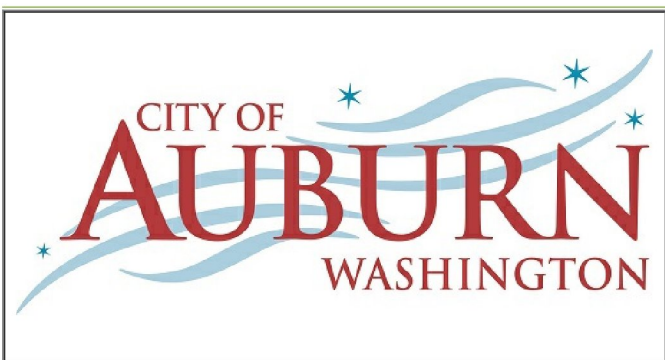


	City Council Meeting March 6, 2023 - 7:00 PM City Hall Council Chambers AGENDA Watch the meeting LIVE! Watch the meeting video Meeting videos are not available until 72 hours after the meeting has concluded.
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I. CALL TO ORDER

II. LAND ACKNOWLEDGMENT

We would like to acknowledge the Federally Recognized Muckleshoot Indian Tribe, the ancestral keepers of the land we are gathered on today. We thank them for their immense contributions to our state and local history, culture, economy, and identity as Washingtonians.

III. PUBLIC PARTICIPATION

1. Public Participation

The Auburn City Council Meeting scheduled for Monday March 6, 2023 at 7:00 p.m. will be held in person and virtually.

Virtual Participation Link:

To view the meeting virtually please click the below link, or call into the meeting at the phone number listed below. The link to the Virtual Meeting is:

<https://www.youtube.com/user/watchauburn/live/?nomobile=1>

To listen to the meeting by phone or Zoom, please call the below number or click the link:

Telephone: 253 215 8782

Toll Free: 877 853 5257

Zoom: <https://us06web.zoom.us/j/87647256069>

A. Pledge of Allegiance

IV. Roll Call

V. ANNOUNCEMENTS, MAYOR'S PROCLAMATIONS, AND PRESENTATIONS

VI. AGENDA MODIFICATIONS

VII. CITIZEN INPUT, PUBLIC HEARINGS AND CORRESPONDENCE

A. Audience Participation

This is the place on the agenda where the public is invited to speak to the City Council on any issue.

1. The public can participate in-person or submit written comments in advance.

Participants can submit written comments via mail, fax, or email. All written comments must be received prior to 5:00 p.m. on the day of the scheduled meeting and must be 350 words or less.

Please mail written comments to:
City of Auburn
Attn: Shawn Campbell, City Clerk
25 W Main St
Auburn, WA 98001

Please fax written comments to:
Attn: Shawn Campbell, City Clerk
Fax number: 253-804-3116

Email written comments to:
publiccomment@auburnwa.gov

If an individual requires an accommodation to allow for remote oral comment because of a difficulty attending a meeting of the governing body, the City requests notice of the need for accommodation by 5:00 p.m. on the day of the scheduled meeting. Participants can request an accommodation to be able to provide remote oral comment by contacting the City Clerk's Office in person, by phone (253) 931-3039, or email to publiccomment@auburnwa.gov

B. Correspondence - (There is no correspondence for Council review.)

VIII. COUNCIL AD HOC COMMITTEE REPORTS

Council Ad Hoc Committee Chairs may report on the status of their ad hoc Council Committees' progress on assigned tasks and may give their recommendation to the City Council, if any.

1. Finance Ad Hoc Committee (Chair Baldwin)
2. Mayoral Benefits and Leave Compensation Review Ad Hoc Committee (Chair Baldwin)

IX. CONSENT AGENDA

All matters listed on the Consent Agenda are considered by the City Council to be routine and will be enacted by one motion in the form listed.

- A. Minutes of the February 21, 2023 City Council Meeting
- B. Minutes of the February 27, 2023 Study Session Meeting

C. Claims Voucher (Thomas)

Claims voucher list dated March 6, 2023 which includes voucher number 471176 through 471292, in the amount of \$2,020,804.49 and 5 wire transfers in the amount of \$827,151.10

D. Payroll Voucher (Thomas)

Payroll check numbers 539472 through 539474 in the amount of \$626,039.64, electronic deposit transmissions in the amount of \$2,387,564.44 for a grand total of \$3,013,604.08 for the period covering February 16, 2023 to March 1, 2023

(RECOMMENDED ACTION: Move to approve the Consent Agenda.)

X. UNFINISHED BUSINESS

XI. NEW BUSINESS

XII. RESOLUTIONS

A. Resolution No. 5700 (Tate)

A Resolution authorizing agreements for the funding of Affordable Housing Projects, as recommended by the South King Housing and Homelessness Partners (SKHHP) Executive Board, utilizing funds contributed by the City to the SKHHP Housing Capital Fund

(RECOMMENDED ACTION: Move to adopt Resolution No. 5700.)

XIII. MAYOR AND COUNCILMEMBER REPORTS

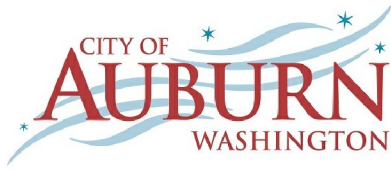
At this time the Mayor and City Council may report on significant items associated with their appointed positions on federal, state, regional and local organizations.

A. From the Council

B. From the Mayor

XIV. ADJOURNMENT

Agendas and minutes are available to the public at the City Clerk's Office, on the City website (<http://www.auburnwa.gov>), and via e-mail. Complete agenda packets are available for review at the City Clerk's Office.



