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CB 117536

Exhibit A
FORM OF COOPERATIVE AGREEMENT

This Cooperative Agreement ("Agreement") is made between the Housing Authority of The City of Seattle ("SHA"), a public body corporate and politic under the laws of the State of Washington, and The City of Seattle ("City"), a Washington municipal corporation.

RECITALS

A. The Yesler Terrace public housing development, owned by SHA, includes 561 housing units, is 70 years old and has reached the end of its useful life.

B. In 2006, SHA convened a Citizen Review Committee ("CRC"), chaired by former Mayor Norman B. Rice, to plan for the redevelopment of Yesler Terrace.

C. In 2007, the SHA Board adopted the Yesler Terrace Guiding Principles developed by the Citizen Review Committee, which establish the core values of social equity, economic opportunity, environmental stewardship and sustainability, and one-for-one replacement housing for the redevelopment. Those involved in the redevelopment of Yesler Terrace will adhere to these Guiding Principles.

D. In 2010, SHA and the City began a Planned Action environmental review process under the State Environmental Policy Act ("SEPA") and the National Environmental Policy Act ("NEPA") to identify the impacts of various development alternatives for the site as well as regulatory actions related to potential development.

E. On April 14, 2011, SHA, as lead agency under SEPA, and the City, as responsible entity under NEPA, issued the Final Environmental Impact Statement (FEIS), including a Preferred Alternative for redevelopment.

F. On May 17, 2011, the SHA Board of Commissioners adopted the Development Plan for Yesler Terrace.

G. The cost to develop the affordable housing, infrastructure, parks, and community facilities associated with the redevelopment of Yesler Terrace is estimated at $300 million in 2010 dollars.

H. The redevelopment of Yesler Terrace furthers many City policy goals including: smart growth, neighborhood scale sustainability, maximizing public transit infrastructure investments, creating "complete streets" and walkable neighborhoods, reducing greenhouse gas emissions, and adding to the stock of affordable housing in the city. In addition, it furthers the goals of the City's Race and Social Justice Initiative, which seeks to eliminate

racial disparities, promote inclusion and full participation of all residents in civic life, and partner with the community to achieve racial equity across Seattle.

I. The redevelopment of Yesler Terrace will expand the number of housing units affordable to low- and moderate-income families with children. The mixed-income development will provide opportunities for families of all incomes to live in this neighborhood. It will also allow families to remain in the neighborhood as their economic situations improve. Where possible, the City and SHA will look for opportunities to encourage the development of additional housing units for families consisting of two or more bedrooms at Yesler Terrace and in the surrounding neighborhoods that will permit additional families to live in the city.

J. The redevelopment of Yesler Terrace is being undertaken in consultation with surrounding neighborhoods and institutions, including Little Saigon, Harborview Medical Center, Bailey Gatzert Elementary School, and Seattle University, with a goal that new housing and other uses at Yesler Terrace and improved connections to adjacent neighborhoods, such as the 10th Avenue South hill climb, will enhance all of these neighborhoods.

K. The –Executive Director of SHA has requested a total City capital contribution of $30 million, in 2010 dollars, to support infrastructure, parks, affordable housing, and community facilities construction. The City is committed to exploring cooperative opportunities with SHA, but has not identified or committed funding for this purpose beyond commitments made in this Agreement. Any potential City contribution would be evaluated on the shared benefits to the City and on the City's overall financial picture and ability to pay.

L. RCW Chapter 35.83 authorizes agreement between cities and public housing authorities related to housing developments.

NOW, THEREFORE, the parties agree as follows:

1. DEFINITIONS

The following capitalized words, terms and abbreviations have the following meanings for purposes of this Agreement unless the context otherwise clearly requires. Here and throughout this ~~a~~Agreement, references to specific sections or chapters of the Seattle Municipal Code mean the section or chapter as in effect on the date when this Agreement takes effect, unless otherwise specified or the context otherwise clearly requires.

~~1.3~~ "Annual Contribution Contract" or "ACC" means the annual operating subsidy provided to SHA by the Department of Housing and Urban Development ("HUD") under Section 9 of the US Housing Act.

~~1.4~~ "Area Median Income" or "AMI" means annual median family income for the Seattle area, as published from time to time by the Department of Housing and Urban Development

(HUD), with adjustments according to household size in a manner determined by the Office of Housing (OH) based upon a method used by HUD.

~~1.5~~ "Choice Neighborhoods" means the HUD funding program through which SHA is receiving funds for redevelopment of Yesler Terrace.

~~1.6~~ "City Contribution Agreement" means any agreement, debt instrument, security document, financing statement or other document executed by SHA concerning City Funds including, without limitation, promissory notes, deeds of trust, loan agreements, grant agreements, regulatory agreements and service and contribution agreements, and amendments and modifications thereto.

~~1.7~~ "City Funds" means money, credits, facilities, equipment or services provided by the City pursuant to this Agreement, or pursuant to any loan, grant or award for housing in the Yesler Terrace Redevelopment Area.

~~1.8~~ "Federal Operating Subsidies" means operating subsidies made available to SHA from HUD under Section 8 and Section 9 of the US Housing Act, and any other operating support from HUD to SHA that could be used in the Yesler Terrace Redevelopment Area.

~~1.9~~ "Master Planned Community – Yesler Terrace" or "MPC-YT" means zoning designation established in the ordinance introduced as Council Bill 117541 and Exhibit A to that ordinance.

~~1.10~~ "Neighborhood Park" means a 1.75 acre park to be developed between Yesler Way and the newly reconfigured S. Washington Street, abutting the existing Yesler Community Center on the Community Center's westerly side.

~~1.11~~ "Nonprofit Housing Developer" means a 501(c)(3) charitable organization, or any corporation, limited liability company, general partnership, joint venture, or limited partnership created and controlled by a nonprofit or public corporation in order to obtain tax credits or for another housing-related objective as approved by OH.

~~1.12~~ "Other Financing Documents" means all promissory notes, loan agreements, mortgages, deeds of trust, security agreements, grant agreements, ground leases, master leases, condominium declarations, restrictive covenants, commitments, subscription agreements, partnership or joint venture agreements, or other agreements or instruments relating to any funding of any kind for development in the Yesler Terrace Redevelopment Area.

~~1.13~~ "Planned Action Ordinance" or "PAO" means the ordinance introduced as Council Bill 117540, designating certain future proposed projects in the MPC-YT ~~Z~~zone as planned actions pursuant to the State Environmental Policy Act, and establishing certain requirements for these planned actions.

~~1.14~~ -"P-Patch Community Garden" means an open space made available to members of the community in accordance with the Department of Neighborhoods' P-Patch program guidelines, to use small plots of land to grow food, flowers, fruits and herbs. P-Patch Community Gardens include storage areas and access to water to support gardening activities, as well as paths and gathering spaces open to the public.

~~1.15~~ "Public Housing" means housing, the operation of which is subsidized by an ACC, available to persons eligible under Section 3 of the US Housing Act.

"Public Infrastructure" means the road, sidewalk, electric, water, wastewater and/or drainage infrastructure that is required to be constructed or installed and that is required to be transferred to the City upon completion of construction.

"Relocation Plan" means the plan submitted to OH by SHA pursuant to Article 4.

~~1.16~~ "Replacement Housing" means one or more of the first 561 housing units constructed or rehabilitated in the Yesler Terrace Redevelopment Area after the date hereof~~,~~ that are restricted to occupancy solely by Residents who must relocate due to demolition and construction or households with incomes no higher than 30 percent of AMI at the time of initial occupancy of the household, and that satisfy the additional requirements for Replacement Housing in Article 3 below.

~~1.17 "Relocation Plan" means the plan submitted to OH by SHA pursuant to Article 4.~~

~~1.18~~ "Resident" means a person or household living in a Public Housing unit located within the MPC-YT zone.

~~1.19~~ "Tenant Protection Voucher" means a voucher funded by HUD and administered by SHA to subsidize rent for a Resident relocated to other SHA Public Housing, Replacement Housing or private market housing.

~~1.20~~ "US Housing Act" means the United States Housing Act of 1937, as amended, 42 U.S.C. Section 1437 *et seq.*, as it may be amended in the future.

~~1.21~~ "Utility Funding" means funds, credits, facilities, equipment or services from Seattle City Light or from Seattle Public Utilities to construct Public Infrastructure.

~~1.22~~ "Women and Minority Business Enterprise" (WMBE) means a business that has been certified by the Washington State Office of Minority and Women's Business Enterprise as a women or minority business enterprise and is eligible to participate in the City's Women and Minority Business Enterprise Program.

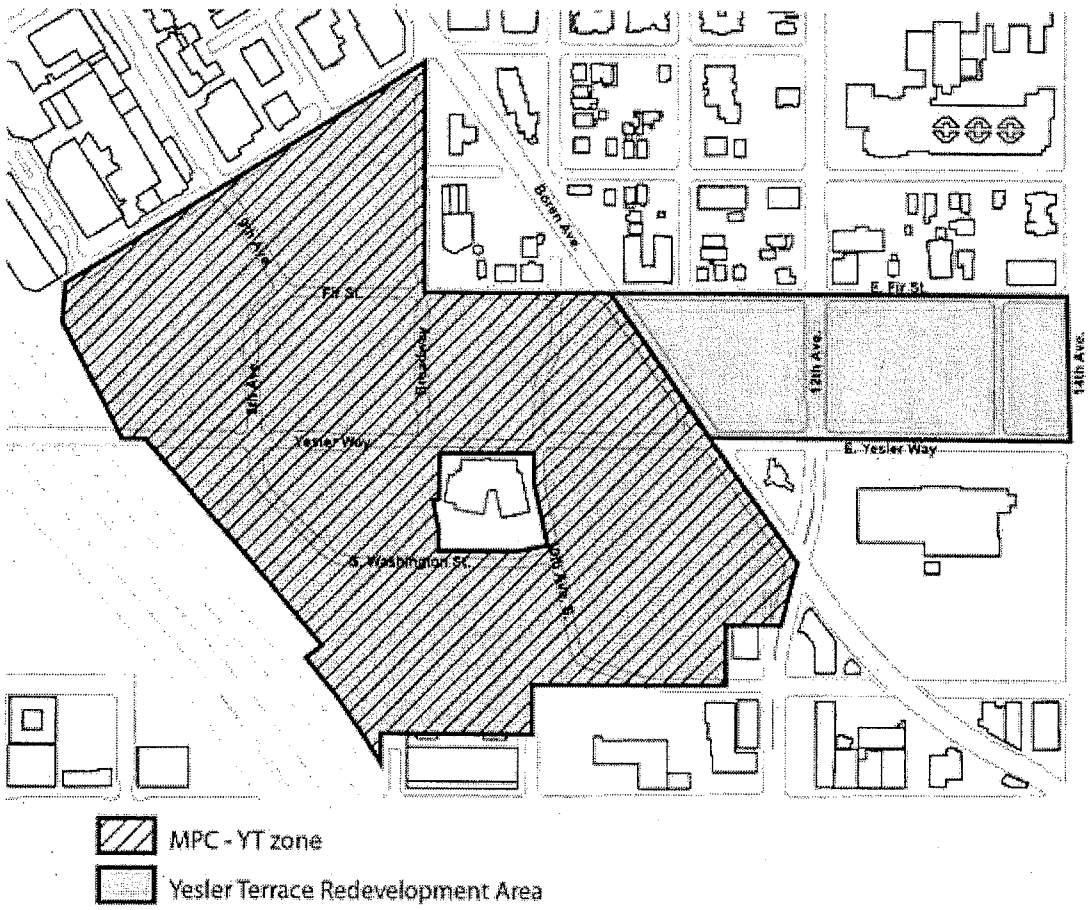
~~1.23~~ "Yesler Terrace Redevelopment Area" means the Master Planned Community – Yesler Terrace (MPC-YT) zone as generally depicted in Figure 1 as well as the blocks bounded by Boren Avenue E., E. Yesler Way, 14th Avenue, and E. Fir Street as depicted in Figure 1.

~~1.24~~ "30% of AMI Housing" means one or more units of housing, other than Replacement Housing, to be occupied by or reserved solely for households with incomes, at the time of initial occupancy by the household, no higher than 30 percent of AMI.

~~1.25~~ "60% of AMI Housing" means one or more units of housing to be occupied by or reserved solely for households with incomes, at the time of initial occupancy by the household, no higher than 60 percent of AMI.

