

Legislation Details (With Text)

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Title: AN ORDINANCE relating to interim use of the community development block grant (CDBG) fund to provide a short-term loan to an experienced affordable housing developer to purchase and develop land which will provide home ownership opportunities for low/moderate income persons and authorizing the King County executive to enter into loan agreements necessary to effect the project, and if required, authorizing the King County executive to enter into agreements to transfer title of property in a negotiated sale to an experienced affordable housing developer.

Sponsors: Larry Gossett

Indexes: Community Development Block Grant, Housing

Code sections:

Attachments: 1. Ordinance 15021.pdf, 2. 2004-0430 Revised Staff Report 09-27-04, 3. 2004-0430 Fiscal Note - Fund 2460 - \$1,750,000.doc, 4. 2004-0430 Fiscal Note - Fund 2460 - \$4,000,000.doc, 5. 2004-0430 Staff Report 09-23-04, 6. 2004-0430 Transmittal Letter.doc, 7. A. Legal Description

Date	Ver.	Action By	Action	Result
9/27/2004	2	Metropolitan King County Council	Hearing Held	
9/27/2004	2	Metropolitan King County Council	Passed	Pass
9/23/2004	2	Budget and Fiscal Management Committee		
9/23/2004	1	Budget and Fiscal Management Committee		
9/7/2004	1	Metropolitan King County Council	Introduced and Referred	

Clerk 09/23/2004

AN ORDINANCE relating to interim use of the community development block grant (CDBG) fund to provide a short-term loan to an experienced affordable housing developer to purchase and develop land which will provide home ownership opportunities for low/moderate income persons and authorizing the King County executive to enter into loan agreements necessary to effect the project, and if required, authorizing the King County executive to enter into agreements to transfer title of property in a negotiated sale to an experienced affordable housing

developer.

BE IT ORDAINED BY THE COUNCIL OF KING COUNTY:

SECTION 1. Findings: The council hereby makes the following findings of fact.

A. In 1998, the Department of Community and Human Services previously awarded HOME funds for the acquisition of Brooks Village property and executed various agreements with the purchaser for the development of affordable housing for home ownership. The acquisition of the property was funded completely with federal HOME funds.

B. The current owner of the property may be unable to complete construction of affordable housing and has entered into negotiations with the executive concerning the affordable housing project.

C. As a result of these negotiations, the owner may agree to deed the property to King County.

D. If the property owner agrees to deed the property to King County, the executive has recommended that the property be transferred to an experienced developer of affordable housing capable of completing the development affordable housing on the property.

E. Because the Brooks Village property was purchased with federal HOME funds, if affordable housing is not constructed on the property, federal HOME regulations would require that any proceeds from the sale of the property be returned to the HOME fund to be used for affordable housing.

F. Based on these facts and in accordance with K.C.C. 4.56.100, the council finds that these unique circumstances make a negotiated direct sale in the best interest of the public, if the property owner deeds the property to King County.

SECTION 2. Definitions. Unless the context otherwise requires, the terms defined in this section shall, for all purposes of this ordinance have the meanings specific; words importing the singular include the plural number and vice versa:

"County" means King County, Washington.

"Council" means the metropolitan county council of King County, Washington.

"Community development interim loan (CDIL)" shall mean the making of short-term financing loans to assist in the development of community development block grant eligible projects.

"Community development block grant (CDGB) funds" shall mean those entitlement moneys King County receives through the United States Department of Housing and Urban Development and are dedicated to the CDBG fund.

"Brooks Village property" shall mean the fourteen acres of undeveloped residential land located in unincorporated area of Skyway/West Hill more fully described in Attachment A to this ordinance.

SECTION 3. The council finds and determines to be necessary and appropriate and in the best interests of the county to make a CDIL in the amount of up to four million dollars to an experienced affordable housing developer. The loan will be used to acquire the Brooks Village property and construct infrastructure on the property. The Brooks Village property is located in the unincorporated area of Skyway/West Hill. The development will create a maximum of fifty-six new units of housing available for ownership to families at or less than eighty percent of area median income. The project is consistent with King County's adopted Consolidated Housing and Community Development Plan. The loan shall be repaid to King County in accordance with the terms and conditions of the CDIL agreement.

SECTION 4. In accordance with the regulations of the United States Department of Housing and Urban Development, the county executive is hereby authorized to enter into a CDIL agreement with an experienced nonprofit affordable housing developer. The loan will be repaid within thirty months.

SECTION 5. For the purpose of making this CDIL, the sum of four million dollars, or so much thereof as may be necessary to fund this project, shall be disbursed from such unexpended balances as may become available in the King County CDBG fund.

SECTION 6. In the event that the current owner of the Brooks Village property agrees to deed the Brooks Village property to King County, the council finds that unique circumstances exist to authorize the executive to enter into agreements to transfer of the Brooks Village property in a negotiated sale. The council

also finds and determines it to be necessary and appropriate and in the best interests of the public to authorize the executive to transfer the Brook Village property to the experienced affordable housing developer selected for the CDIL. The property will be transferred subject to an Affordable Housing Covenant Agreement that requires development of housing units available for home ownership to families at or less than eighty percent of area median income.

SECTION 7. Should any section, subsection, paragraph, sentence, clause or

phrase of this ordinance be declared unconstitutional or invalid for any reason, such decision shall not affect the validity of the remaining portion of this ordinance.