AGENDA BILL APPROVAL FORM

Agenda Subject:

Minutes of the February 21, 2023 City Council Meeting

Department:

City Council

Attachments:

[02-21-2023 Minutes](#)

Date:

March 2, 2023

Budget Impact:

Current Budget: \$0

Proposed Revision: \$0

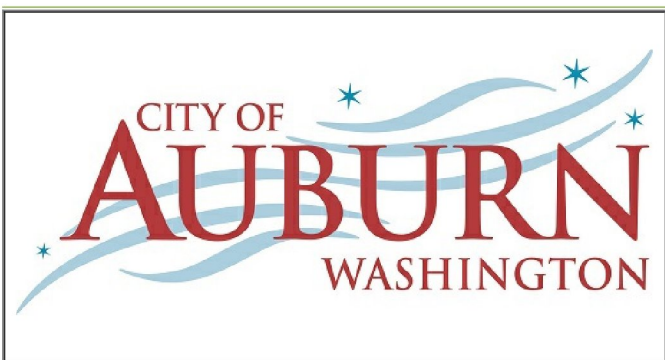
Revised Budget: \$0

Administrative Recommendation:**Background for Motion:****Background Summary:****Reviewed by Council Committees:****Councilmember:**

Meeting Date: March 6, 2023

Staff:

Item Number: CA.A

	City Council Meeting February 21, 2023 - 7:00 PM City Hall Council Chambers MINUTES Watch the meeting LIVE! Watch the meeting video Meeting videos are not available until 72 hours after the meeting has concluded.
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I. CALL TO ORDER

II. LAND ACKNOWLEDGMENT

III. PUBLIC PARTICIPATION

1. Public Participation

The City Council Meeting was held in person and virtually.

A. Pledge of Allegiance

Mayor Nancy Backus called the meeting to order at 7:00 p.m. in the Council Chambers of Auburn City Hall, 25 West Main Street and led those in attendance in the Pledge of Allegiance.

IV. Roll Call

Councilmembers present: Deputy Mayor James Jeyaraj, Bob Baggett, Kate Baldwin, Larry Brown, Robyn Mulenga, Cheryl Rakes, and Yolanda Trout-Manuel.

Department directors and staff members present included: Senior Staff City Attorney Doug Ruth, Chief of Police Mark Caillier, Director of Public Works Ingrid Gaub, Financial Planning Manager Frank Downard, Director of Equity and Inclusion Brenda Goodson-Moore, Director of Innovation and Technology David Travis, Business Systems Analyst Chrissy Malave, Deputy City Clerk Rebecca Wood, and Deputy City Clerk Hannah Scholl.

V. ANNOUNCEMENTS, MAYOR'S PROCLAMATIONS, AND PRESENTATIONS

There were no announcements, Mayor's proclamations, or presentations.

VI. AGENDA MODIFICATIONS

The description for Resolution No. 5698 on page four of the agenda is incorrect and should reflect the years of February 2023 and February 2026.

VII. CITIZEN INPUT, PUBLIC HEARINGS AND CORRESPONDENCE

A. Audience Participation

This is the place on the agenda where the public is invited to speak to the City Council on any issue.

1. The public can participate in-person or submit written comments in advance.

Virginia Haugen 2503 R ST SE Auburn 98001
Ms. Haugen expressed her concerns regarding Resolution No. 5698.

Shirley Daniels
Ms. Daniels informed Council that she is opening a non-profit Women's and Children's Shelter in the City.

B. Correspondence

There was no correspondence for Council to review.

VIII. COUNCIL AD HOC COMMITTEE REPORTS

Council Ad Hoc Committee Chairs may report on the status of their ad hoc Council Committees' progress on assigned tasks and may give their recommendation to the City Council, if any.

1. Finance Ad Hoc Committee (Chair Baldwin)

Councilmember Baldwin, Chair of the Finance ad hoc committee, reported she and Councilmember Baggett have reviewed the claims and payroll vouchers described on the agenda this evening and recommended their approval.

2. Mayoral Benefits and Leave Compensation Review Ad Hoc Committee (Chair Baldwin)

Councilmember Baldwin, Chair of the Mayoral Benefits and Leave Compensation Review ad hoc committee, reported the ad hoc committee consists of Deputy Mayor Jeyaraj, Councilmember Baggett, and herself. The committee had their first meeting and provided their requested items to Director Martinson and City Attorney Comeau to help them make an informed decision. The next meeting will be February 27, 2023.

IX. CONSENT AGENDA

All matters listed on the Consent Agenda are considered by the City Council to be routine and will be enacted by one motion in the form listed.

- A. Minutes of the January 17, 2023 Special Study Session Meeting

B. Minutes of the January 23, 2023 Special City Council Meeting

C. Minutes of the February 6, 2023 Regular City Council Meeting

D. Minutes of the February 13, 2023 Regular Study Session Meeting

E. Claims Voucher (Thomas)

Claims voucher list dated February 21, 2023 which includes voucher number 471035 through 471175, in the amount of \$2,798,322.62 and three wire transfers in the amount of \$614,422.88

F. Payroll Voucher (Thomas)

Payroll check numbers 539468 through 539471 in the amount of \$78,120.60, electronic deposit transmissions in the amount of \$2,603,408.97 for a grand total of \$2,681,529.57 for the period covering February 2, 2023 to February 15, 2023

Deputy Mayor Jeyaraj moved and Councilmember Trout-Manuel seconded to approve the consent agenda.

MOTION CARRIED UNANIMOUSLY. 7-0

X. UNFINISHED BUSINESS

There was no unfinished business.

XI. NEW BUSINESS

There was no new business.

XII. ORDINANCES

A. Ordinance No. 6899 (Thomas)

An Ordinance establishing the local sales and use tax rate for local revitalization financing for 2023

Councilmember Baldwin moved and Councilmember Baggett seconded to approve Ordinance No. 6899.