~~1.26~~ "80% of AMI Housing" means one or more units of housing to be occupied by or reserved solely for households with incomes, at the time of initial occupancy by the household, no higher than 80 percent of AMI.

Figure 1: MPC-YT zone and Yesler Terrace Redevelopment Area



2. TERM OF THE AGREEMENT

This Agreement becomes effective upon signature of the City's Mayor and SHA's Executive Director. Unless earlier terminated by the City, this Agreement shall remain in effect for 50 years and thereafter until SHA provides, and the City accepts, a certification that the conditions required by this Agreement are met, including certification that the numbers and types of housing units required in Article 3 are built and have been in operation consistent with Article 3 for the applicable minimum terms of affordability.

3. HOUSING PRODUCTION PLAN

SHA shall provide or cause to be provided Replacement Housing, 60% of AMI Housing and 80% of AMI Housing in accordance with Article 3. Table A provides a summary of housing production for the Yesler Terrace Redevelopment Area. Sections 3.1 –3.6 provide details of the housing production plan, including the types of housing that will be developed, location and other requirements. All housing shall be new construction except as expressly provided in this Agreement. Housing developed in the Yesler Terrace Redevelopment Area outside the MPC-YT zone will serve a range of incomes from 30% of AMI to market rate housing. At least 20% of the units in the mixed income housing in this area shall be affordable to households at or below 60% of AMI.

SHA shall use all proceeds from the sale, lease, or other disposition of property in the Yesler Terrace Redevelopment Area for redevelopment activities. Redevelopment activities include construction of: ~~r~~Replacement ~~h~~Housing; 30% and 60% of AMI ~~h~~Housing units; ~~p~~Public ~~i~~Infrastructure; and other community amenities such as pocket parks, P-Patch Community ~~g~~Gardens, and the 10th Ave Hillclimb. These activities may be located within the Yesler Terrace Redevelopment Area or in the 10th Avenue South and South Main Street rights-of-way.

In the event there are net revenues from the sale, lease, or other disposition of property in the Yesler Terrace Redevelopment Area that are in excess of what is needed to fund redevelopment activities, SHA shall, pursuant to the guidance and approval of the use of the funds by HUD, and in coordination with the Office of Housing, develop a proposal for the use of the net revenues. SHA shall submit this proposal to the City Council for approval before expending these net revenues.

TABLE A
Summary of Housing Production for Yesler Terrace Redevelopment Area

Unit Type	Term of Affordability	Units to be Produced

Replacement Housing	Minimum of 50 years	561
60% of AMI Housing	Minimum of 50 years	290
80% of AMI Housing	Minimum of 50 years	160[1] (4.5% of total residential units built in the MPC-YT zone excluding Replacement Housing and 60% of AMI Housing)
80% of AMI Housing[2]	Minimum of 20 years	790[1] (22% of total residential units built in the MPC-YT zone excluding Replacement Housing and 60% of AMI Housing)
Market Rate Housing	Not Applicable	3,199[1]

1. Units to be produced are estimated based on the maximum permitted floor area for residential development in the MPC-YT zone and projected housing unit sizes. Actual development may result in lower unit production.

2. If funding is available, SHA shall~~may~~ produce up to 100 units of 30% of AMI Housing with a minimum term of affordability of 50 years. Any 30% of AMI Housing units produced will be counted toward the required number of 80% of AMI Housing with a 20-year term of affordability.

3.1 Replacement Housing

3.1.1 Replacement Housing Production

SHA shall produce or cause Nonprofit Housing Developers to produce 561 units of Replacement Housing. SHA shall allocate Federal Operating Subsidies for the Replacement Housing. Replacement Housing shall serve a broad spectrum of P~~p~~ublic H~~h~~ousing eligible households. Monthly tenant housing costs for these units, including an allowance for rent and basic utilities, shall be those allowed under the US Housing Act and agreements between SHA and HUD and, for City-funded Replacement Housing, shall not exceed limits in agreements between SHA, or the housing owner, and OH. Replacement Housing will be occupied by or reserved for Residents who must relocate due to demolition and construction and who are eligible to return pursuant to the Relocation Plan, or occupied by or reserved for households with incomes no higher than 30 percent of AMI at the time of initial occupancy of the households, for a minimum of 50 years. If Federal Operating Subsidies are reduced, and the OH Director makes the determinations

described in Section 3.6 below, the OH Director may adjust income limits and affordability levels for a portion of the Replacement Housing units to serve tenants with higher incomes, but not higher than 80% of AMI.

3.1.2 Nonprofit Housing Development
For Replacement Housing produced by Nonprofit Housing Developers, SHA shall transfer building sites at no cost and provide Federal Operating Subsidies, and may also provide capital funds. The selection of Nonprofit Housing Developers to produce Replacement Housing shall be through a SHA selection process with OH representation and approval of selection.

3.1.3 Replacement Housing Location
All 561 units of Replacement Housing shall be located within the Yesler Terrace Redevelopment Area. No more than 140 of the Replacement Housing units shall be located east of Boren Avenue. To distribute the remaining Replacement Housing, a minimum of 50 Replacement Housing units shall be located in each of at least five of the eight blocks of the MPC-YT zone.

3.1.4 Replacement Housing Unit Size
Each Replacement Housing unit will contain at least one bedroom. The mix of unit sizes is as follows, provided that SHA may exchange one- and two-bedroom units by up to 20% for each category, and may reduce the total number of one- and two-bedroom units if additional 3- or 4-bedroom units are provided, while still producing a total of 561 Replacement Housing units:

- 1 bedroom: 228 units
- 2 bedroom: 228 units
- 3 bedroom: minimum of 86 units
- 4 bedroom: minimum of 19 units

3.1.5 Availability of Public Housing and Replacement Housing During Redevelopment
To minimize the need to relocate Residents away from the neighborhood, SHA shall ensure at all times that at least 281 units with Federal Operating Subsidies located within the Yesler Terrace Redevelopment Area remain habitable and either occupied by or available only to Residents, former Residents eligible to return, or new households with income no higher than 30% of AMI at the time of initial occupancy by the household. In addition, no less than 94 of the 281 units shall be two, three, or four bedroom units. SHA shall not request issuance of, and shall ensure that no other applicant shall request issuance of, a master use permit for any development, other than a development including Replacement Housing, if SHA is not in compliance with this subsection.

3.2 *60% of AMI Housing*

3.2.1 60% of AMI Housing Production
SHA shall produce or cause Nonprofit Housing Developers to produce 290 units of 60% of AMI Housing. Monthly tenant rent for these units, including an allowance for basic utilities, shall not

exceed thirty percent of sixty percent of AMI for a minimum of 50 years, except as may be allowed under this subs~~s~~section 3.2.1. After 40 years from initial occupancy of a building, at the request of SHA and based on the criteria in Section 3.6 below, the OH Director may adjust income limits and affordability requirements for all or a portion of the 60% of AMI Housing units so that they may serve tenants with higher incomes, but not higher than 80% of AMI.

3.2.2 Nonprofit Housing Development

For Nonprofit Housing Developers that will apply for or have been awarded OH housing development funding, SHA shall transfer building sites at no cost and may provide additional capital funds. The process for selecting Nonprofit Housing Developers shall be through a SHA selection process with OH representation and approval of the selection.

3.2.3 Housing Location and Unit Size

All 60% of AMI Housing shall be located within the Yesler Terrace Redevelopment Area. The mix of unit sizes is as follows, provided that SHA may exchange one- and two-bedroom units by up to 20% for each category, and may reduce the total number of one- and two-bedroom units if additional 3- or 4-bedroom units are produced, while still producing a total of 290 60% of AMI Housing units:

- 1 bedroom: 120 units
- 2 bedroom: 120 units
- 3 bedroom: minimum of 40 units
- 4 bedroom: minimum of 10 units

3.3 80% of AMI Housing

SHA will cause to be provided 80% of AMI Housing units in the amounts described in the subsections below. All 80% of AMI Housing will be provided in the Yesler Terrace Redevelopment Area. No subsidies may be used for the production of these housing units, except as provided in this Section 3.3. Owners of housing developments containing 80% of AMI Housing units may qualify for and use property tax exemptions pursuant to Seattle Municipal Code Chapter 5.73 (Multifamily Tax Exemption Program). Tax exempt bonds and 4% Low Income Housing Tax Credits may also be used to develop 80% of AMI Housing.

3.3.1 80% of AMI Housing - 50-Year Term

Through requirements included in property sales to private developers, SHA will cause to be provided 80% of AMI Housing – 50 Year Term units in an amount at least equal to 4.5% of all housing units built in the MPC-YT zone other than Replacement Housing and 60% of AMI Housing units, which is estimated to be 160 units of 80% of AMI Housing. These housing units will be rented or sold to households with income no higher than 80% of AMI, at the time of initial occupancy by the household, and if they are rented then monthly rent, including an allowance for basic utilities, shall not exceed thirty percent of eighty percent of AMI, for a minimum 50-year term of affordability. The 80% of AMI Housing rental units shall be committed under recorded covenants or instruments enforceable by the City, acceptable to the

OH Director, that satisfy conditions to greater residential floor area in Section 23.75.085 of the Land Use Code.

3.3.2 80% of AMI Housing - 20-Year Term

Through requirements included in property sales to private developers, SHA will cause to be provided 80% of AMI Housing – 20 Year Term units equal to 22% of all housing units built in the MPC-YT zone other than Replacement Housing and 60% of AMI Housing units which is estimated to be up to 790 units of 80% of AMI Housing. These housing units will be rented or sold to households with income no higher than 80% of AMI, at the time of initial occupancy by the household, and if they are rented then monthly rent, including an allowance for basic utilities, shall not exceed thirty percent of eighty percent of AMI, for a minimum 20-year term of affordability. SHA shall enforce the affordable housing requirements on rental housing via land sale contracts and recorded covenants on the units.

~~If capital and operating funding is available, SHA may produce 30% of AMI Housing in the Yesler Terrace Redevelopment Area that is in addition to the 561 Replacement Housing units. Any 30% of AMI Housing units produced must have a minimum term of affordability of 50 years, and will be counted toward the required number of 80% of AMI Housing with a 20-year term of affordability.~~

3.3.3 80% of AMI Housing – Location and Unit Size

Each unit of 80% of AMI Housing with either a 50- or 20- year term of affordability shall be located within the Yesler Terrace Redevelopment Area. For housing that is provided in a development under a single master use permit that includes market-rate housing, the average net floor area per unit of the 80% of AMI Housing units shall be no smaller than the average net floor area per unit of the development as a whole.

3.3.4 80% of AMI Ownership Housing

Each unit of 80% of AMI Housing with either a 50- or 20-year term of affordability that is offered for sale shall be sold only to eligible buyers at an affordable sales price and under terms of purchase that meet the applicable term of affordability, consistent with guidelines approved by the OH Director. For 80% of AMI Housing with a 50-year term of affordability, resale restrictions must limit future sale or transfer of properties to eligible households at prices and on terms of purchase expected to be affordable to such households based on guidelines approved by OH, and subject to recorded covenants or instruments satisfactory to OH. For 80% of AMI Housing with a 20-year term of affordability, SHA shall include the affordable housing restrictions in land sale contracts and enforce affordability restrictions through recorded covenants on the land or housing units.

3.4 30% of AMI Housing

SHA's Development Plan calls for 100 units of 30% of AMI ~~h~~Housing in addition to the 561 Replacement Housing units, subject to available funding. If capital and operating funding is available after SHA and development partners have completed all the Replacement Housing,

60% of AMI Housing, and 80% of AMI Housing required as conditions of the first three tiers in Land Use Code Table A for 23.75.085, then SHA shall produce up to 100 units of 30% of AMI Housing with a minimum term of affordability of 50 years. This housing shall be located in the Yesler Terrace Redevelopment Area, and may be subtracted from the number of 80% of AMI Housing units with a 20-year term of affordability required by subsection 3.3.2 ~~in Table A of this document~~.

3.5 Term of Affordability

The term of affordability for Replacement Housing, 30% of AMI Housing, 60% of AMI Housing and 80% of AMI Housing will begin on the date when the housing becomes available for occupancy, as determined by the OH Director.

