

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 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 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.
- 1.16** “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.
- 1.17** “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.
- 1.18** “Relocation Plan” means the plan submitted to OH by SHA pursuant to Article 4.
- 1.19** “Resident” means a person or household living in a Public Housing unit located within the MPC-YT zone.
- 1.20** “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.
- 1.21** “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.
- 1.22** “Utility Funding” means funds, credits, facilities, equipment or services from Seattle City Light or from Seattle Public Utilities to construct Public Infrastructure.
- 1.23** “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.
- 1.24** “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., Yesler Way, 14th Avenue, and E. Fir Street as depicted in Figure 1.

- 1.25 “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.
- 1.26 “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.
- 1.27 “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 –3.5 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.

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 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 public housing 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 3.5 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 section. After 40 years from initial occupancy of a building, at the request of SHA and based on the criteria in Section 3.5 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. 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 of the 80% of AMI 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 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.

3.5 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 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, 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 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).

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 residents 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 residents will undergo a HUD-required criminal background check. Returning residents 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 for methamphetamine production and a conviction that lead to a life time sex offender registration requirement.

SHA shall not require residents 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, residents 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 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. 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 the housing options available to Residents who move to the Yesler Terrace Redevelopment Area after the execution of this Agreement;
- 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 resident 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 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;
- 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 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, 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 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 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 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 replacement housing.

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 funding will only be used to support the development of the 80 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 funds 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 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 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 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 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 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 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 on the site and transfer the land to the City at no cost, and 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 Neighborhood 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, and after any required SEPA determination. 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 Article 6.3.2.

6.4.4 City Phase II Contribution Summary

TABLE C

Source	Amount	Purpose
CDBG	\$500,000	Affordable housing
Other 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.

For 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 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 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 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 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 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 provider indicates a preference to return to the Yesler Terrace Redevelopment Area, continues to live at the relocation housing, and is not evicted due to noncompliance with the lease agreement. Replacement Housing for such Residents shall meet the criteria outlined in Section 4.3 above.

9. COMMUNITY GARDENS, TREES, & LANDSCAPE AMENITIES

9.1 P-Patch Community Gardens – required area

At the time of the execution of this agreement, the MPC-YT 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.

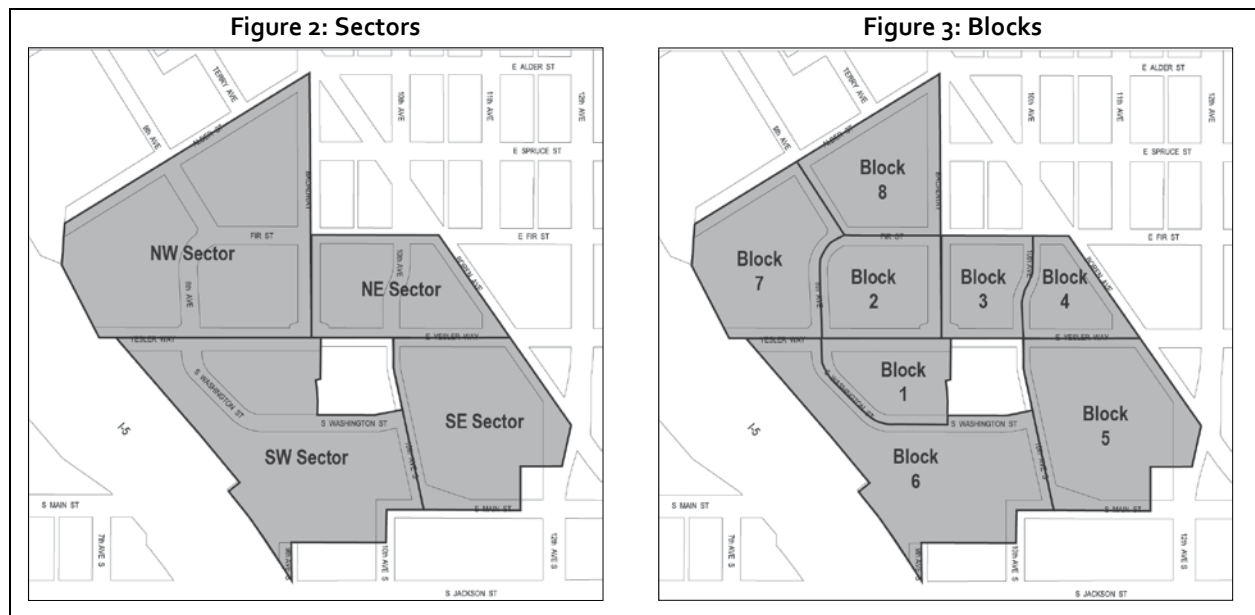
The Department of Neighborhoods P-Patch Community Gardening Program currently manages P-Patch Community Gardens in the MPC-YT Zone. Through this program, DON maintains community gardening standards, oversees assignment of gardening spaces, community outreach, and new garden development, and assists gardeners 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 Parks and DON.

In assigning plots for the P-Patch Community Gardens required through this agreement, DON shall prioritize neighborhood residents and populations underrepresented in the 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 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 agreement, whichever comes first.

9.4 Tree Replacement

SHA commits to plant, or cause to be planted, 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 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 Article 9.3 above.

If the Washington State Department of Transportation agrees, tree planting by SHA in the freeway buffer 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 CPTED principles.

10. SUSTAINABLE INFRASTRUCTURE AND UNDERGROUND UTILITIES

SHA and the City have identified the MPC-YT 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 Zone and anticipated demand for thermal energy. SHA is undertaking studies of portions of the Yesler Terrace Redevelopment Area's potential for geothermal exchange systems and will provide this information to the City when available.

OSE will take into account SHA's input in developing a franchise agreement with the successful 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 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 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 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 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 certificate of occupancy (“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 at the Yesler Terrace Redevelopment Area west of Boren Avenue 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 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 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 public housing 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 steam plant 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 Neighborhood 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 Monthly 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, 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 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.

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 this goal.
- **Apprenticeship:** SHA has established a minimum 15% apprentice utilization requirement for this project. SHA will seek to exceed this goal.
- **Women and Minority Business Enterprise (WMBE) Subcontracting Utilization:** SHA has established 14% aspirational women and minority subcontracting goals 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.

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 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 MCP-YT zone, from Replacement Housing units, or from units to which residents 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.

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 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 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 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 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 agreement is executed by both parties, or that provide replacement housing, 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 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

If to SHA: Seattle, Washington 98124-4749
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.

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