Council discussed and confirmed it is not an increase of taxes for City residents.

MOTION CARRIED UNANIMOUSLY. 7-0

B. Ordinance No. 6901 (Tate)

An Ordinance for a Site-Specific Rezone of one parcel from R-5, Residential Zone - Five Dwelling Units Per Acre to I, Institutional

Councilmember Brown moved and Deputy Mayor Jeyaraj seconded to approve Ordinance No. 6901.

MOTION CARRIED UNANIMOUSLY. 7-0

C. Ordinance No. 6903 (Gaub)

An Ordinance amending Chapter 2.94 of the Auburn City Code related to the City's Transportation Advisory Board

Councilmember Brown moved and Councilmember Mulenga seconded to approve Ordinance No. 6903.

MOTION CARRIED UNANIMOUSLY. 7-0

D. Ordinance No. 6904 (Gaub)

An Ordinance amending Chapter 12.12 of the Auburn City Code relating to Public Sidewalk Areas to Address Artificial Turf

Councilmember Brown moved and Deputy Mayor Jeyaraj seconded to approve Ordinance No. 6904.

MOTION CARRIED UNANIMOUSLY. 7-0

XIII. RESOLUTIONS

A. Resolution No. 5698 (Thomas)

A Resolution authorizing the transfer of funds for the purpose of making loans from the general fund and/or the cumulative reserve fund to funds sustained by grants, fees, or tax credits between February 2023 and February 2026

Councilmember Baldwin moved and Deputy Mayor Jeyaraj seconded to approve Resolution No. 5698.

Councilmember Baldwin moved and Councilmember Brown seconded to amend Section 1. to add an additional statement "If the transfer amount exceeds a threshold of \$500,000, Council will be notified of the transaction"

MOTION CARRIED UNANIMOUSLY. 7-0

B. Resolution No. 5702 (Thomas)

A Resolution authorizing the Mayor to execute an agreement between the City of Auburn and King County to implement the 2023-2024 Waste Reduction and Recycling Grant Program and to accept and expend program grant funds

Councilmember Baldwin moved and Councilmember Trout-Manuel seconded to approve Resolution No. 5702.

MOTION CARRIED UNANIMOUSLY. 7-0

XIV. **MAYOR AND COUNCILMEMBER REPORTS**

At this time the Mayor and City Council may report on significant items associated with their appointed positions on federal, state, regional and local organizations.

A. **From the Council**

Deputy Mayor Jeyaraj reported he attended the Association of Washington Cities (AWC) Action Days Conference.

Councilmember Baggett reported he attended the AWC Action Days Conference.

Councilmember Baldwin reported she attended the AWC Action Days Conference and expressed her gratitude for Mayor and Council's work prior to the Conference.

Councilmember Brown expressed his gratitude to Mayor and Council for their work prior to the AWC Conference.

Councilmember Mulenga reported she attended the AWC Action Days Conference.

Councilmember Rakes reported she attended the AWC Action Days Conference, and the Lakota Daughters of the Revolution Event.

Councilmember Trout-Manuel reported she attended the AWC Actions Days Conference, Sound Cities Association Domestic Violence Task Force meeting, Hispanic Elected Local Officials (HELO), National League of Cities Advocacy Board meeting, and the Human Development Committee meeting.

B. **From the Mayor**

Mayor Backus reported she hosted the Green River Montessori Middle School Students, met with King County Prosecutor Leesa Manion, Mayor of Renton Armondo Pavone, and Mayor of Kent Dana Ralph, attended the Sound Transit Tribal Relations Event, AWC Action Days Conference, and testified on Senate Bill 5536 and House Bill 1363.

XV. ADJOURNMENT

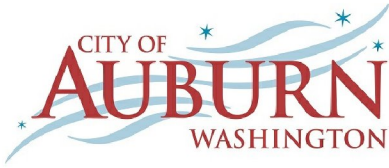
There being no further business to come before the Council, the meeting was adjourned at 7:42 p.m.

APPROVED this 6th day of March, 2023.

NANCY BACKUS, MAYOR

Hannah Scholl, Deputy City Clerk

Agendas and minutes are available to the public at the City Clerk's Office, on the City website (<http://www.auburnwa.gov>), and via e-mail. Complete agenda packets are available for review at the City Clerk's Office.



AGENDA BILL APPROVAL FORM

Agenda Subject:

Minutes of the February 27, 2023 Study Session Meeting

Department:

City Council

Attachments:

[02-27-2023 Minutes](#)

Date:

March 2, 2023

Budget Impact:

Current Budget: \$0

Proposed Revision: \$0

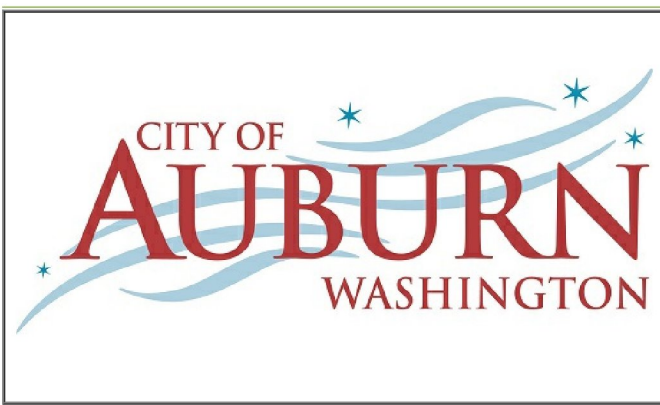
Revised Budget: \$0

Administrative Recommendation:**Background for Motion:****Background Summary:****Reviewed by Council Committees:****Councilmember:**

Meeting Date: March 6, 2023

Staff:

Item Number: CA.B

	City Council Study Session Community Wellness Special Focus Area February 27, 2023 - 5:30 PM City Hall Council Chambers MINUTES Watch the meeting LIVE! Watch the meeting video Meeting videos are not available until 72 hours after the meeting has concluded.
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I. CALL TO ORDER

II. PUBLIC PARTICIPATION

A. Public Participation

The City Council Meeting was held in person and virtually.