3.6 Adjustment of Income Eligibility and Affordability Levels

Approval of an adjustment to income eligibility or affordability requirements requires a determination by the OH Director that: (1) in the case of Replacement Housing units, a reduction in Federal Operating Subsidies has made such funding, together with permitted rental income, insufficient to maintain the income restrictions on the Replacement Housing units at 30 percent of AMI; (2) in the case of 60% of AMI Housing units, the permitted rent levels are insufficient to operate and maintain the units or to meet any required debt coverage ratios as required by financing; (3) other funding sources are not available to maintain the otherwise required affordability levels; (4) the proposed number of units with adjusted affordability has been minimized to the extent practical; and (5) an agreement is entered into between the housing owner and the OH Director committing the housing owner to the new income eligibility or affordability requirements. Any adjustment may be made subject to conditions that the OH Director determines are appropriate to protect tenants or to ensure the provision of the maximum amount of housing for households with incomes at or below 30% of AMI, or 60% of AMI, as applicable.

4. RELOCATION AND RIGHTS OF RESIDENTS

SHA shall comply with all applicable federal and local relocation laws and policies, including the federal Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended ("URA") and regulations thereunder. In addition, Section 104(d) of the Housing and Community Development Act of 1974, HUD regulations thereunder, and the City's Residential Antidisplacement and Relocation Assistance Plan, as it may be amended, shall apply to specific City-funded projects awarded federal HOME Investment Partnership Act ("HOME") and/or Community Development Block Grant ("CDBG") funds, and to any persons who move in connection with an activity assisted by HOME or CDBG funds within the meaning of HUD regulations. These laws and regulations provide for, among other things, minimum benefits for displaced Residents, including advisory services, notification, payment for moving and related expenses, and payment for comparable ~~replacement~~ housing.

SHA shall take steps to minimize disruption to Residents from redevelopment activities, and shall ensure certain rights and benefits of Residents throughout the redevelopment process as described below.

4.1——Resident Notification, Counseling and Communication

SHA shall provide all Residents with 18 months notice in advance of the date they will be required to vacate their unit, in addition to other notification required by URA.

SHA staff will also provide one-on-one counseling to Residents who will be relocated in order to help them identify and understand options for relocation assistance, including the overall package of benefits that they will receive. Residents will have a minimum of six weeks from the initial counseling session to determine which benefit package they prefer. However, this timeframe will not prevent Residents from selecting a different benefit option if they so choose prior to receiving benefits.

SHA will involve Residents in relocation planning and will communicate information about the timing of relocation and choices related to relocation. SHA will ensure open lines of communication among Residents, partner service providers, and landlords at replacement housing sites. SHA will implement the following communication measures:

- Community-wide relocation planning meetings to inform the community about relocation and solicit feedback on an effective approach;
- Relocation surveys to assist with the development of relocation options and procedures that conform to the priorities and preferences of Residents;
- A language-based telephone hotline (interpreted into the seven primary languages spoken by Residents) to provide information and allow for Resident feedback (anonymous, if desired) on meetings and upcoming surveys or other activities;
- Information made available on a website that includes regular updates on the progress of the project and answers to frequently asked questions; and
- Articles in the newspaper that is distributed to Residents by Neighborhood House (The Voice) to share information on relocation benefits, options, Section 8 rules, and development progress; and
- Regular relocation orientation meetings to explain relocation benefits and housing options (meetings will be interpreted into the primary languages spoken by Residents).

4.2 ——Replacement Housing Options, Moving and Other Types of Assistance

SHA shall provide all Residents required to relocate due to redevelopment with moving assistance and options for comparable housing.

For Residents as of the date this Agreement is executed who must relocate due to redevelopment, SHA shall provide the following options for comparable housing: (1) to move into a Replacement Housing unit within the Yesler Terrace Redevelopment Area if a comparable unit is available; (2) to move to other SHA Public Housing or SHA-owned housing with Federal

Operating Subsidies; or (3) to move to private market housing with a Tenant Protection Voucher if awarded by HUD to SHA for development in the Yesler Terrace Redevelopment Area, or other rental assistance as required by federal law. For Residents that choose to move to private market housing, SHA shall assist with locating comparable housing, including housing in low-poverty, high-opportunity areas. For Residents that enter a lease agreement with SHA after the date that the Cooperative Agreement is executed, SHA shall provide, at a minimum, the option of moving to comparable SHA Public Housing or SHA-owned housing with Federal Operating Subsidies. No Resident with one or more school-age children will be required to relocate away from housing in the MPC-YT zone during the school year.

In conjunction with placing Residents in comparable housing, SHA will provide a package of relocation benefits to prepare and assist them with the actual task of moving. Regardless of the housing option that Residents select, an SHA relocation team will directly assist Residents with their moves, reimburse Residents for the cost of the move, and/or provide a fixed moving expense and relocation allowance. Residents with special needs such as the elderly or disabled will be eligible for assistance with packing and unpacking. SHA will provide the following specific assistance:

- Link Residents with service providers in areas to which they relocate in order to ensure continuity of services;
- Provide transportation or transportation assistance (bus tokens, taxi script~~t~~, etc.) and accompany Residents to visit potential units;
- Assist Residents with applications for relocation benefits and/or rental applications;
- Coordinate with moving companies;
- Assist with the transfer of utility accounts;
- Pay for the cost of utility disconnections and reconnections; and
- Pay for storage of personal property, if necessary.

For Residents who are in-home child care providers entitled to return to the Yesler Terrace Redevelopment Area under Section~~Article~~ 4.3 and Article 8 below, SHA shall compensate for losses they may incur during relocation caused by redevelopment, as authorized by applicable federal regulations. SHA shall also provide relocation assistance to the YWCA transitional housing program operating within the Yesler Terrace Redevelopment Area, together with any eligible households living in the YWCA program, in accordance with URA and section 104(d) of the Housing and Community Development Act of 1974.

4.3 —Right to Return

SHA shall grant to all Residents living in the MPC-YT zone at the time of execution of this Agreement who must relocate away from the Yesler Terrace Redevelopment Area due to redevelopment and who indicate a preference to return to the Yesler Terrace Redevelopment Area the right to return to live at Yesler Terrace when housing units become available, provided that the Resident has not been terminated from the Section 8 program in accordance with 24 CFR 982.552(b) (or successor regulations) or evicted from SHA housing for serious or repeated lease

violations in accordance with 24 CFR 966.4 (or successor regulations). Residents with a right to return who have been evicted with a writ of restitution from private, unsubsidized housing will be provided an opportunity for a grievance hearing consistent with SHA's Manual of Operations, L12.9-1, as may be amended.

Residents who indicate a preference to return shall undergo income certification in order to place them in new Yesler Terrace housing and to establish their rent. Returning R~~r~~esidents will pay no more rent than would be required under the applicable Low Income Public Housing rent regulations and policies in place at the time of their return to Yesler Terrace.

HUD prohibits providing federal housing assistance to individuals with certain criminal convictions. In order to maintain compliance with this requirement returning R~~r~~esidents will undergo a HUD-required criminal background check. Returning R~~r~~esidents will not be denied their right to return unless, based upon their criminal conviction, they are ineligible for federally subsidized housing. Currently, the HUD prohibitions include eviction from subsidized housing due to~~for~~ conviction for~~-~~ methamphetamine production or~~and~~ a conviction that leads to a life time sex offender registration requirement.

SHA shall not require R~~r~~esidents who indicated a preference to return to Yesler Terrace to make more than one move to an off-site location prior to returning to the Yesler Terrace Redevelopment Area. However, R~~r~~esidents may choose to make additional moves either on-site or off-site while awaiting placement in a new Yesler Terrace Housing unit.

Residents who are in-home child care providers entitled to return to the Yesler Terrace Redevelopment Area under this Section and Article 8 shall have the right to return to a Replacement Housing unit that: (1) meets all standards of the Washington Department of Early Learning for in-home childcare facilities in WAC 170-296A or successor regulations; and (2) with regard to location, size, configuration, and amenities, is equal to or better than the Public Housing unit in the Yesler Terrace Redevelopment Area vacated by that Resident.

4.4 ~~—~~Relocation Plan and Implementation

To plan for implementation of relocation activities described in this Article, within 60 days of execution of this Agreement SHA shall prepare and submit to OH a Relocation Plan. SHA and OH shall brief the Housing, Human Services, Health, and Culture Committee on the proposed Relocation Plan. The Plan shall include the following components:

- Results of completed surveys of Residents on their preferences for the different types of ~~replacement~~ housing options described above;
- An estimate of the numbers and schedule of Residents to be moved for Phase I and Phase II, should Phase II be funded through the Choice Neighborhoods grant, and the ~~replacement~~ housing options they will be offered, including protocols for waitlists and any priorities for leasing Replacement Housing;

- ~~and~~ T~~t~~he housing options and other relocation assistance available to Residents who move to Public Housing in the Yesler Terrace Redevelopment Area after the execution of this Agreement and must relocate due to redevelopment;
- A development phasing plan for Phase I and Phase II, should Phase II be funded through the Choice Neighborhoods grant, that describes the schedule of demolition and production, and that produces Replacement Housing as early as possible in order to minimize R~~r~~esident moves away from the Yesler Terrace Redevelopment Area;
- A relocation staffing plan that describes responsibilities, and whether they will be carried out by SHA staff or by consultants, for one-on-one counseling, accompanying Residents to ~~replacement~~ alternative housing sites if necessary, providing direct packing and moving assistance for elderly and disabled Residents, follow-up check-ins with relocated households to track outcomes, translation services for relocation-related activities, meeting with service providers, management of consultant contracts, and implementation of communication measures described above;
- An appeal process for Residents who are not satisfied with their relocation options;
- A description of all planned or ongoing efforts to track Residents from the date of SHA's first application for HUD Choice Neighborhoods funding in 2010 for a period of five years after each household's initial move; and
- A template for tracking Residents, including social and economic outcomes such as the number and percent by household type of households that move to lower-poverty and higher-opportunity neighborhoods; and the number and percent of children and youth that enrolled in a new school due to relocation (and how many are enrolled in "low-performing" or "persistently lowest-achieving" schools).

SHA shall fully implement and comply with the Relocation Plan except to the extent that implementation would be contrary to the terms of this Agreement, to applicable laws or regulations, or to the terms of any City funding. Any changes to the Relocation Plan shall be submitted to OH. Prior to inception of Phase III, and prior to notification of any Residents who must relocate for Phase III or subsequent phases, SHA shall submit an update of the Relocation Plan to OH including, at a minimum, a new development phasing plan and estimate of Residents who will be relocated in upcoming phases.

4.5——Relocation Reporting and Monitoring

SHA shall provide quarterly reports to the City's Human Services Department (HSD) and OH on the status of implementation of the Relocation Plan and any related activities 45 days after the end of each calendar quarter for each year until the completion and occupancy of all 561 units of Replacement Housing. Such reports must demonstrate compliance with the terms of Article 4, and include the status of notification to and counseling of Residents, the number of relocated Residents including the housing relocation options selected, financial assistance and other relocation assistance provided by SHA, the number and outcome of Resident appeals, and other information required by HSD and OH. SHA shall include in the reports, information on the number of residents evicted during the prior quarter from Public Housing units located within the

MPC~~MCP~~-YT zone, from Replacement Housing units, or from units to which residents were relocated due to redevelopment, and the reasons for the evictions.

5. PHASE I

5.1~~.~~ Project Description

Phase I of development in the Yesler Terrace Redevelopment Area will occur from 2012 through 2016. Except for the construction of the 10th Avenue South Hillclimb, which is a public benefit required by the Yesler Terrace street vacation, the timing of Phase I may be extended through an agreement between SHA and HUD, a copy of which SHA shall provide to OH. SHA shall implement or oversee implementation of the actions in Phase I which shall include:

- Housing production (as described below)
- 10th Avenue South Hillclimb construction
- Horiuchi Park P-Patch Community Garden improvements
- Affordable retail space at 12th & Yesler
- Education support
- Public safety data collection
- Adaptive reuse of the Steam Plant to house Head Start and employment support services

5.2~~.~~ Phase I Housing Production

SHA will produce, or cause to be produced, at least 218 units of housing, including:

- 98 units of Replacement Housing
- 20 units of 60% of AMI Housing
- 20 units of 80% of AMI Housing – 20 Year Term
- Approximately 80 market-rate units

The 118 Replacement Housing and 60% of AMI Housing units will be developed by SHA. Eighty-three of the Replacement Housing units, along with 20 60% of AMI Housing units, will be developed on property owned by SHA east of Boren Avenue, at 1105 East Fir Street. ~~Eighteen~~ Fifteen of the Replacement Housing units will be provided through rehabilitation of the SHA-owned Baldwin Apartments at 14th Avenue and East Fir Street, which is a vacant building. Units created through rehabilitation of the Baldwin Apartments shall count as R~~r~~eplacement H~~h~~ousing.

