

# COUNCIL AGENDA SYNOPSIS



-----Initials-----			
Meeting Date	Prepared by	Mayor's review	Council review
<b>01/14/19</b>	<b>NG</b>	<i>RLC</i>	<i>HJA</i>
<b>01/22/19</b>	<b>NG</b>		

<p><i>ITEM No.</i></p> <p style="font-size: 2em;"><b>4.A.</b></p>
-------------------------------------------------------------------

## ITEM INFORMATION

STAFF SPONSOR: <b>RACHEL BIANCHI</b>	ORIGINAL AGENDA DATE: <b>1/14/19</b>
--------------------------------------	--------------------------------------

AGENDA ITEM TITLE **Interlocal Agreement with the South King Housing and Homelessness Partners**

CATEGORY	<input checked="" type="checkbox"/> Discussion <small>Mtg Date 01/14/19</small>	<input checked="" type="checkbox"/> Motion <small>Mtg Date 1/22/19</small>	<input type="checkbox"/> Resolution <small>Mtg Date</small>	<input type="checkbox"/> Ordinance <small>Mtg Date</small>	<input type="checkbox"/> Bid Award <small>Mtg Date</small>	<input type="checkbox"/> Public Hearing <small>Mtg Date</small>	<input type="checkbox"/> Other <small>Mtg Date</small>
----------	------------------------------------------------------------------------------------	-------------------------------------------------------------------------------	----------------------------------------------------------------	---------------------------------------------------------------	---------------------------------------------------------------	--------------------------------------------------------------------	-----------------------------------------------------------

SPONSOR  Council  Mayor  HR  DCD  Finance  Fire  TS  P&R  Police  PW  Court

SPONSOR'S SUMMARY **This interlocal agreement would allow Tukwila to join with Auburn, Burien, Covington, Des Moines, Federal Way, Kent, Normandy Park, Renton, King County and the King County Housing Authority to cooperatively address the issues of affordable housing and homelessness.**

REVIEWED BY	<input type="checkbox"/> C.O.W. Mtg.	<input checked="" type="checkbox"/> CDN Comm	<input type="checkbox"/> Finance Comm.	<input type="checkbox"/> Public Safety Comm.
	<input type="checkbox"/> Trans & Infrastructure	<input type="checkbox"/> Arts Comm.	<input type="checkbox"/> Parks Comm.	<input type="checkbox"/> Planning Comm.
	DATE: <b>12/11/18</b> COMMITTEE CHAIR: <b>KRULLER</b>			

**RECOMMENDATIONS:**  
 SPONSOR/ADMIN. **Department of Community Development**  
 COMMITTEE **Unanimous Approval; Forward to Committee of the Whole**

### COST IMPACT / FUND SOURCE

EXPENDITURE REQUIRED <b>\$7,500</b>	AMOUNT BUDGETED <b>\$7,500</b>	APPROPRIATION REQUIRED <b>\$</b>
----------------------------------------	-----------------------------------	-------------------------------------

Fund Source:  
Comments:

MTG. DATE	RECORD OF COUNCIL ACTION
<b>01/14/19</b>	
MTG. DATE	ATTACHMENTS
<b>01/14/19</b>	<b>Informational Memorandum updated 1/9/19 after CDN meeting</b>
	<b>Draft Interlocal Agreement updated after CDN meeting</b>
	<b>Tukwila City Council Housing Policy Priorities</b>
	<b>Housing Consortium Tukwila City Snapshot</b>
	<b>Minutes from the Community Development and Neighborhoods Meeting 12/11/19</b>
<b>1/22/19</b>	





## INFORMATIONAL MEMORANDUM

TO: **Community Development and Neighborhoods**

FROM: **Jack Pace, DCD Director**

BY: **Nora Gierloff, Deputy DCD Director**

CC: **Mayor Ekberg**

DATE: **December 4, 2018, Updated January 9, 2019**

SUBJECT: **Interlocal Agreement with South King County Housing and Homelessness Partnership**

### **ISSUE**

This interlocal agreement would allow Tukwila to join with nearby cities to cooperatively address the issues of affordable housing and homelessness.

### **BACKGROUND**

Tukwila has had a longstanding concern about the housing challenges faced by its residents. These include decreasing affordability as development pressures escalate, declining housing quality, lack of family sized rental units, and few units affordable to those making 30% or less of AMI. The Housing Element of the Comprehensive Plan contains the following language:

**Goal 3.2 The City of Tukwila has safe, healthy and affordable homes for all residents in Tukwila.**

#### *Implementation Strategy*

Participate at the regional level, by supporting a South King County Housing and Neighborhood Planner position to work collaboratively with the Planning, Code Enforcement, and Human Services Divisions. This position would aid in the achievement of identified housing needs. Responsibilities could include pursuing and overseeing grant opportunities, developing relationships with for-profit and non-profit stakeholders for City and regional affordable housing development, increasing representation in regional efforts to fund affordable housing, supporting land use and rental housing programs to improve the condition of affordable housing for Tukwila's residents, and exploring establishing a neighborhood council/liaison program.