B. Roll Call

Councilmembers present: Deputy Mayor James Jeyaraj, Bob Baggett, Larry Brown, Robyn Mulenga, and Cheryl Rakes. Councilmembers Kate Baldwin, and Yolanda Trout-Manuel were excused.

Department directors and staff members present include: Senior City Staff Attorney Harry Boesche, Assistant Chief of Police Samuel Betz, Director of Community Development Jeff Tate, Director of Innovation and Technology David Travis, Community Services Manager Joy Scott, Business Systems Analyst Chrissy Malave, and Deputy City Clerk Hannah Scholl.

III. AGENDA MODIFICATIONS

There were no modifications to the agenda.

IV. ANNOUNCEMENTS REPORTS AND PRESENTATIONS

There were no announcements, reports, or presentations.

V. COMMUNITY WELLNESS DISCUSSION ITEMS

A. Community Development Block Grant 2022 CAPER (Tate) (20 Minutes)

An overview of the 2022 City of Auburn CDBG Consolidated Annual Performance and Evaluation Report, including CDBG and CDBG-CV funds spent and progress made toward Annual Action Plan service goals

This portion of the meeting was Chaired by Vice-Chair Rakes.

Director Tate introduced Manager Scott who provided Council with an

overview of the 2022 Community Development Block Grant including the General Fund vs CDBG Dollars, administrative requirements, Consolidated Annual Performance and Evaluation Report (CAPER), eligible activities, CDBG Coronavirus Funds, number of residents supported, income guidelines, race, ethnicity, disability, and language data.

Manager Scott also discussed the Housing Repair Program including the number of residents served in 2022, common types of repairs, and the 2023 timeline.

Council discussed the workforce training and navigation decrease, job training services contract process, types of homes eligible to be served, the 2023 timeline, and the application process in regard to prioritization.

Council expressed their gratitude for Manager Scott and her team.

B. Resolution No. 5700 (Tate) (20 Minutes)

A Resolution authorizing agreements for the funding of Affordable Housing Projects, as recommended by the South King Housing and Homelessness Partners (SKHHP) Executive Board, utilizing funds contributed by the City to the SKHHP Housing Capital Fund

Director Tate introduced the South King Housing Homelessness Partners (SKHHP) Executive Manager Claire Goodwin. Manager Goodwin provided Council with an overview of the SKHHP Capital Fund recommendations including history of SKHHP establishment and the Housing Capital Fund, application process, projects under consideration and recommended funding, and the proposed funding sources.

Council discussed prioritization criteria of projects, guidelines, application process and timeline, and the usage of funds.

Council expressed their gratitude for Manager Goodwin and her hard work.

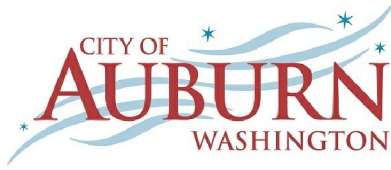
VI. ADJOURNMENT

There being no further business to come before the Council, the meeting was adjourned at 6:21 p.m.

APPROVED this 6th day of March, 2023.

JAMES JEYARAJ, DEPUTY MAYOR Hannah Scholl, Deputy City Clerk

Agendas and minutes are available to the public at the City Clerk's Office, on the City website (<http://www.aubumwa.gov>), and via e-mail. Complete agenda packets are available for review at the City Clerk's Office.



AGENDA BILL APPROVAL FORM

Agenda Subject:

Claims Voucher (Thomas)

Date:

February 16, 2023

Department:

Finance

Attachments:

No Attachments Available

Budget Impact:

Current Budget: \$0

Proposed Revision: \$0

Revised Budget: \$0

Administrative Recommendation:

Approve Claim Vouchers.

Background for Motion:**Background Summary:**

Claims voucher list dated March 6, 2023 which includes voucher number 471176 through 471292, in the amount of \$2,020,804.49 and 5 wire transfers in the amount of \$827,151.10.

Reviewed by Council Committees:

Councilmember: Baldwin

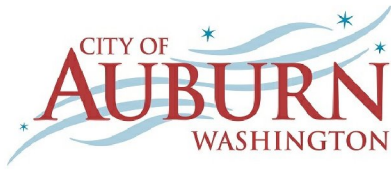
Staff:

Thomas

Meeting Date: March 6, 2023

Item Number:

CA.C



AGENDA BILL APPROVAL FORM

Agenda Subject:

Payroll Voucher (Thomas)

Date:

February 16, 2023

Department:

Finance

Attachments:

No Attachments Available

Budget Impact:

Current Budget: \$0

Proposed Revision: \$0

Revised Budget: \$0

Administrative Recommendation:

Approve Payroll Vouchers.

Background for Motion:**Background Summary:**

Payroll check numbers 539472 through 539474 in the amount of \$626,039.64, electronic deposit transmissions in the amount of \$2,387,564.44 for a grand total of \$3,013,604.08 for the period covering February 16, 2023 to March 1, 2023.