5.3 City Contribution

5.3.1 Housing

The City will contribute to Phase I for the purposes set forth in this Agreement an amount not to exceed $2,400,000 for housing development. ~~This~~ City F~~f~~und~~sing~~ will only be used to support the development of the 83~~0~~ Replacement Housing units and 20 60% of AMI Housing units at

1105 East Fir Street. In addition, SHA may apply for and OH may approve up to $300,000 of HomeWise weatherization funds to assist with rehabilitation of the Baldwin Apartments.

5.3.2. Policies, Terms and Conditions for Housing Funding of Phase I

SHA's use and the City's release of housing funds are subject to policies in the Seattle Housing Levy Administrative and Financial Plan, the City's Consolidated Plan, and federal laws and regulations as amended. The City shall not be obligated to release or provide any City F~~f~~unds for Phase I until SHA delivers a detailed funding application including cost estimates that is reviewed by the City and determined by the OH Director to be in accordance with City funding guidelines. OH may review the SHA funding application separate from the project selection process established in the Levy Administrative and Financial Plan. The commitment of any funds by the City is not final unless and until the Director of OH makes a determination, after completion of NEPA environmental review under 24 CFR Part 58, to proceed with funding. SHA and any developer selected by SHA shall not undertake or commit any funds to actions, including property acquisition, demolition, movement, rehabilitation, conversion, repair or construction prior to the environmental clearance. Any action contrary to the preceding sentence may result in the denial of any funds under this ~~a~~Agreement.

5.3.3 City Phase I Contributions Summary

TABLE B

Source	Amount	Purpose
CDBG	$545,000	Affordable housing
Other City Housing Funds	Up to $1,855,000	Affordable housing
HomeWise Program	Up to $300,000	Weatherization ~~A~~assistance
TOTAL	**Up to $2,700,000**	

6. PHASE II

6.1. Project Description

SHA submitted a second application for Choice Neighborhoods funding to HUD in April, 2012. Phase II of development in the Yesler Terrace Redevelopment Area, if funded, will occur from 2013 through 2019 except that it may be extended through an agreement between SHA and HUD, a copy of which SHA shall provide to OH. SHA shall implement or oversee implementation of the actions in Phase II, which shall include:

- Housing ~~P~~production (as described below)
- The donation by SHA to the City of approximately 1.75 acres of land adjacent to the Yesler Community Center for development as a Neighborhood Park
- Development of a pedestrian pathway to connect the 10th Avenue Hillclimb to the Neighborhood Park
- Construction of South Washington Street, the southern portion of the green street loop
- Funding to assist with the rehabilitation of Washington Hall

- Supportive services including: education support, health services, job readiness/placement support and case management
- Public safety data collection

6.2. Phase II Housing Production

SHA will produce or cause to be produced at least 174 units of housing, including:

- 104 units of Replacement Housing
- 70 units of 60% of AMI Housing

The 174 Replacement Housing and 60% of AMI Housing units will be developed by SHA, as follows:

- 36 Replacement Housing units, along with 24 60% of AMI Housing units, will be developed on property owned by SHA in Block 2 adjacent to the Steam Plant.
- 68 Replacement Housing units, along with 46 60% of AMI Housing units, will be developed on property owned by SHA in Block 6, adjacent to the Neighborhood Park.

6.3 Phase II Park Development

6.3.1

A partnership between SHA and the Seattle Department of Parks and Recreation (Seattle Parks) in the Yesler Terrace Redevelopment Area provides a unique opportunity for Seattle Parks to substantially increase the open space component of the Community Center and provide a large useable park that will serve residents of First Hill, Yesler Terrace and the surrounding community.

6.3.2

As part of Phase II, SHA and Seattle Parks will collaborate to develop a Neighborhood Park abutting the existing Yesler Community Center. Prior to inception of Phase II, SHA will request that HUD allow a transfer of the land between Yesler Way and the reconfigured S. Washington St. to the City at no cost, and Seattle Parks will request that the City Council authorize the acceptance of the proposed land from SHA and approve the reallocation of funds from the 2008 Parks and Green Spaces Levy to be used to develop the Neighborhood Park. The use of 2008 Parks and Green Spaces Levy funding for the development of the neighborhood park in the MPC-YT ~~Z~~zone will require a recommendation from the Levy Citizens Oversight Committee and approval of the City Council to transfer funding allocated for acquisition to development.

If HUD approves the transfer of land and Council authorizes funding for its improvement, SHA will demolish existing residential units and other structures on the site and transfer the land to the City at no cost, and Seattle Parks will develop the Neighborhood Park. Seattle Parks and SHA will collaborate on park design, and the Seattle Design Commission will review it. The design process will include opportunities for public involvement.

Seattle Parks and SHA will work together to identify additional sources of funding for park development, if necessary.

6.4 City Contribution

6.4.1 Housing

The City will contribute to Phase II for the purposes set forth in this Agreement an amount not to exceed $5,220,000 for housing development. City funding will be used to support the development of the 104 Replacement Housing units and 70 60% of AMI Housing units planned for Block 2 and Block 6. Up to $1.8 million will be made available in 2014 and up to $3.42 million will be made available in 2016.

6.4.2 Policies, Terms and Conditions for Housing Funding of Phase II

SHA's use and the City's release of housing funds are contingent on award of Choice Neighborhoods Phase II funding by HUD, and are subject to policies in the Seattle Housing Levy Administrative and Financial Plan, the City's Consolidated Plan, and federal laws and regulations as amended. The commitment of any funds by the City is not final unless and until the Director of OH makes a determination to proceed with funding after completion of NEPA environmental review under 24 CFR Part 58. The City shall not be obligated to release or provide any City funds for Phase II until SHA delivers a detailed funding application including cost estimates that is reviewed by the City and determined by the OH Director to be in accordance with City funding guidelines. OH may review the SHA funding application separate from the project selection process established in the Levy Administrative and Financial Plan.

6.4.3 Parks

Seattle Parks will request that the City Council approve the reallocation of $3 million from the Acquisition category in the 2008 Parks and Green Spaces Levy, transfer it to the Development category and authorize its use for the development of the Neighborhood Park, contingent on a transfer of property from SHA pursuant to ssubsection ~~Article~~ 6.3.2.

6.4.4 City Phase II Contribution Summary

TABLE C

Source	Amount	Purpose
CDBG	$500,000	Affordable housing
Other City Housing Funds	Up to $4,720,000	Affordable housing
Parks Levy	Up to $3,000,000	Neighborhood Park development
TOTAL	**Up to $8,220,000**	

7. FUTURE CITY CONTRIBUTIONS

Future City contributions, if any, for development beyond Phase II may come from a variety of City funding sources. If future Housing Levy dollars are spent on Yesler Terrace, these funds shall be awarded through the regular Housing Levy Notice of Funding Availability (NOFA) process.

For Public ~~I~~infrastructure development, SHA shall work with the City to identify specific capital expenditures to be considered for funding by the City in future City budgets and six-year Capital Improvement Programs (CIPs). Each year when the City's annual budget is being developed, SHA will work with City departments to explore opportunities where departmental priorities align with development. Funding support for development may be included in a department's budget proposal to the Mayor. The Mayor would consider Yesler Terrace-related requests as part of the Mayor's proposed budget to the City Council. Budget proposals are submitted by departments to the City Budget office in May of each year; any proposals related to development should be included at that time.

The City will not commit capital funds for housing development anywhere in the Yesler Terrace Redevelopment Area that are ~~is~~ in addition to City funding commitments in Phase I and Phase II included in this Agreement unless explicitly authorized in an amendment to this Agreement. Any future City Funds ~~funding~~, whether awarded to SHA or a Nonprofit Housing Developer, shall be considered a City contribution to redevelopment of Yesler Terrace.

SHA shall not request City Funds for development that are ~~is~~ in addition to City funding for Phase I and Phase II unless and until SHA has provided information to demonstrate and has certified to OH and the City's Department of Planning and Development (DPD) that SHA is in compliance with all terms of this Agreement. SHA shall also provide a summary of income from local sources (including City Funds), state and federal grants, land sales, and other capital contributions, and of capital expenses, to support any request for City Funds.

8. IN-HOME CHILD CARE FACILITIES

Pursuant to SHA Board Resolution #4927 adopted in July 2009, every Resident who is an in-home child care provider licensed by the State Department of Early Learning to provide in-home child care services in the MPC-YT ~~Z~~zone at the time this Agreement is executed and throughout at least the 24 months immediately prior to relocation due to redevelopment shall have the right to return to a Replacement Housing unit if the Resident ~~provider~~ indicates a preference to return to the Yesler Terrace Redevelopment Area, continues to live at the relocation housing, and is entitled to return to the Yesler Terrace Redevelopment Area under Section ~~Article~~ 4.3 above.~~.~~ Replacement Housing for such Residents shall meet the criteria outlined in Section 4.3 above.

9. P-PATCH COMMUNITY GARDENS, TREES, & LANDSCAPE AMENITIES

9.1 P-Patch Community Gardens – required area

At the time of the execution of this ~~a~~Agreement, the MPC-YT ~~Z~~zone contains approximately 0.3 acres of land used for food cultivation, including both P-Patch Community Gardens and

gardening in private yards. Before the end of redevelopment, SHA will provide, or cause to be provided, no less than 1 acre of P-Patch Community Gardens within the MPC-YT zone, Horiuchi Park, the right-of-way of South Main Street, and/or the right-of-way of 10th Ave S. P-Patch Community Gardens located in rights-of-way are subject to approval by SDOT, and in Horiuchi Park or the Neighborhood Park they are subject to approval by Seattle Parks.

To count toward the requirements of this Article 9, each space reserved for P-Patch Community Gardens must:

- meet physical requirements for sun, slope, terrain and water access, as determined by the Department of Neighborhoods (DON) P-Patch Community Gardening Program;
- be located on contiguous space large enough to accommodate growing space for at least 15 households in approximately 100 square foot plots;
- provide communal features like paths, tool sheds, composting, and gathering areas; and
- allow access by the general public.

9.2 P-Patch Community Gardens – timing and management

At all times during redevelopment, SHA shall provide access to a minimum of 0.3 acre of P-Patch Community Gardens. SHA shall provide the required 1 acre of P-Patch Community Gardens before permits are issued in excess of 3,500 dwelling units in the Yesler Terrace Redevelopment Area.

As part of the Choice Neighborhoods Phase I project, Seattle Parks will work with SHA on the use of a portion of Horiuchi Park as a P-Patch Community Garden, and Seattle Department of Transportation will work with SHA on the use of a portion of the S. Main Street right-of-way. SHA shall provide funding adequate to develop P-Patch Community Gardens at both sites.

