase tunnel rescue equipment; accepting the money when received; increasing appropriations to the Fire Department; and ratifying and confirming prior acts; all by a three-fourths vote of the City Council.

ORDINANCE NO. 121937

AN ORDINANCE relating to the Community Development Block Grant Float Loan Program; authorizing a short-term loan of up to SEVEN MILLION TWO HUNDRED TWENTY THOUSAND AND NO/100 DOLLARS (\$7,220,000) in Block Grant funds to Pike Place Market Preservation and Development Authority, a Washington public corporation, to finance redevelopment costs of 1416-1440 Western Avenue in the Pike Place Market; authorizing amendments to the 2005-2008 Consolidated Plan and 2005 Table of Proposed Projects to reflect such loan; appropriating funds for the loan and for possible new advances after early repayments, and ratifying and confirming prior acts.

ORDINANCE NO. 121936

AN ORDINANCE authorizing the Superintendent of Parks and Recreation to accept a Quit Claim Deed from the United States of America conveying property at Discovery Park, known as Area 600, to the City of Seattle and placing such property under the jurisdiction of the Department of Parks and Recreation.

ORDINANCE NO. 121935

AN ORDINANCE authorizing the Fleets and Facilities Department to execute a lease agreement with 350, L.L.C. and Central Promoter LLC, on behalf of the Office for Civil Rights.

ORDINANCE NO. 121934

AN ORDINANCE authorizing the Fleets and Facilities Department to execute a lease agreement with 350, L.L.C. and Central Promoter LLC, on behalf of the Human Services Department.

ORDINANCE NO. 121933

AN ORDINANCE amending Ordinance 121292 to correct the legal description of certain surplus city property located at the intersection of SW Roxbury St. and 10th Ave. SW, identified as PMA No. 79.

Publication ordered by JUDITH PIPPIN,
City Clerk

Date of publication in the Seattle Daily
Journal of Commerce, October 6, 2005.

10/6(199647)