Reviewed by Council Committees:

Councilmember: Baldwin

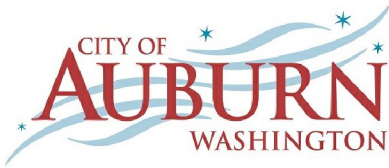
Staff:

Thomas

Meeting Date: March 6, 2023

Item Number:

CA.D



AGENDA BILL APPROVAL FORM

Agenda Subject:

Resolution No. 5700 (Tate)

Date:

March 1, 2023

Department:

Community Development

Attachments:

[Resolution No. 5700](#)

[Resolution 5700 Exhibit A](#)

Budget Impact:

Current Budget: \$0

Proposed Revision: \$0

Revised Budget: \$0

Administrative Recommendation:

Staff recommends City Council adopt Resolution No. 5700 that authorizes the allocation of \$293,789.54 from the City's contribution to the SKHHP Housing Capital Fund to finance affordable housing projects in South King County communities per the December 2022 SKHHP Executive Board's Housing Capital Fund Recommendations Memo included as Exhibit A to the Resolution.

Background for Motion:

Per the agreement of the 2021 ILA between SKHHP and the City of Auburn, the City of Auburn has contributed funding to the SKHHP Housing Capital Fund for purposes of supporting affordable housing projects. The allocation of those funds to specific projects requires the authorization from each contributing member jurisdiction's legislative body.

Background Summary:

SKHHP was created in 2019 through an Interlocal Agreement of several city governments and King County to address housing needs in South King County; it currently has 11 member jurisdictions. The Auburn City Council adopted Resolution 5408 which authorized the city's entry into this Interlocal Agreement.

In 2019, RCW 82.14.540 became law allowing jurisdictions to capture a portion of existing sales tax for the purpose of affordable housing; the sales tax is a recapture of a portion of taxes collected and does not raise the sales tax. On September 19, 2019, the Auburn City Council enacted Resolution 5454 and Ordinance 6732 for the purposes of capturing this sales tax. On August 17, 2020, the Auburn City Council enacted Resolution 5541 which authorized this recaptured sales tax to be pooled and transferred over to SKHHP in order to support the SKHHP housing capital fund. The ILAs established a capital fund, set parameters for the process for the selection of awards involving pooled funds, and determined the approval process. Pursuant to the ILAs, the SKHHP Executive Board is to provide recommendations to member councils for funding. Council approval is needed to authorize the allocation of funds. This is the first of what will be an annual process with SKHHP and participating member jurisdictions.

Pursuant to the ILA, the SKHHP Executive Board identified funding guidelines for the first

round of funding in 2022 and established the SKHHP Advisory Board. The Advisory Board subsequently provided recommendations to the Executive Board on which projects to fund. After careful deliberation, the SKHHP Executive Board concurred with the recommendation of the SKHHP Advisory Board and recommends funding \$1,393,308 for two projects, as described in the December 2022 SKHHP Executive Board's Housing Capital Fund Recommendations Memo (Attachment 1).

The SKHHP Executive Board is seeking authorization from the City of Auburn to utilize \$293,789.54 of SKHHP funds for the following recommended projects:

1. \$63,257.27 for 20 units of Habitat for Humanity of Seattle-King and Kittitas Counties – Burien

A. City of Auburn funds represent 21% of SKHHP funds proposed for this project.

B. City of Auburn funds represent 0.7% of the total development costs.

2. \$230,532.27 for 89 units of Mercy Housing Northwest – Burien Family Housing

A. City of Auburn funds represent 21% of SKHHP funds proposed for this project.

B. City of Auburn funds represent 0.5% of the total development costs.

As outlined in the December 2022 SKHHP Executive Board's Housing Capital Fund Recommendations Memo (Attachment 1), sales tax credit receipts in the amount of \$305,338 have already been contributed to SKHHP's Housing Capital Fund and with this Council authorization those funds may be allocated to the projects recommended by the SKHHP Executive Board. Detailed descriptions of the projects, funding requests, rationale, and recommended conditions of funding for projects by the SKHHP Executive Board are included in Attachment 1.

If not approved, SKHHP will not have City of Auburn funds to contribute to the regional efforts to advance affordable housing projects that meet urgent local needs and priorities.

Resolution 5700 was presented to City Council during the Community Wellness Special Focus Area Study Session on February 26, 2023.

Reviewed by Council Committees:

Councilmember: Trout-Manuel

Staff: Tate

Meeting Date: March 6, 2023

Item Number: RES.A

RESOLUTION NO. 5700

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF AUBURN, WASHINGTON, AUTHORIZING THE EXECUTION OF ALL DOCUMENTS NECESSARY TO ENTER INTO AGREEMENTS FOR THE FUNDING OF AFFORDABLE HOUSING PROJECTS, AS RECOMMENDED BY THE SOUTH KING HOUSING AND HOMELESSNESS PARTNERS (SKHHP) EXECUTIVE BOARD, UTILIZING FUNDS CONTRIBUTED BY THE CITY TO THE SKHHP HOUSING CAPITAL FUND

WHEREAS, on February 19, 2019 the City of Auburn enacted an interlocal agreement to form South King Housing and Homelessness Partners (SKHHP) to help coordinate the efforts of South King County cities to provide affordable housing; and

WHEREAS, on February 22, 2021 the City of Auburn enacted another interlocal agreement for the purposes of pooling sales tax receipts with SKHHP to administer funds through the SKHHP Housing Capital Fund; and

WHEREAS, the SKHHP Executive Board has recommended that the City of Auburn participate in the funding of certain affordable housing projects and programs hereinafter described; and

WHEREAS, the SKHHP Executive Board has developed a number of recommended conditions to ensure that the City's affordable housing funds are used for their intended purpose and that projects maintain their affordability over time; and

WHEREAS, pursuant to the SKHHP formation Interlocal Agreement each legislative body participating in funding a project or program through SKHHP's Housing Capital Fund must authorize the application of a specific amount of the City funds contributed to the SKHHP Housing Capital Fund to a specific project or program; and

WHEREAS, the City Council supports and authorizes the \$293,789.54 from funds contributed to the SKHHP Housing Capital Fund as designated below to finance the projects recommended by the SKHHP Executive Board.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF AUBURN, WASHINGTON, RESOLVES as follows:

Section 1. Pursuant to the Interlocal Agreement, the City Council authorizes the execution of all documents necessary to enter into agreements on behalf of the City to fund Habitat for Humanity of Seattle-King and Kittitas Counties Burien and Mercy Housing Northwest Burien Family housing, in a combined total of \$293,789.54.

