

RESOLUTION NO. 2021- 38

A RESOLUTION OF THE CITY COUNCIL OF ELLENSBURG, WASHINGTON, approving the form of an Affordable Housing Agreement and various related agreements to be entered into with Habitat for Humanity of Seattle-King County and with 113 W Bender Road LLC, for the purpose of developing and making available housing affordable to persons of low- and very-low income within the City; and authorizing the City Manager to execute the Affordable Housing Agreement and related additional agreements, instruments, and certificates.

WHEREAS, the City seeks to add to the community's supply of affordable housing units that are actively managed, which constitutes a public use and purpose and an essential governmental function for which public moneys may be spent, and other aid given and a proper public purpose, necessary in the public interest; and

WHEREAS, in November 2017, the City's voters approved a City sales tax of 0.10% for housing and related services consistent with RCW 82.14.530 (the "Affordable Housing Sales Tax"), including to provide housing affordable to households earning 60% or less of Area Median Income ("AMI") who also fall within specific population groups as described in RCW 82.14.530 ("Sixty Percent Households"); and

WHEREAS, pursuant to Resolution 2020-01, the City Council previously declared approximately three acres, known as 113 West Bender Road (the "Site") to be surplus to the City's needs and authorized disposal of the Site pursuant to RCW 39.33.015 for the public benefit purpose described in Resolution 2020-01 and RCW 39.33.015, namely to provide affordable housing for low-income and very low-income households and related facilities that support the goals of affordable housing development in providing economic and social stability for low-income persons. For this purpose "Low-Income" refers to an earnings threshold of 80% of AMI, and "Very Low-Income" refers to an earnings threshold of 50% of AMI, all as set forth in RCW 43.63A.510; and

WHEREAS, the City has negotiated the Affordable Housing Agreement, the form of which is attached as Exhibit A, pursuant to which a single-purpose developer entity, known as 113 W Bender Road LLC (the "Developer") whose sole member is Habitat for Humanity of Seattle-King County, will develop the Site with 18 single family dwellings (each a "Unit" and collectively, the "Units"), of which at least three shall be sold at an affordable housing cost to Sixty Percent Households and the remainder of which shall be sold at an affordable housing cost to Low-Income Households. The Units shall be sold subject to a Regulatory Agreement that will ensure that the affordable housing requirements are met for a 50-year Affordability Period; and

WHEREAS, in conjunction with this project, the City has agreed to loan to the Developer an amount not to exceed \$765,000 from revenues received from the voter-approved Affordable Housing Sales Tax. This loan of cash, plus the value of the Site, shall be forgiven upon expiration of the Affordability Period, provided that the permitted income levels of the buyers of each Housing Unit and the permissible sales price to be charged to acquire each Housing Unit, which are set forth in detail in the Affordable Housing Agreement, the Regulatory Agreement, and other

applicable federal and state laws and regulations are met and complied with during the entire Affordability Period; and

WHEREAS, the City Council finds that this affordable housing project is in the City's best interest and promotes the public health, safety and welfare of the residents of the City, and is in accord with the public purposes and provisions of applicable federal, state and local laws and requirements;

NOW, THEREFORE, BE IT RESOLVED, by the City Council of the City of Ellensburg, Washington, as follows:

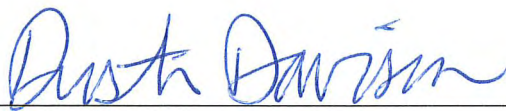
Section 1. The City Manager, and other appropriate officers of the City, are severally authorized to take such actions and to execute such documents as in their judgment may be necessary or desirable to carry out the transactions contemplated in connection with this resolution, and to execute the following documents in substantially the forms attached as Exhibit A: (1) the Affordable Housing Agreement; (2) the Regulatory Agreement; and (3) such additional documents, agreements, certificates, and instruments as may be necessary or desirable to secure the proper application of the Affordable Housing Sales Tax revenues and proper use of the Site to secure affordable housing within the City as described herein.

Section 2. The City Manager is authorized to take such additional actions as may be required and to make such changes to the forms of such documents as are deemed advisable, upon consultation with the City Attorney, consistent with and in order to carry out the expressed intent of this resolution. All actions taken prior to the effective date of this resolution in furtherance of the purposes described in this resolution and not inconsistent with the terms of this resolution are ratified and confirmed in all respects. The approvals contained herein or in the Affordable Housing Agreement do not constitute, nor are they a substitute for, any required land-use permits or approvals required to be obtained by the Developer. This resolution shall take effect and be in force immediately after its passage, approval and publication.

ADOPTED by the City Council of the City of Ellensburg this 6th day of December, 2021.



MAYOR

Attest: 
Deputy CITY CLERK