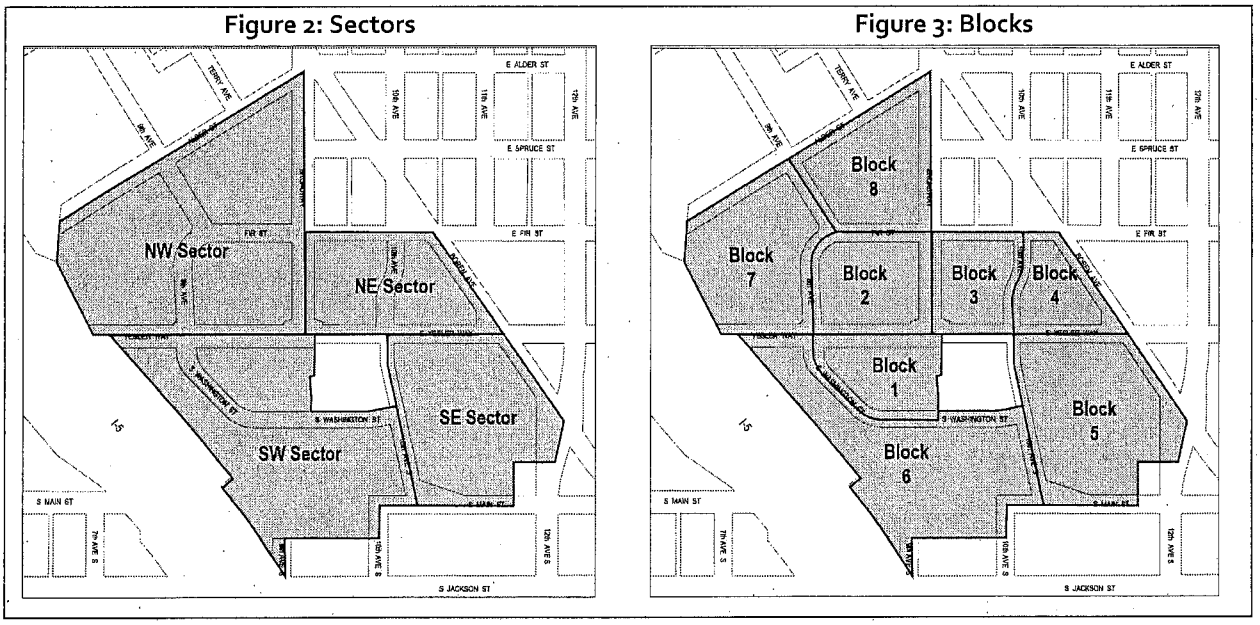
The Department of Neighborhoods P-Patch Community Gardening Program currently manages P-Patch Community Gardens in the MPC-YT ~~Z~~zone. Through this program, DON maintains community gardening standards, oversees assignment of gardening spaces, community outreach, and new garden development, and assists gardeners in daily garden operations. DON and SHA have an existing Interlocal Agreement to manage P-Patch Community Gardens at SHA housing sites; through updates to the Interlocal Agreement, SHA and DON shall make provision for development, operations, and funding of new P-Patch Community Gardens as needed. The use of a portion of Horiuchi Park as a P-Patch Community Garden will be added to the current Memorandum of Agreement between Seattle Parks and DON.

In assigning plots for the P-Patch Community Gardens required through this ~~a~~Agreement, DON shall prioritize neighborhood residents and populations underrepresented in the ~~C~~city at large by the P-Patch Community Gardening Program, as determined by DON.

9.3 Landscape Amenities

Figures 2 and 3 show Blocks and Sectors, which are referenced in this Section 9.3.

Figures 2 and 3: MPC-YT ~~Z~~zone sectors and blocks



SHA commits to providing (or causing to be provided) landscape features in a sufficient quantity for each sector to achieve a Green Factor score of 0.50, calculated pursuant to Seattle Municipal Code 23.86.019. In the SW Sector, SHA commits to achieving a Green Factor score of 0.50 for both Block 1 and Block 6, separately. The landscape features needed to meet the conditions of Section 9.3 must be provided by the time redevelopment of a sector is complete, or by the end of 20 years from the signing of this ~~a~~Agreement, whichever comes first.

9.4 Tree Replacement

SHA commits to plant and maintain, or cause to be planted and maintained, an average of 1.1 trees in the MPC-YT zone for every tree that is removed from the MPC-YT zone. Progress toward meeting this commitment shall be documented in the annual report to DPD required by Section ~~Article~~ 15.2 of this Agreement. Trees required pursuant to Land Use Code requirements and to satisfy conditions of the Planned Action Ordinance count toward meeting this commitment, as do the ~~additional~~ landscape amenities described in Section ~~Article~~ 9.3 above.

If the Washington State Department of Transportation agrees, tree planting by SHA in the freeway buffer on WSDOT property on the east side of Interstate 5 between Yesler Way and South Jackson Street may count towards ten percent of the 1.1 replacement commitment. Any new trees planted in this area should be selected and maintained according to Crime Prevention Through Environmental Design (CPTED) principles.

10. SUSTAINABLE INFRASTRUCTURE AND UNDERGROUND UTILITIES

SHA and the City have identified the MPC-YT ~~Z~~zone as an opportunity for sustainable infrastructure including water reuse, renewable energy, district energy and green stormwater infrastructure. In 2009, SHA and the City commissioned a study of sustainable infrastructure opportunities to determine the most productive concepts. The parties anticipate a variety of opportunities for sustainable infrastructure will be explored and implemented over the life of the redevelopment.

10.1 District Energy System

Pursuant to Resolution 31354 the City of Seattle's Office of Sustainability and Environment ("OSE") ~~has~~ issued a Request for Qualifications ("RFQ") seeking responses from potential district energy providers. SHA ~~has~~ participated in the review of this RFQ as a member of an external advisory committee including First Hill stakeholders and potential customers, such as Harborview Medical Center, Virginia Mason Medical Center, and Swedish Medical Center. For purposes of this Agreement, "Provider" means the entity that enters into an agreement with the City to provide thermal energy as a result of the RFQ process described in Resolution 31354.

SHA will provide input regarding the timeline for development in the MPC-YT ~~Z~~zone and anticipated demand for thermal energy. SHA ~~is undertaking~~ has completed studies of portions of the Yesler Terrace Redevelopment Area's potential for geothermal exchange systems and will provide this information to the City and Provider~~when available~~.

OSE will take into account SHA's input in developing a franchise agreement with the successful ~~p~~Provider if OSE decides to proceed with such an agreement, as one component of OSE's decision with regard to any recommendation to the Mayor and City Council for approval of an agreement.

10.2 Hydronic Systems Requirement

It is the intent of the City and SHA that all newly constructed buildings within the MPC-YT ~~Z~~zone shall utilize hydronic heating systems compatible with a district energy system.

In order to achieve this, both parties agree to work cooperatively to communicate the requirements, opportunities and constraints created by development in the MPC-YT ~~Z~~zone to the Provider that is selected as a result of the City's RFQ process.

It is SHA's obligation to ensure that all buildings in the MPC-YT ~~Z~~zone shall be designed and developed with hydronic heating systems compatible with the district energy system to be constructed by the Provider, subject to the provisions herein and specific design guidelines provided by the Provider.

10.2.1

If at the time the application for a building permit is made for a new building in the MPC-YT ~~Z~~zone, an executed and valid franchise agreement is in effect between the City and a district energy Provider that:

- Specifies greenhouse gas reduction goals; and
- Specifies the date when a district energy system will be operational; and
- Specifies that the Provider will be able to deliver sufficient heat to meet the space heating and hot water needs of the building prior to the time that building is ready to receive its C~~c~~ertificate o~~of~~ O~~o~~ccupancy ~~("CO")~~, either from a fully operational district energy system or, on an interim basis, from a temporary boiler facility provided and operated by the Provider in or near the building,

then SHA shall ensure that such building will connect to the hydronic heating service provided by the district energy Provider. SHA shall ensure that any application for a building permit in the ~~at the Yesler Terrace Redevelopment Area west of Boren Avenue~~ MPC-YT zone submitted by or on behalf of SHA or any transferee or lessee of SHA includes hydronic heating systems compatible with the design of the Provider's district energy system.

SHA shall include the requirements of this subsection 10.2.1 in each sale or transfer agreement or deed and, in consultation with the Provider, ensure that building systems are designed to be compatible with and to maximize the benefits of the district energy system. The City shall request that the Provider, under the franchise agreement with the City, provide notice and information to SHA and project proponents of the operational status of the district energy system in order to facilitate building design using hydronic heating systems compatible with a district energy system.

If a temporary boiler is to be used during an interim period, then SHA shall ensure that when the Provider is ready to connect the building to the Provider's system, the building will be available for this connection.

10.2.2

SHA agrees that it will, as necessary, require as a condition of sale or transfer agreement or deed that a building owner dedicate interim space within or immediately adjacent to its building, sufficient to hold a temporary boiler. The City, Provider and SHA will establish terms by which the Provider shall compensate the building owner for the temporary use of that space; the amount of compensation will depend on the duration of the impact and the size of the impacted area. ~~discuss the feasibility of a schedule that defines an allowance for compensation for the temporary loss of the use for other purposes of this space~~

It is the intention of the City, in its agreement with the Provider, to negotiate a requirement that if the Provider is unable to adequately serve the thermal loads of the building at the time a building is ready to receive its Certificate of Occupancy, despite a franchise agreement in effect as described herein, the Provider will reimburse the property owner for the cost of planning, designing, permitting, constructing and installing the following:

- The system to generate the hot water needed to serve the building's internal loads, and
- The equipment to connect this system to the building's hydronic distribution system.

The City, SHA and the Provider will discuss the feasibility of a schedule that defines compensation for costs associated with a delay in receiving the Certificate of Occupancy.

The City, in negotiating an agreement with the Provider, will request that a performance bond or other similar instrument be in place that is sufficient to cover these costs.

All provisions in this Section 10.2 are subject to an ordinance being passed by the City Council authorizing the franchise agreement that is not materially inconsistent with this Agreement. Responsibilities assigned to the Provider are enforceable only if they are included in the franchise agreement executed with the Provider.

10.3 Sustainable Water Treatment Infrastructure

SHA has expressed interest in exploring district scale sustainable water treatment and reuse infrastructure to lower the amount of potable water that would be required in the new neighborhood and the amount of stormwater and waste water that enter the combined sewer system. Graywater and stormwater reuse and "black water" treatment and reuse are all possibilities.

10.4 Underground Utilities

SHA commits to making its best effort to design the overhead utility system to minimize any view blockage and visual impacts of an overhead system. SHA will work with its Master Development partner and other developers to identify opportunities along with funding options for placement of utilities underground in locations where this would be appropriate and economically feasible.

11. COMMUNITY SERVICES

SHA's Development Plan calls for up to 65,000 square feet accommodating a range of supportive services such as educational programs and providers of various human services. Consistent with the Yesler Terrace Guiding Principles, SHA, in cooperation with HSD, will seek out sufficient range of services so as to provide residents with access to a set of services which will allow them the greatest opportunity to transition out of P~~p~~ublic H~~h~~ousing into permanent private housing and to achieve economic self-sufficiency.

SHA anticipates that organizations currently located onsite will be offered the opportunity to return to available space in the redeveloped community, assuming that SHA and service providers who are currently contracted for services enter into a new contract after current agreements expire. SHA will redevelop the historic S~~s~~team P~~p~~lant and provide a range of services in this facility. It is anticipated that the following providers and services will be included initially:

- Neighborhood House Head Start early learning program;

- Catholic Community Services Youth Tutoring for elementary through high school youth;
- Express Credit Union for affordable financial service and micro-enterprise development;
- SEIU NW Training Partnership for training of home care aides;
- City of Seattle New Citizenship Program for naturalization classes;
- SHA's Economic Opportunities program with on-site case managers who will conduct needs assessments and connect clients with multiple resources including employment, savings accounts, vocational education/training, and financial literacy and credit repair; and

- SHA will continue its partnerships with local agencies providing training and job placement services for low income people. For example, SHA will continue to work with Port Jobs in order to assist Yesler neighborhood residents to obtain training, and jobs at the airport and other transportation related employment. SHA will also continue to work with the Workforce Development Council (WDC) to help Yesler neighborhood residents receive training in high demand employment sectors, such as healthcare, which will lead to employment opportunities.

If SHA is awarded a second Choice Neighborhoods grant, SHA will implement or oversee implementation of additional community services that will include:

- Neighborcare Health addition of two health educators (fluent in Vietnamese and Somali) to assist residents with navigating the healthcare system;
- Neighborcare Health addition of 2 health centers - one school-based center and one small clinic in the Yesler Terrace Redevelopment Area;
- King County Public Health Department healthy homes training;
- Seattle Community College District grants for academic support;
- Workforce Development Council coordination on the use of funding set aside in the Choice Neighborhoods grant for job placement services allowing better access to Workforce Investment Act resources managed by the WDC; and
- Year Up Puget Sound one-year transition program for high school graduates and GED recipients.

11.1

The City of Seattle, including the Office of Housing, the Office of Economic Development, and the Department of Planning and Development, and the Seattle Housing Authority, will work with the Friends of Little Saigon and other community members in Little Saigon to explore the feasibility of developing a mixed-use project that may include low-income housing, affordable commercial space, and a Vietnamese cultural center.