Section 2. The agreements entered into pursuant to Section 1 of this resolution shall include terms and conditions to ensure that the City's funds are used for their intended purpose and that the projects maintain affordability over time. In determining what conditions should be included in the agreements, the duly-appointed administering agency of SKHHP shall be guided by the recommendations set forth in the SKHHP Executive Board's memorandum of December 16, 2022, a copy of which is attached as Exhibit A.

Section 3. This Resolution will take effect and be in full force on passage and signatures.

Section 4. The Mayor is authorized to implement such administrative procedures as may be necessary to carry out directions of the legislation.

Section 5. This Resolution will take effect and be in full force on passage and signatures.

Dated and Signed: _____

CITY OF AUBURN

NANCY BACKUS, MAYOR

ATTEST:

APPROVED AS TO FORM:

Shawn Campbell, MMC, City Clerk

Kendra Comeau, City Attorney



South King Housing and Homelessness Partners

Memorandum

TO: City of Auburn Council Members
City of Burien Council Members
City of Des Moines Council Members
City of Federal Way Council Members
City of Kent Council Members
City of Normandy Park Council Members
City of Renton Council Members
City of Tukwila Council Members

FROM: SKHHP Executive Board

DATE: December 16, 2022

RE: 2022 SKHHP Housing Capital Fund Recommendation

OVERVIEW

The 2022 SKHHP Housing Capital Fund was the first funding round made possible by the pooling of resources from SKHHP member jurisdictions. SKHHP received three applications representing requests for just under \$2.4 million in local funds to develop 135 units of affordable housing.

After careful deliberation, the SKHHP Executive Board concurred with the recommendations of the SKHHP Advisory Board, and is recommending funding \$1,393,308 for two projects.

These recommendations advance projects that meet urgent local priorities, including mixed income workforce housing, permanent supportive housing, and affordable homeownership. As rents and home sale prices continue to rise in our region, so does the need for affordable housing. Your investment in the SKHHP Housing Capital, leveraged with millions of dollars from other sources, will provide this much needed housing to hundreds of underserved members of our community.

The following is a description of the applications received, the Executive Board recommendation and rationale, and proposed contract conditions for the proposals recommended for funding at this time. Also enclosed is the proposed funding sources and an economic summary of the projects recommended for funding.

ATTACHMENTS:

1. Proposed funding sources
2. Project economic summaries

1. HABITAT FOR HUMANITY SEATTLE-KING AND KITTITAS COUNTIES

Funding request: \$300,000 (secured grant)

Advisory Board recommendation: \$300,000 (secured grant)

See attached proposed funding sources for distribution of City funds

PROJECT SUMMARY

Habitat for Humanity is requesting grant funds in the amount of \$300,000 for a homeownership project located in Burien. The proposed project is phase I of II of a new development that will result in 40 affordable condominiums. Phase I consists of the construction of 20 three bedroom townhomes, 1.5 bath houses for households earning up to 50% of area median income (AMI).

The project proposal is to provide permanent affordability through a land trust administered by Habitat and sold with an individual ground lease that allows Habitat the right of first option to purchase the home upon resale with a set 1.5% appreciation calculation in the lease agreement.

As part of Habitat's homeownership model, homebuyers are required to put in 250 hours of sweat equity. The project also requires a Condominium Owners Association (COA) comprised of residents. The COA will address property issues and guidelines established in the land lease. Through the COA, reserves are established for the repair and maintenance of the buildings and to address ongoing landscape and maintenance. The reserve fund will be managed by the COA and funded through a monthly fee that is part of the overall housing costs and included in the 33% housing to household income ratio provided to homebuyers.

FUNDING RATIONALE

The Executive Board supports the intent of this application for the following reasons:

- The project was approved for participation in the City of Burien affordable housing demonstration program.
- The project strongly aligns with SKHHP Housing Capital Fund priorities including: providing homeownership opportunities, collaboration with local community-based organizations, direct experience and connection to populations they are proposing to serve, and advancing racial equity.
- The project schedule indicates construction to begin in 2022 and certificate of occupancies issued in 2024.
- The site has convenient access to transit, shopping, and services.
- The project provides significant financial leverage of other sources.

PROPOSED CONDITIONS

Standard conditions (apply to all projects)

1. The Agency shall provide revised development and operating budgets based upon actual funding commitments, which must be approved by SKHHP staff. If the Agency is unable to adhere to the budgets, SKHHP staff must be immediately notified and new budget(s) shall be submitted by the Agency for SKHHP staff approval. SKHHP staff shall not unreasonably withhold its approval to revised budget(s), so long as such new budget(s) do not materially adversely change the Project. This shall be a continuing obligation of the Agency. Failure to adhere to the budgets, either original or as amended may result in withdrawal of SKHHP's commitment of funds.
2. The Agency shall submit evidence of funding commitments from all proposed public and private funding sources. In the event commitment of funds identified in the application cannot be secured in the time frame identified in the application, the Agency shall immediately notify SKHHP staff, and describe the actions it will undertake to secure alternative funding and the timing of those actions subject to SKHHP staff review and approval.
3. Funds shall be used by Agency toward specific project costs as included in funding agreement and consistent with RCW 82.14.540. Funds may not be used for any other purpose unless SKHHP staff has given written authorization for the alternate use. If after the completion of the project there are budget line items with unexpended balances, SKHHP and other public funders shall approve adjustments to the project capital sources, including potential reductions in public fund loan balances.
4. Agency shall evaluate and consider the maximization of sustainability features such as in efficient building envelope, heat pumps and propose a plan for the maximization of sustainability.
5. In the event federal funds are used, and to the extent applicable, federal guidelines must be met, including but not limited to: contractor solicitation, bidding and selection; wage rates; and federal laws and regulations.
6. The Agency shall maintain documentation of any necessary land use approvals, permits, and licenses required by the jurisdiction in which the project is located.
7. The Agency shall submit monitoring quarterly reports through completion of the project, and annually thereafter, and shall submit a final budget upon project completion. If applicable, Agency shall submit initial tenant information as required by SKHHP.
8. Agency shall maintain the project in good and habitable condition for the duration of period of affordability.

