



Legislative Department  
Seattle City Council  
Memorandum

Date: August 14, 2012  
To: Special Committee on Yesler Terrace  
From: Rebecca Herzfeld, Martha Lester, and Traci Ratzliff, Council Central Staff  
**Subject: Yesler Terrace Special Committee meeting, August 16, 2012**

At the Yesler Terrace Special Committee meeting on August 8th, 2012, Councilmembers approved twelve amendments to the Cooperative Agreement and Resolution 31403 relating to Little Saigon. Central Staff have now incorporated those amendments into the substitute Cooperative Agreement and the resolution. Councilmembers also asked staff to prepare additional amendments to the Cooperative Agreement and Resolution 31403 for action on August 16th. This memo presents those amendments, and also recommends technical amendments to the Land Use Code legislation. The Yesler Terrace Special Committee is scheduled to vote on the full package of Yesler Terrace legislation on August 16<sup>th</sup>.

**Amendments to Cooperative Agreement - Exhibit A to CB 117536:**

**1. State intent that development occurring in the Yesler Terrace Redevelopment Area East of Boren will include housing serving a range of income levels**

To make progress toward meeting Comprehensive Plan Goal H30, which addresses meeting Seattle's share of the county-wide need for affordable housing, Council member Licata proposes the following amendment:

Add language in Article 3 of the Cooperative Agreement, page 6, to read as follows:

**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. 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.

**Committee decision on housing that serves a range of income levels:**

**2. Use of Yesler Terrace land proceeds to fund redevelopment activities in the Yesler Terrace Redevelopment Area**

Add language in Article 3 of the Cooperative Agreement, page 6, to read as follows:

### 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 and 10<sup>th</sup> Ave Hillclimb. 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.

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: replacement housing; 30% and 60% of AMI housing units; public infrastructure; and other community amenities such as pocket parks, P-Patch gardens, and the 10<sup>th</sup> Ave Hillclimb. These activities may be located within the Yesler Terrace Redevelopment Area or in the 10<sup>th</sup> 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.

#### **Committee decision on the use of land proceeds:**

#### **3. Modify language regarding production of up to an additional 100 30% of AMI housing units**

Add new Article 3.4 in the Cooperative Agreement, page 10, to read as follows and renumber remaining Article accordingly:

##### **3.4 30% of AMI Housing**

SHA's Development Plan calls for 100 units of 30% of AMI 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 100 units of 30% of AMI Housing. 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 in Table A of this document.

#### **Committee decision on production of addition 30% AMI housing:**

#### **4. Modify language stating how future Housing Levy funds could be accessed**

Add language in Article 7 of the Cooperative Agreement, page 19, to read as follows:

### **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.

**Committee decision on accessing future Housing Levy funds:**

**5. Draft language requiring maintenance of additional trees planted in WSDOT property**

At the Committee meeting on August 9, Councilmember Licata requested an amendment to address the maintenance of the additional trees planted at Yesler Terrace as a result of the Cooperative Agreement (maintenance requirements are already in place for trees planted to meet Land Use Code, street tree, and Planned Action Ordinance requirements). To accomplish this, Article 9.4 of the Cooperative Agreement, page 21, would be amended as follows:

***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 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.

\* \* \*

**Committee decision requiring SHA to maintain trees:**

**6. Modify language regarding SHA response to community and resident concerns**

Add language to Article 12 of the Cooperative Agreement, page 27, to read as follows:

**12. COMMUNITY ENGAGEMENT AND OVERSIGHT**

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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.

**Committee decision on addressing community concerns:**

**7. Working with Community Organizations to achieve Community Workforce Goals**

As proposed by Councilmember Harrell at the August 8<sup>th</sup> Special Committee meeting, modify language in Article 13.1 of the Cooperative Agreement, page 28, to read as follows:

**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 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.

**Committee decision on achieving community workforce goals:**

**8. Add annual report on proceeds from the sale, lease, or other disposition of property**

Add language to Article 15 of the Cooperative Agreement, page 29, to read as follows:

**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. In addition, SHA shall submit 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.

**Committee decision on annual reporting on land proceeds:**

**9. Explore possible leasing of property at Yesler Terrace and require report to Council**

Modify language in Article 21.10 of the Cooperative Agreement, page 35, to read as follows:

**21.10 Other Agreements, Requirement and Conditions**

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.

**Committee decision on exploration of leasing of property:**

**New Amendments to Little Saigon Resolution # 31403:**

**10. Add reporting requirement to Little Saigon Resolution and make other conforming amendment**

At its August 9<sup>th</sup> meeting, the Special Committee requested two additional amendments to the Little Saigon resolution. The first change would make the language consistent with amendments the Committee made to the Cooperative Agreement, and the second one would add a requirement that the Executive report back to the City Council. The proposed amendments are as follows:

The City of Seattle, including the Office of Housing, the Office of Economic Development, and the Department of Planning and Development, ~~with the assistance of~~ 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. This development will be a complicated project. The City expects the Friends of Little Saigon to obtain the assistance of an experienced real estate development organization with demonstrated success working with the Vietnamese community and business owners, in order to proceed with planning for a project. The City does not commit at this time to provide funding for this project. However, the City will assist

the Friends of Little Saigon and other community members to identify and pursue potential funding from Federal, State and local sources (including public and private sources) that could finance a portion of the land acquisition and/or construction costs of this project. The Office of Housing, in cooperation with other appropriate City Departments, shall develop and provide a report to the City Council when the feasibility analysis of the mixed-use project is completed.

**Committee decision on Little Saigon resolution amendments:**

**Committee decision on Little Saigon Resolution 31403:**

**Amendments to CB 117451, Land Use Code Amendment and Rezone Bill**

**11. Make technical changes to CB 117451**

Since CB 117451 was introduced, staff have identified three technical corrections to the bill, to fix cross-references and make the bill better conform to State law. These amendments are included in a proposed substitute version #17 of CB 117451.

**Committee decision on technical amendments to CB 117451:**

**Committee decision on Land Use Code amendments, CB 117451:**

**Committee decision on Planned Action Ordinance, CB 117540:**

**Committee decision on Yesler Terrace street vacation, Clerk File (CF) 311389:**