12. COMMUNITY ENGAGEMENT AND OVERSIGHT

Ongoing engagement of all residents in the Yesler Terrace Redevelopment Area is critical during redevelopment. SHA will use the following forums that currently exist to solicit resident preferences, ideas and suggestions:

- Yesler Terrace Citizen Review Committee (includes 6 resident leaders and 5 alternates)
- Yesler Terrace Community Council (a resident-governed body)
- The Parent Empowerment for Education Results (PEER) group (focused on education advocacy for Public Housing residents)
- Asian Elders m~~M~~onthly gathering

In addition, SHA will continue to regularly attend meetings of the Yesler Terrace Community Council, the PEER group and the Asian Elders to facilitate resident engagement on the issues of greatest interest to their respective groups. These issues will include: housing amenities, open space/pedestrian pathway design, social service needs, methods for fostering community cohesion, means for providing an effective voice for low-income residents, and provision of community-desired services, which may include a grocery store or other services, in new, on-site commercial or retail space.

SHA will also convene regular meetings with the service providers in the Yesler Terrace Redevelopment Area who provide one-on-one case management for residents. Service providers will receive information about redevelopment and share questions and concerns they may be receiving from residents.

SHA shall continue the Yesler Terrace CRC throughout redevelopment and will ensure that the CRC includes representation from the following groups: residents (including alternate members); Nonprofit Housing Developers; the 12th Avenue/Squire Park, Little Saigon and First Hill neighborhoods; service providers; education/medical institutions; County Health Department; 'smart growth' organizations; the City Planning and Design Commissions; advocates for low-income residents; and the City's Office of Housing.

As the project moves into implementation, the CRC, with assistance from SHA, will be responsible for monitoring and evaluating progress toward development of housing and neighborhood improvements, and provision of supportive services for residents by SHA and other partners. This will include monitoring outcomes specifically articulated in the Choice Neighborhoods ~~G~~grant for Phase I and, if awarded, Phase II. CRC subcommittees including residents will be formed to carry out this work. SHA will provide technical assistance, as needed, to assist the CRC subcommittees in this work. SHA in consultation with the CRC will prepare an annual report that describes the activities undertaken and accomplishments of outcomes related to the development of housing and neighborhood improvements, and provision of supportive services during the previous calendar year.

In addition, SHA will work cooperatively with other owners and tenants to promptly address concerns raised by residents and community members related to construction activities, public safety, noise, resident related issues, and other similar community-wide concerns. SHA will, as appropriate, seek assistance of the Yesler Terrace Community Council and the Citizen~~'s~~ Review Committee to address identified concerns.

13. COMMUNITY WORKFORCE PLAN

Consistent with the Yesler Terrace Guiding Principles related to social equity and economic opportunity and the City's Race and Social Justice Initiative, SHA will require contractors and subcontractors for SHA infrastructure and housing construction projects to:

- Ensure that employment and other economic and business opportunities generated by HUD financial assistance, to the greatest extent feasible, are directed to Public Housing residents and other low- income persons in the surrounding neighborhood, particularly recipients of government housing assistance, and business concerns that provide economic opportunities to Public Housing residents and other income eligible persons.
- Provide equal employment opportunity to all employees and applicants for employment without regard to race, color, religion, sex, national origin, disability, veteran's or marital status, or economic status, and to take affirmative action to ensure that both job applicants and existing employees are given fair and equal treatment.
- Comply with applicable prevailing wage standards.

SHA has established the following goals for SHA infrastructure and housing construction projects:

- Section 3 Resident Hiring Goal: In order to promote the employment of Public Housing residents and other low-income persons (HUD Section 3 eligible persons) on the project, SHA has established a goal that 100% of all "new hires" for the project will be Section 3 eligible persons.
- Workforce Goal: SHA has established employment goals for the workforce of these projects (contractor and subcontractors) of not less than 21 % minorities and 20% women, with an employment subgoal of 4.5 % for minority women. SHA will seek to exceed these~~is~~ goals.
- Apprenticeship: SHA has established a minimum 15% apprentice utilization requirement for this project. SHA will seek to exceed this requirement~~goal~~.
- Women and Minority Business Enterprise (WMBE) Subcontracting Utilization: SHA has established a 14% aspirational women and minority enterprise subcontracting goal~~s~~ as a percentage of the total work. SHA will seek to exceed this goal.
- Section 3 Business Subcontracting Utilization: Contractors shall to the greatest extent feasible award 10% of the total contract amount to qualified Section 3 businesses. SHA will seek to exceed this goal.
- Outreach Solicitation: SHA will require contractors to actively solicit women and minority businesses and Section 3 businesses for any subcontracting opportunities identified for the project. Contractors will be required to work with SHA's Section 3 Coordinator or as

otherwise directed by SHA to place eligible Public Housing residents or other low-income persons in available employment opportunities and to carry out outreach and education to implement their Section 3 and workforce goals.

- Prevailing Wage: Contractors and subcontractors of all tiers will be required to comply with prevailing wage laws.
- Compliance: SHA staff will monitor compliance with these requirements and provide annual reports on performance.

SHA will encourage developers to submit community workforce plans prior to the commencement of construction for each project. The plans will include goals for Section 3 hiring, women and minority business utilization, Section 3 business utilization, apprenticeship utilization and equal opportunity employment goals.

SHA will carry out good faith efforts to include organized labor in the development of a Community Workforce Agreement on all SHA housing and infrastructure construction projects in the Yesler Terrace Redevelopment Area.

13.1

SHA will request and work with all developers at Yesler Terrace to establish goals for Section 3 hiring, women and minority business utilization, Section 3 business utilization, apprenticeship utilization, and equal opportunity employment ~~goals~~ that meet community needs for jobs.

In order to achieve the workforce goals included in this ~~a~~Agreement, SHA will work with community organizations that assist women and minority-owned businesses, and economically disadvantaged individuals, to gain employment through Section 3 hiring, apprenticeship programs, and equal opportunity programs.

14. GREEN BUILDING

14.1

SHA shall ensure that, prior to issuance of a building permit, all new development in the MPC-YT zone includes sufficient features and elements to qualify for green building certification, as follows. Any development project that does not include Replacement Housing, 30% of AMI Housing, or 60% of AMI Housing must meet one of the following standards:

- LEED Gold or higher rating, according to a U.S. Green Building Council ratings system applicable to each type of development involved, as most recently published and amended as of the date when the first permit application for the project is submitted to DPD; or

- A 4-Star or higher rating either for Built Green Multi-Family Version 2009 or Built Green Single-Family/Townhome New Construction Version 2007, as applicable, according to the criteria in those rating systems of the Master Builders Association of King and Snohomish Counties Rating Systems, or any applicable later version of either

of those systems approved in writing by the DPD Director as providing for at least equivalent sustainability.

Any development project that does include Replacement Housing, 30% of AMI Housing, or 60% of AMI Housing may meet LEED Gold or Built Green 4-Star, as described above, or either of the following standards:

- Evergreen Sustainable Development Standard ("ESDS") published by the Washington State Department of Commerce, v. 2.0, or any later or modified ESDS version approved in writing by the DPD Director as providing for at least equivalent sustainability.
- 2011 Enterprise Green Communities Criteria, published by Enterprise Community Partners, Inc., or any later or modified version approved in writing by the DPD Director as providing for at least equivalent sustainability.

14.2
SHA shall identify in annual reports to DPD which standard is to be satisfied for purposes of this Article 14 by each development project in the MPC-YT ~~Z~~zone, and shall deliver, no later than one year after the certificate of occupancy is issued, independent verification that the terms of the applicable standard were satisfied by the project.

14.3
In all sales and other transfers of land in the MPC-YT zone, SHA shall obtain from the purchaser or other transferee a binding agreement that all development on the property sold shall satisfy the terms of this Article 14.

15. ANNUAL REPORTS

15.1 Reports to Mayor and Council
For each year during redevelopment, SHA shall provide a written report to the Mayor and Council by March 31st that shall include, at a minimum, the status of all housing production by affordability type and bedroom count for the prior calendar year, cumulatively for all development in the Yesler Terrace Redevelopment Area. The report shall include yearly changes in the number of Public Housing units that are still in service, the number of Public Housing units taken out of service, the number of Replacement Housing units under development, and the number of Replacement Housing units put into service. The report shall also include the number of Replacement Housing units and 60% of AMI Housing units by the number of bedrooms and the number of Replacement Housing units in each block of the MPC-YT zone. SHA shall include in the reports information on the number of residents evicted during the prior quarter from Public Housing units located within the MPC-~~MCP~~-YT zone, from Replacement Housing units, or from units to which R~~r~~esidents were relocated due to redevelopment, and the reasons for the evictions. In addition, SHA shall submit to the Mayor and Council the annual CRC/SHA report described in Article 12. Finally, SHA shall provide information for the prior calendar year on the number of properties at Yesler Terrace that were

sold or leased, the sales price for the individual properties if sold (or lease payment terms, if leased), who purchased or leased the property, and the date the sale or lease of each property was finalized.

SHA, in cooperation with DPD and OH, shall offer to brief the City Council on the redevelopment at least once every 2 years for the duration of the redevelopment.

15.2 Reports to DPD

For each year during redevelopment, SHA shall provide annual reports to DPD by March 31st tracking the permitted and built development for the prior calendar year and cumulatively. These reports shall document compliance with Planned Action Ordinance mitigation measures, document progress toward affordable housing production conditions for the Yesler Terrace Redevelopment Area in accordance with Table A for ~~Section~~ 23.75.085 of the Land Use Code, and include updates on development within the Yesler Terrace Redevelopment Area, including gross floor area by use, number of highrise buildings, Green Factor landscape features, the amount of parking developed and any other data that DPD deems necessary. These reports are in addition to ongoing reporting as part of master use permit and building permit processes.

15.3 Reports to OH and HSD

For each year during redevelopment, SHA shall provide an annual report to OH and HSD by March 31st tracking the relocation of Residents for the prior calendar year and cumulatively. These reports shall include (1) Public Housing Residents still residing in the MPC-YT ~~Z~~zone, (2) Residents who have relocated to Replacement Housing, other SHA-owned housing, or other housing, (3) Residents receiving Tenant Protection Vouchers or other rental assistance, (4) Residents who have moved away from the MPC-YT ~~Z~~zone and have indicated a preference to return to the Yesler Terrace Redevelopment Area when suitable housing is available, and any other information that OH or HSD deems necessary. Annual reports shall also include any available information regarding socio-economic outcomes for Residents, and any requested changes to the Relocation Plan.

SHA shall also provide an annual report to OH by March 31st of each year, beginning in the year after the first Replacement Housing, 60% of AMI Housing, or 80% of AMI Housing is completed and occupied and ending when the terms of affordability for all housing required in the Housing Production Plan has expired. These reports shall provide household income and rent information to document that Replacement Housing, 30% of AMI Housing, 60% of AMI Housing, and 80% of AMI Housing are ~~is~~ being provided as required by Article 3, and any other data that OH deems necessary. If Replacement Housing and/or other required housing units developed in the Yesler Terrace Redevelopment Area are monitored for compliance by OH pursuant to a loan or other agreement with the City, SHA may include information on this housing by reference in the annual report.

16. COMPLIANCE WITH PLANNED ACTION MITIGATION DOCUMENT AND TREE PROTECTION PLAN

16.1 Compliance with Exhibits to Planned Action Ordinance

SHA agrees that development of any property in the MPC-YT zone shall comply with the terms of Exhibit B ("Mitigation Document") and Exhibit C ("Tree Protection Plan") to the Planned Action Ordinance, whether or not a permit application is submitted as a planned action. To the extent that those documents contemplate that requirements or conditions would be included in any permits issued by the City, if any project is not submitted as a planned action, or is determined by DPD not to qualify as planned action, SHA shall cause all such requirements and conditions to be satisfied and performed regardless of the terms of applicable permits. If requirements or conditions contemplated by the Mitigation Document and Tree Protection Plan would depend on the results of studies or determinations by a City department, for any project that is not submitted as a planned action or is determined by DPD not to qualify as a planned action, SHA shall:

- cause the same studies to be performed and submitted to such City department as the City shall designate under this Agreement; and
- cause compliance with the requirements of the Mitigation Document and Tree Protection Plan based on the determination by such City department to the same extent as would have been required for a planned action.

16.2 Recorded covenants

In all sales and other transfers of land in the MPC-YT zone, SHA shall obtain from the purchaser or other transferee a binding agreement, recorded as a covenant running with the land, that all development on the property sold shall satisfy the terms of section 16.1.