Special conditions

1. Funds will be in the form of a **secured grant with no repayment**, so long as affordability and target population are maintained.
2. A covenant is recorded ensuring affordability for at least 50 years, with size and affordability distribution per the following table. Limited changes to the matrix may be considered based on reasonable justification as approved by SKHHP staff.

Affordability	3 bedroom	Total
60%	20	20
Total	20	20

2. MERCY HOUSING NORTHWEST – BURIEN FAMILY HOUSING

Funding request: \$1,093,308

Executive Board recommendation: \$1,093,308 (forgivable loan)

See attached proposed funding sources for distribution of City funds

PROJECT SUMMARY

Mercy Housing Northwest is requesting funds in the amount of \$1,093,308 for an 89 unit multifamily mixed income affordable rental housing development in Burien. The project proposal is to provide a mix of 1- 2- and 3-bedroom apartments, for households with mixed incomes from 0-30%, 30-50%, and up to 60% of area median income, and set asides for households with a disability and homeless households.

The proposed project is a partnership with Mary's Place. Mary's Place and Mercy Housing Northwest entered into a memorandum of understanding indicating Mary's Place's intent to subdivide the property and donate an approximate 2 acre portion to Mercy Housing Northwest for the proposed multifamily development.

FUNDING RATIONALE

The Executive Board supports the intent of this application for the following reasons:

- The project aligns with Burien's Comprehensive Plan land use designation and has two routes for zoning approval – an applicant pursued site specific rezone or a City initiated area wide rezone as part of the Ambaum Corridor plan, both are currently underway.
- The project strongly aligns with SKHHP Housing Capital Fund priorities including: collaboration with local community-based organizations, direct experience and connection to populations they are proposing to serve, meeting the needs of those and available to those most disproportionately impacted by housing costs, advancing racial equity.
- The project has the opportunity to deliver mixed income housing on a significant scale in a location with access to transit and other amenities.
- The project is part of a partnership with Mary's Place which will create significant shelter and services.
- The project includes over half (54%) of the houses to be family-sized 2 and 3 bedroom units.
- The project serves special needs population through a set aside for households with a disability and formerly homeless households.
- The site has convenient access to transit, shopping, and services.

- The project is expected to provide significant financial leverage of other sources.

PROPOSED CONDITIONS

Standard conditions (apply to all projects)

1. The Agency shall provide revised development and operating budgets based upon actual funding commitments, which must be approved by SKHHP staff. If the Agency is unable to adhere to the budgets, SKHHP staff must be immediately notified and new budget(s) shall be submitted by the Agency for SKHHP staff approval. SKHHP staff shall not unreasonably withhold its approval to revised budget(s), so long as such new budget(s) do not materially adversely change the Project. This shall be a continuing obligation of the Agency. Failure to adhere to the budgets, either original or as amended may result in withdrawal of SKHHP's commitment of funds.
2. The Agency shall submit evidence of funding commitments from all proposed public and private funding sources. In the event commitment of funds identified in the application cannot be secured in the time frame identified in the application, the Agency shall immediately notify SKHHP, and describe the actions it will undertake to secure alternative funding and the timing of those actions subject to SKHHP staff review and approval.
3. Funds shall be used by Agency toward specific project costs as included in funding agreement and consistent with RCW 82.14.540. Funds may not be used for any other purpose unless SKHHP staff has given written authorization for the alternate use. If after the completion of the project there are budget line items with unexpended balances, SKHHP and other public funders shall approve adjustments to the project capital sources, including potential reductions in public fund loan balances.
4. Agency shall evaluate and consider the maximization of sustainability features such as in efficient building envelope, heat pumps and propose a plan for the maximization of sustainability.
5. In the event federal funds are used, and to the extent applicable, federal guidelines must be met, including but not limited to: contractor solicitation, bidding and selection; wage rates; and federal laws and regulations.
6. The Agency shall maintain documentation of any necessary land use approvals and permits required by the jurisdiction in which the project is located.
7. The Agency shall submit monitoring quarterly reports through completion of the project, and annually thereafter, and shall submit a final budget upon project completion. If applicable, Agency shall submit initial tenant information as required by SKHHP.