17. NOTICE AFFECTING PERFORMANCE

SHA shall notify the Directors of OH and DPD of any matters affecting the ability or capacity of SHA to continue performance of this Agreement, or to comply with any provision hereof, immediately after SHA's discovery of the same.

18. ACCESS TO RECORDS; AUDITS

The City, the State Auditor, the United States and their designated agents shall have access at any time during normal business hours and as often as necessary, after reasonable notice in advance to SHA, to any bank account and SHA books, records, documents, accounts, files, reports, and other property and papers of SHA relating to redevelopment in the Yesler Terrace Redevelopment Area for the purpose of making an audit, survey, examination, excerpt or transcript.

19. PRIOR COOPERATION AGREEMENT NOT APPLICABLE

The City and SHA entered into an Agreement dated November 6, 1939 pursuant to Seattle Resolution 12732, a Supplemental Agreement dated August 27, 1940 pursuant to Seattle Resolution 12942, and a Supplemental Agreement dated December 11, 1961 pursuant to Seattle

Resolution 19027, all referred to herein as the "Prior Cooperation Agreement". SHA has not proposed that any new development, or new structures, in the Yesler Terrace Redevelopment Area be subject to the Prior Cooperation Agreement, and has not made a filing with the City Clerk pursuant to the 1940 Supplemental Agreement for that purpose. The City and SHA acknowledge and agree that for purposes of the Prior Cooperation Agreement the "Project" in the Yesler Terrace Redevelopment Area is limited to the housing now existing, and that notwithstanding any resolution or other action by the City Council that may approve any redevelopment or other actions in the Yesler Terrace Redevelopment Area, the Prior Cooperation Agreement does not and shall not apply to: (1) any structures or improvements in the Yesler Terrace Redevelopment Area that are built or rehabilitated after the date when this ~~a~~Agreement is executed by both parties, or that provide R~~r~~eplacement H~~h~~ousing, or the land where any such structures or improvements are located; (2) any construction, rehabilitation, demolition, or related activities in the Yesler Terrace Redevelopment Area after the date when this ~~a~~Agreement is executed by both parties; or (3) any City permits, approvals, services, fees, or other requirements or actions related to any of the structures, improvements, land or activities described in clauses (1) and (2) above.

20. CITY REQUIREMENTS

20.1 Discrimination Prohibited

SHA shall comply, and shall require all contractors and subcontractors to comply, with all applicable equal employment opportunity and nondiscrimination laws of the United States, the State of Washington, and The City of Seattle, including the Seattle Municipal Code ("SMC"), notably SMC Ch. 14.04, 14.08 and 14.10, and with all rules, regulations, orders, and directives of the associated administrative agencies and their officers. SHA will furnish to the City's Department of Finance and Administrative Services ~~or the Director's designee~~ upon request and on such form as may be provided by the Finance and Administrative Services Director, a report of the affirmative action taken by SHA in implementing the terms of this Section, and will permit access to its records of employment, employment advertisements, application forms, other pertinent data and records by the Finance and Administrative Services Director for the purpose of investigation to determine compliance with this Section. The provisions of this Section shall be inserted into all contracts and subcontracts for work involving City Funds.

20.2 Compliance with Applicable Law

SHA shall comply, and shall cause its contractors to comply, with all applicable City, state and federal law, and shall, in accordance with policies and procedures of the Director of OH, certify such compliance to the City upon request by the City. SHA shall hold the City harmless from any loss, damage, expense, claim or demand (including costs and attorneys' fees) resulting from SHA's or its contractors' failure to comply with any applicable City, state or federal law or SHA's failure to maintain adequate records to demonstrate such compliance.

21. GENERAL PROVISIONS

21.1 Amendment

No modification to or amendment of this Agreement shall be effective unless a written amendment, approved by the City Council by ordinance, is executed by the authorized representatives of SHA and the City.

21.2 Choice of Law
This Agreement shall be construed in accordance with and governed by the laws of the State of Washington.

21.3 Captions
The Article, Section and subsection captions used in this Agreement are for convenience only and shall not control or affect the meaning or construction of any of the provisions of this Agreement. Each subsection, identified by a three numbers separated by 2 decimal points, such as "19.6.1," is part of a Section, designated by the next preceding caption identified by 2 numbers separated by one decimal point, such as "19.6", and each Section is part of the Article designated by the next preceding caption identified by a single number, such as "19."

21.4 Gender
The use of any gender herein shall be deemed to include the other gender, and the use of the singular herein shall be deemed to include the plural and vice-versa, wherever appropriate.

21.5 Severability
The invalidity or unenforceability of any clause, part or provision of this Agreement shall not affect the validity or enforceability of any other portions hereof.

21.6. Default and Remedies

21.6.1 The City's Rights
The following are events of default by SHA under this Agreement:

(a) Failure by SHA to perform or comply with any term or provision of this Agreement within ninety (90) days of written notification from the City of SHA's nonperformance of or noncompliance with any term or condition; provided that if the nonperformance or noncompliance cannot reasonably be cured within ninety (90) days then so long as SHA is diligently pursuing cure and such cure is completed within a reasonable period, it shall not be an event of default.

(b) An event of default under any City Contribution Agreement.

(c) An event of default under any Other Financing Document.

Upon the occurrence of an event of default by SHA, the City may elect any or all of the following remedies:

(a) The City may cease making disbursements and providing City Funds under this Agreement and any City Contribution Agreement;

(b) Upon demand by the City, SHA shall pay the City an amount equivalent to the value of all City Funds that have been provided under this Agreement or any City Contribution Agreement; and

(c) The City may terminate this Agreement.

Any other provision notwithstanding, SHA shall not be considered in default hereunder, and the City shall have no right of action under this Agreement, unless and until there is an event of default by SHA under the terms of this subsection. Subject to the preceding sentence, the remedies set forth above and in the City Contribution Agreements are cumulative, not mutually exclusive, and not in substitution for any rights or remedies available at law or in equity, including, but not limited to, specific performance. The commencement of proceedings to enforce a particular remedy shall not preclude the discontinuance of the proceedings and the commencement of proceedings to enforce a different remedy.

21.6.2 SHA's Rights
If the City fails to perform any material obligation under this Agreement within ninety (90) days of written notification from SHA of the City's breach or nonperformance, SHA may exercise such rights or remedies available at law or equity; provided that SHA shall not pursue any such rights or remedies if the breach or nonperformance cannot reasonably be cured within ninety (90) days and the City is diligently pursuing cure.

21.7 Non-Waiver
Failure to promptly enforce compliance with any term or provision of this Agreement shall not constitute a waiver or limitation of any right or remedy under this Agreement. No waiver shall be effective unless in writing. A waiver of any breach of this Agreement shall not constitute a waiver of any subsequent breach of the same or different provision of this Agreement.

21.8 No Assignment or Third Party Beneficiaries
Except as expressly provided in this Agreement, neither SHA nor the City shall assign any of its rights or interests or delegate any of its obligations or duties under this Agreement without the prior written approval of the other. SHA's role in the redevelopment, as contemplated by this Agreement, constitutes material consideration to the City, without which the City would not have authorized the funding contemplated by this Agreement.

Nothing in this Agreement is intended to confer any rights or remedies on any persons or entities other than SHA and the City.

21.9 Notice
Any notice provided for under this Agreement shall be sufficient if in writing and delivered personally to the following addressee or deposited in the United States mail, postage prepaid,

certified mail, return-receipt requested, addressed as follows, or to such other address as the receiving party specifies in writing:

If to the City:

Mayor
City of Seattle
P.O. Box 94749
Seattle, Washington 98124-4749

If to SHA:

Executive Director
Seattle Housing Authority
190 Queen Anne Avenue North
Seattle, Washington 98109

21.10 Other Agreements, Requirement and Conditions

Nothing in this Agreement, nor any agreement between SHA and HUD, shall limit, extend or waive any obligations of SHA under any other agreements, or any requirements or conditions of any ordinances, permits or approvals, whether in effect as of the date of execution of this Agreement or becoming effective thereafter.

SHA and its Master Development Partner will explore the benefits as well as the negative impacts of leasing rather than sale of all or a portion of property in the MPC-YT zone. SHA will provide a report to the City Council prior to the sale of property but no later than September 30, 2013.

NOTICE: ORAL AGREEMENTS OR ORAL COMMITMENTS TO LOAN MONEY, EXTEND CREDIT, OR FORBEAR FROM ENFORCING REPAYMENT OF A DEBT, ARE NOT ENFORCEABLE UNDER WASHINGTON LAW.

EXECUTED the dates shown below.

THE CITY OF SEATTLE

By: _____ Date: _____

_____
Print Name and Title

THE HOUSING AUTHORITY
OF THE CITY OF SEATTLE

By: _____ Date: _____

_____
Print Name and Title

STATE OF WASHINGTON)
) ss.
COUNTY OF KING)

On this __ day of _____, 2012, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared _____, to me personally known (or proved on the basis of satisfactory evidence) to be the Mayor of The City of Seattle, the Washington municipal corporation that executed the within and foregoing instrument, 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 he was authorized to execute the said instrument.

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

_____
Print Name:_____
NOTARY PUBLIC in and for the State of
Washington, residing at _____
(seal or stamp) My Commission expires _____

STATE OF WASHINGTON)
) ss.
COUNTY OF KING)

On this __ day of _____, 2012, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared _____, to me personally known (or proved on the basis of satisfactory evidence) to be the _____of the Housing Authority of the City of Seattle, the Washington public body corporate and politic that executed the within and foregoing instrument, and acknowledged said instrument to be the free and voluntary act and deed of said public body for the uses and purposes therein mentioned, and on oath stated that he/she was authorized to execute the said instrument.

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

_____
Print Name:_____
NOTARY PUBLIC in and for the State of
Washington, residing at _____
(seal or stamp) My Commission expires_____

CITY OF SEATTLE

ORDINANCE _____

COUNCIL BILL 117536

AN ORDINANCE relating to the redevelopment of Yesler Terrace by the Housing Authority of the City of Seattle; and authorizing the Mayor to execute a Cooperative Agreement with the Housing Authority of the City of Seattle.

WHEREAS, the Housing Authority of the City of Seattle ("SHA") has received a $10,270,000 grant from the U.S. Department of Housing and Urban Development under the Choice Neighborhoods program and has applied for an additional $19,730,000 grant under the Choice Neighborhood program to partially fund the redevelopment of the public housing community known as Yesler Terrace in Seattle's First Hill neighborhood into a mixed-income mixed-use community in partnership with public and private entities; and

WHEREAS, the City and SHA desire to enter into a Cooperative Agreement in order to advance a range of mutually agreed upon benefits; NOW, THEREFORE,

BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:

Section 1. The Mayor is authorized to execute, for and on behalf of The City of Seattle, a Cooperative Agreement, substantially in the form attached as Exhibit A, with the Housing Authority of the City of Seattle concerning the Yesler Terrace redevelopment project.

Section 2. Nothing in this ordinance represents that the City will exercise its regulatory authority to permit or to further the redevelopment project, nor binds it to do so; rather, the City will process applications for permits and approvals under applicable ordinances without reference to this ordinance or the agreement authorized hereunder.

Section 3. 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.

COUNCIL CLERK

Passed by the City Council the ____ day of _____, 2012, and signed by me in open session in authentication of its passage this _____ day of _____, 2012.

_____

President _____of the City Council

Approved by me this ____ day of _____, 2012.

_____

Michael McGinn, Mayor

Filed by me this ____ day of _____, 2012.

_____

Monica Martinez Simmons, City Clerk

(Seal)

Attachment:

Exhibit A: Form of Cooperative Agreement

Form Revised: December 6, 2011

FISCAL NOTE FOR NON-CAPITAL PROJECTS

Department:	Contact Person/Phone:	CBO Analyst/Phone:
Planning & Development	Dave LaClergue	Calvin Chow

Legislation Title:
AN ORDINANCE relating to the redevelopment of Yesler Terrace by the Housing Authority of the City of Seattle; and authorizing the Mayor to execute a Cooperative Agreement with the Housing Authority of the City of Seattle.

Summary of the Legislation: The proposed bill is part of a package of legislation that includes a rezone and Land Use Code amendments, a planned action ordinance, and a cooperative agreement, all intended to support redevelopment of Yesler Terrace. The proposed Yesler Terrace Cooperative Agreement would commit levy funds and other existing resources, and would result in increased review and monitoring time for City staff.

Background: In 2011, the Seattle Housing Authority (SHA) Board of Commissioners adopted a phased redevelopment plan for Yesler Terrace. The plan includes a mix of residential and nonresidential uses, a substantial increase to residential density, and a major reconfiguration of the streets. The SHA plan cannot move forward without a variety of regulatory changes from the City, including a rezone and a street vacation.

Also in 2011, City Council approved the creation of a new "Master Planned Community" designation in the Comprehensive Plan, and applied that designation to Yesler Terrace on the Future Land Use Map. Those actions were intended to support Yesler Terrace redevelopment efforts, and to start the process of developing new zoning.

Since that time, departmental staff have been engaged with SHA to develop legislation consistent with Comprehensive Plan, the SHA redevelopment plan, and other stakeholder priorities. As part of the proposal, the Yesler Terrace Cooperative Agreement would establish certain commitments on the part of the City and Seattle Housing Authority relating to funding, affordable housing, and other conditions of redevelopment. For a full description of the inter-related legislative proposal, please see the Director's Report to the Ordinance introduced as Council Bill _____.

Please check one of the following:

____ **This legislation does not have any financial implications.**

_X_ **This legislation has financial implications.**

COUNCIL CLERK

Appropriations:

Fund Name and Number	Department	Budget Control Level*	2012 Appropriation	2013 Anticipated Appropriation
TOTAL				

Appropriations Notes: No anticipated impacts.

Anticipated Revenue/Reimbursement Resulting from this Legislation:

Fund Name and Number	Department	Revenue Source	2012 Revenue	2013 Revenue
TOTAL				

Revenue/Reimbursement Notes: No anticipated impacts.

Total Regular Positions Created, Modified, or Abrogated through this Legislation, Including FTE Impact:

Position Title and Department	Position # for Existing Positions	Fund Name & #	PT/FT	2012 Positions	2012 FTE	2013 Positions*	2013 FTE*
TOTAL							

Position Notes: No anticipated impacts.

Spending/Cash Flow:

Fund Name & #	Department	Budget Control Level*	2012 Expenditures	2013 Anticipated Expenditures
Community Development Block Grant #17810	Executive	6XZ10	$545,000	
Low Income Housing Fund #16400	Executive	XZ-R1	Up to $1,855,000	
Weatherization funds #16400	Executive	XZ600	Up to $300,000	
TOTAL			**$2,700,000**	

Spending/Cash Flow Notes: See Attachment A for spending/cash flow impacts in future years.

Other Implications:

a) **Does the legislation have indirect financial implications, or long-term implications?** While the legislation does not pose direct impacts to annual budgets, it would commit funds totaling up to $10.9 million dollars between 2012 and 2016. These funds would come from existing fund sources including the Parks and Green Spaces Levy and Community Development Block Grants – see Attachment A for details.

COUNCIL CLERK

Development of a Neighborhood Park would lead to increased operations and maintenance costs for Seattle Parks. Funding for O&M is not identified in this agreement, and would be requested in future budget processes. Seattle Parks estimates that O&M would be around $30,000 per year once the park is built.

b) **What is the financial cost of not implementing the legislation?** There are no direct financial costs of not implementing the legislation. There would be a number of significant opportunity costs, however:
   - HUD has already approved a Choice Neighborhoods grant of $10.3 million, and SHA has applied for an additional $20 million; both of these grants depend on matches from the City. Without HUD funds, it is likely that SHA would depend more heavily on City contributions to replace failing housing at Yesler Terrace.
   - HUD funds obtained through this match will help pay for replacing failing public utility infrastructure and for upgrading streets and sidewalks.
   - The Cooperative Agreement commits SHA to donating 1.75 acres of land to the City, and in exchange Parks and Recreation will improve this land with up to $3 million dollars of Parks and Green Spaces Levy funds. Without the Levy commitment, Parks would not receive free land in a suitable location for a park on First Hill.

c) **Does this legislation affect any departments besides the originating department?** See Attachment A for a summary of financial commitments by Office of Housing and Parks and Recreation. In addition, we anticipate impacts to staff time in OH, DPD, DON, SDOT, and Parks, but expect that these impacts can be absorbed through existing fee structures, inter-local agreements, and future budget requests.

d) **What are the possible alternatives to the legislation that could achieve the same or similar objectives?** There are no possible alternatives to achieve the same or similar objectives, with regard to matching HUD grants or obtaining park land.

e) **Is a public hearing required for this legislation?** No.

f) **Is publication of notice with *The Daily Journal of Commerce* and/or *The Seattle Times* required for this legislation?** No.

g) **Does this legislation affect a piece of property?** See Attachment B for the affected area.

h) **Other Issues:**

List attachments to the fiscal note below:
Attachment A: City Funding Commitments for Yesler Terrace Redevelopment
Attachment B: Project Area

COUNCIL CLERK

Attachment A: City Funding Commitments for Yesler Terrace Redevelopment

The following tables summarize funding commitments that would be made through the proposed Cooperative Agreement

Phase 1 (leverages approx. $10,270,000 HUD grant)

Purpose	Source	Amount
Affordable housing	CDBG	$545,000
Affordable housing	Other affordable housing funds	Up to $1,855,000
Weatherization Assistance	HomeWise Program	Up to $300,000
TOTAL		**Up to $2,700,000**

Phase 2 (leverages approx. $19,730,000 HUD grant)

Purpose	Source	Amount
Affordable housing	CDBG	$500,000
Affordable housing	Other affordable housing funds	Up to $4,720,000
Neighborhood Park development	Parks Levy	Up to $3,000,000
TOTAL		**Up to $8,220,000**

Total City Commitment in Phases 1 and 2	**Up to $10,920,000**

Estimated timing of expenditure of City funds

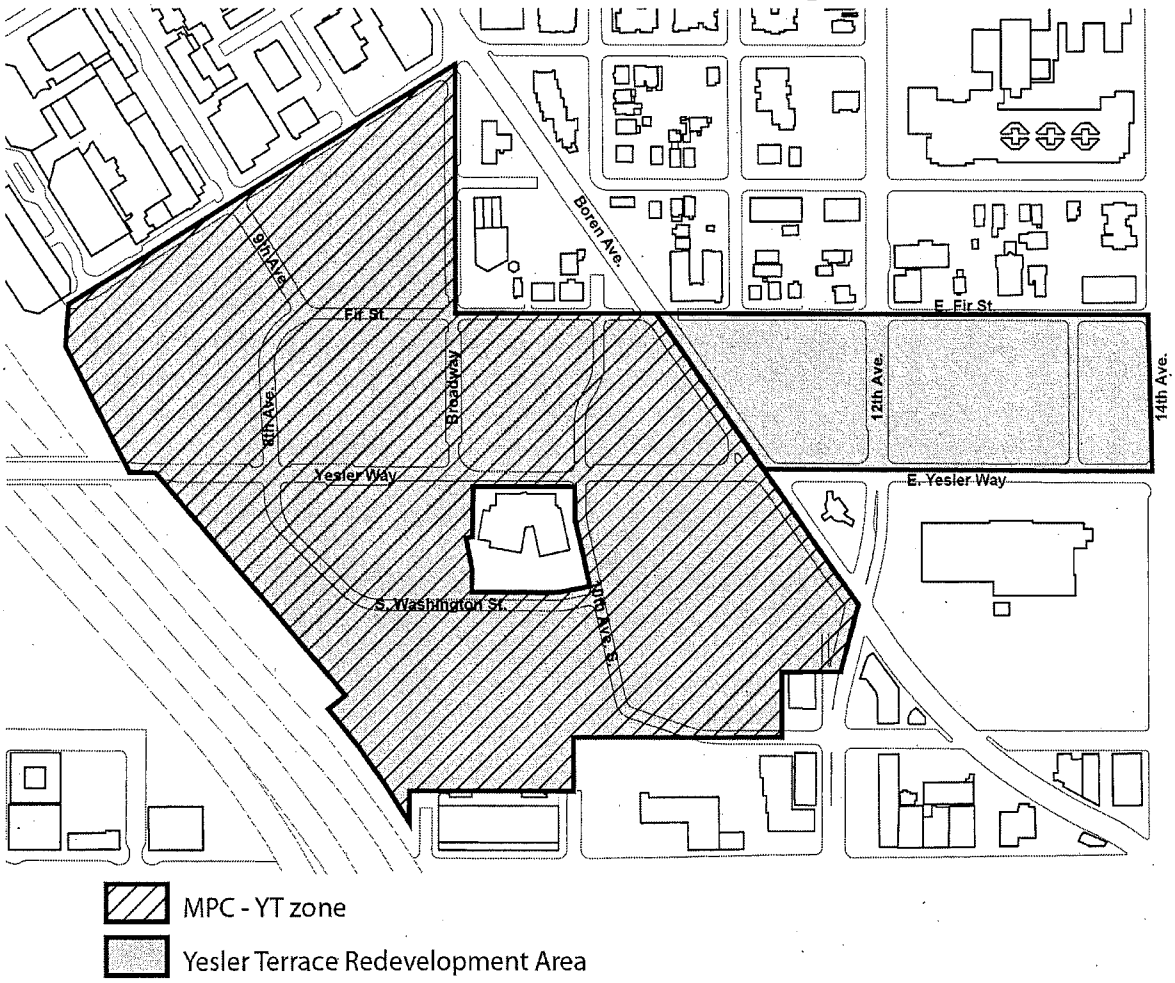
Year	Fund Source	Amount
2012	CDBG and Housing Funds Weatherization funds	Up to $2.4 million Up to $300,000
2013		0
2014	CDBG and Housing Funds	Up to $1.8 million
2015		0
2016	CDBG and Housing Funds Parks and Greens Spaces Levy	Up to $3.42 million Up to $3 million
TOTAL		**Up to $10,920,000**

Development of a Neighborhood Park, as proposed, would lead to increased operations and maintenance costs for Seattle Parks. Funding for O&M is not identified in this agreement, and would be requested in future budget processes. Seattle Parks estimates that O&M would be around $30,000 per year once the park is built.

COUNCIL CLERK

Attachment B: Project Area

MPC-YT zone and Yesler Terrace Redevelopment Area



The MPC-YT zone depicts the area where the new zoning requirements would apply. Housing fund commitments would be used for development at various locations in the larger "redevelopment area." The Parks Levy commitment would apply to the 1.75 acre property on the west side of the existing Yesler Community Center, between Washington Street and Yesler Way.

COUNCIL CLERK

City of Seattle
Office of the Mayor

June 19, 2012

Honorable Sally J. Clark
President
Seattle City Council
City Hall, 2nd Floor

Dear Council President Clark:

I am pleased to transmit the attached proposed Council Bill supporting the redevelopment of Yesler Terrace. The proposed Cooperative Agreement would formalize commitments between the City and SHA relating to funding, affordable housing production, among a variety of other issues. This agreement is part of a larger package of legislation, which includes proposed Land Use Code amendments and a planned action ordinance, submitted for Council consideration on June 12th. These ordinances are coordinated with a street vacation recommendation that will be transmitted to you separately by SDOT, intended to reconfigure streets at Yesler Terrace and improve circulation for all modes of transportation.

It is essential that the City support SHA in their efforts to provide replacement housing for the residents of Yesler Terrace, and to fully realize the potential of this large site within the Center City area. Mixed-use, mixed-income development at Yesler Terrace would significantly increase jobs and housing close to transit and within the immediate walking vicinity of downtown, create a network of new public open spaces, and increase ridership on the First Hill Streetcar.

The proposed legislation implements Comprehensive Plan goals and policies, including the Master Planned Community policies adopted in 2011. These bills represent many hours of planning and coordination by SHA, the Yesler Terrace Citizen Review Committee, and City departments. The proposal balances the goals of increasing housing supply at a variety of affordability levels, adding development capacity in the Center City, and using innovative urban design and open space amenities to create an outstanding neighborhood.

Thank you for your consideration of this legislation. Should you have questions, please contact Gary Johnson in the Department of Planning and Development at 615-0787.

Sincerely,

Michael McGinn
Mayor of Seattle

cc: Honorable Members of the Seattle City Council

Michael McGinn, Mayor
Office of the Mayor
600 Fourth Avenue, 7th Floor
PO Box 94749
Seattle, WA 98124-4749

Tel (206) 684-4000
Fax (206) 684-5360
TDD (206) 615-0476
mike.mcginn@seattle.gov

COUNCIL CLERK