8. Agency shall maintain the project in good and habitable condition for the duration of period of affordability.

SPECIAL CONDITIONS

1. Funds will be in the form of a **deferred, contingent, forgivable loan**. Loan terms will account for various factors, including loan terms from other fund sources and available cash flow. Final loan terms shall be determined prior to release of funds and must be approved by SKHHP Staff.
2. A covenant is recorded ensuring affordability for at least 50 years, with size and affordability distribution per the following table. Limited changes to the matrix may be considered based on reasonable justification as approved by SKHHP staff. **If the project is unsuccessful in securing Housing Choice Vouchers, the project may shift an allocation of units set aside at 30% AMI to either 50% or 60% AMI.**

Affordability	Total
30%	35
30-50%	28
60%	26
Total	89

3. The net developer fee shall be established at the time of finalizing the Contract Budget. Net developer fee is defined as that portion of the developer fee paid out of capital funding sources and does not include the deferred portion which is paid out of cash flow from operations after being placed in service.
4. SKHHP staff shall review and approve the services budget and services plan for consistency with application.
5. Timeframe for funding commitment. The funding commitment continues for **thirty-six (36) months** from the date of Council approval and shall expire thereafter if all conditions are not satisfied. An extension may be requested to SKHHP staff no later than sixty (60) days prior to the expiration date. At that time, the Agency will provide a status report on progress to date and expected schedule for start of construction and project completion. The SKHHP Executive Board will consider a twelve-month extension only on the basis of documented, meaningful progress in bringing the project to readiness or completion. At a minimum, the Agency will demonstrate that all capital funding has been secured or is likely to be secured within a reasonable period of time.
6. The project will contain a 20% set aside for households with a disability, and 40% set aside for homeless households, unless otherwise approved by SKHHP staff.

3. ECOTHRIVE – BURIEN

Funding request: \$700,000 - \$1,000,000

Executive Board recommendation: \$0

PROJECT SUMMARY OVERVIEW

EcoThrive is requesting grant funds in the amount of \$700,000 - \$1,000,000 for a homeownership project located in Burien. The project proposal is to provide permanent affordability through a limited-equity cooperative formed by homeowners as well as a community land trust that holds the land in trust. The proposed project is the new construction of 26 houses ranging in size from 350 square feet to 650 square feet for households earning between 30 and 50% of area median income (AMI).

The property currently consists of a single family residential house that is uninhabitable. The property is currently zoned single family residential that allows for 6 dwelling units per acre. EcoThrive has submitted an application for the City of Burien's affordable housing demonstration program that would allow for a greater density of housing than is currently allowed on the property. Estimated approval for the affordable housing demonstration program is March of 2023.

FUNDING RATIONALE

The Executive Board supports the concept of the EcoThrive housing proposal but does not recommend funding at this time. The Executive Board would welcome an application in the next funding round. This would provide an opportunity for EcoThrive to address the issues identified below:

- Further develop the plan for operational support of the limited equity cooperative and other supportive services.
- Further develop and identify the plan for qualifying households for home loans.
- Sweat equity at 10 hours per month in perpetuity may be a significant challenge for some households.
- Obtain approval for City of Burien Affordable Housing Demonstration Program or pursuit of other land use changes that support the development proposal.
- Include development cost estimate that helps establish soundness of development budget.
- Further development of building design, parking, and conformance with zoning requirements.
- Further develop plan for engaging, connecting, and working with households proposing to serve.

ATTACHMENT 1: Proposed Funding Sources

Jurisdiction	Total contributed to SKHHP Housing Capital Fund	Habitat for Humanity - Burien	Mercy Housing Northwest - Burien Family Housing	Unallocated
Auburn	\$305,338	\$63,257.27	\$230,532.27	\$11,548.46
Burien	\$146,350	\$30,319.52	\$110,495.25	\$5,535.23
Des Moines	\$51,777	\$10,726.71	\$39,091.99	\$1,958.30
Federal Way	\$243,141	\$50,371.84	\$183,573.11	\$9,196.05
Kent	\$330,312	\$68,431.17	\$249,387.81	\$12,493.02
Normandy Park	\$2,863	\$593.13	\$2,161.58	\$108.28
Renton	\$337,320	\$69,883.02	\$254,678.90	\$12,758.08
Tukwila	\$30,976	\$6,417.34	\$23,387.09	\$1,171.57
Total	\$1,448,077	\$300,000	\$1,093,308	\$54,769

ATTACHMENT 2: Project Economic Summaries

Applicant: Habitat for Humanity Seattle-King and Kittitas Counties

Project Name: Burien

Location: 515 & 511 S. 136th Street, Burien, WA 98168

Project Description: New development of 20 homeownership condominium units

Financing Sources:

Funding source	Proposed Amount	Status
SKHHP	\$300,000	Applied
Housing Trust Fund	\$1,125,000	Committed
King County HOME	\$1,547,282	Committed
Fund for Humanity (developer)	\$4,860,994	
CHIP	\$568,500	Committed
TOTAL	\$8,401,776	

Development Budget:

Proposed use	Amount	Per Unit
Land acquisition	\$1,020,000	\$51,000
Soft costs	\$414,250	\$20,713
Development costs	\$6,734,026	\$336,701
Other development costs	\$233,500	\$11,675
TOTAL	\$8,401,776	\$420,089

Applicant: Mercy Housing Northwest

Project Name: Burien Family Housing

Location: 12845 Ambaum Blvd SW, Burien, WA 98146

Project Description: New development of 89 unit mixed-income rental housing

Financing Sources:

Funding source	Proposed Amount	Status
SKHHP	\$1,093,308	Applied
Land donation	\$1,750,000	Committed
Bank loan	\$10,390,926	
4% LIHTC equity	\$16,523,298	To apply in 2024
Deferred developer fee	\$2,018,987	
State Housing Trust Fund	\$5,000,000	To apply 2023
Amazon grant	\$5,000,000	Applied
King County	\$4,900,000	Applied
Mercy loan fund (developer)	\$750,000	
TOTAL	\$47,426,519	

Development Budget

Proposed use	Amount	Per Unit
Land acquisition (donation)	\$1,750,000	\$19,663
Soft costs	\$5,974,879	\$67,134
Construction costs	\$36,540,135	\$410,563
Other development costs	\$3,161,000	\$35,517
TOTAL	\$47,426,519	\$532,882