Tukwila's primary options for increasing our supply of affordable housing include:

1. Developing new housing ourselves by dedicating funding and seeking grants;
2. Contributing funds and support to a regional housing development group similar to ARCH;
3. Offering Code incentives, land and/or funding to encourage other agencies and non-profits to develop housing, such as SHAG at Tukwila Village;
4. Making Zoning Code changes to encourage private development such as the Accessory Dwelling Unit ordinance; or
5. Purchasing, remodeling and managing existing units similar to the King County Housing Authority's practice.

In 2017 the City Council held a Housing Policy Work Session to review and prioritize actions to address housing affordability, creation and quality, see Attachment B. Based on that policy direction staff has been working through the list of actions as time and resources permit.

**DISCUSSION**

Tukwila has been participating in the South King Housing and Homelessness Partnership regional working group to identify approaches to housing issues. The next step would be to join the interlocal agreement to pool resources with other Cities facing similar housing challenges, see Attachment A. The group has approved some modest changes to the Agreement since the draft was reviewed by CDN on December 11<sup>th</sup>.

Jurisdictions Proposing Participation in SKHHP in their Budgets

Auburn

Burien

Covington

Des Moines

Federal Way

Kent

Normandy Park

Renton

Unincorporated South King County

and

King County Housing Authority

Jurisdictions Still Considering Participation

~~Des Moines~~

~~Federal Way~~

Maple Valley

~~Sea-Tac~~

Given the regional nature of the housing crisis Administration recommends collaborating with our neighbor cities to pool our resources for greatest efficiency. Tukwila would gain access to staff who are subject matter experts in housing and focused only on that issue. This would be more cost effective than hiring our own consultants. The draft work plan objectives for the collaboration include:

1. Technical assistance to member jurisdictions to create affordable housing;
2. Strategies for housing stability and preservation of existing affordable housing stock;
3. Establishment of a South King County capital fund for housing development and preservation;
4. Support for local Comprehensive Plan housing elements;
5. Represent member jurisdictions at regional forums;
6. Educate and advocate member jurisdictions' interests at the State Legislature;
7. Assist in implementing an ongoing collaboration through the interlocal agreement; and
8. Outreach and education around affordable housing options and opportunities.

**FINANCIAL IMPACT**

With the current number of participating jurisdictions, Tukwila's share of the project will be \$7,500 ~~\$10,500~~ per year.

**RECOMMENDATION**

The Council is being asked to approve the interlocal agreement and consider this item at the January 14, 2019 Committee of the Whole meeting and subsequent January 22, 2019 Regular Meeting.

**ATTACHMENTS**

- A. Updated Draft Interlocal Agreement with SKHHP
- B. Tukwila City Council Housing Policy Priorities
- C. Housing Consortium Tukwila City Snapshot



DRAFT 12.26.18

**Draft Interlocal Agreement for SKHHP  
South King Housing and Homelessness Partners**

(Effective Date: Month, Day, 2018)

This Interlocal Agreement ("Agreement") is entered into by and between the Cities of Auburn, Burien, Covington, Des Moines, Federal Way, Kent, Normandy Park, Renton, and King County, each municipal corporations and political subdivisions of the State of Washington (individually, a "Party" and collectively, the "Parties"). This Agreement relates to the creation and operation of a joint undertaking among the Parties hereto to be known as the South King Housing and Homelessness Partners ("SKHHP"). This Agreement is made pursuant to the Interlocal Cooperation Act, chapter 39.34 RCW, and has been authorized by the legislative body of each jurisdiction.

WHEREAS, the Parties have a common goal to ensure the availability of housing that meets the needs of all income levels in South King County; and

WHEREAS, the Parties desire to provide a sound base of housing policies and programs in South King County and to complement the efforts of existing public and private organizations to address housing needs in South King County; and

WHEREAS, the Parties desire to act cooperatively to formulate affordable housing policies and strategies that address housing stability, to foster efforts to preserve and provide affordable housing by combining public funding with private-sector resources, to support implementation of the goals of the Washington State (the "State") Growth Management Act, related countywide planning policies, and other local policies and programs relating to affordable housing, and to do so efficiently and expeditiously; and

WHEREAS, the Parties have determined that the most efficient and expeditious way for the Parties to address affordable housing needs in South King County is through cooperative action and pooling public and private resources; and

WHEREAS, the intent of this cooperative undertaking is not to duplicate efforts of non-profit corporations and other entities already providing affordable-housing-related services; and ~~now~~ therefore,

WHEREAS, a cooperative work plan with a primary focus on the production and preservation of affordable housing, is needed because the lack of access to affordable housing is one of the key contributors to homelessness;

NOW, THEREFORE, in consideration of the mutual promises, benefits and covenants contained herein and other valuable consideration, the sufficiency of which is hereby acknowledged, the Parties agree to the above Recitals and the following terms and conditions:

1. PURPOSE. All Parties to this Agreement have responsibility for local and regional planning for the provision of housing affordable to residents that work and/or live in South King County. The Parties desire to act cooperatively to formulate affordable housing policies that address housing stability and to foster efforts to preserve and provide affordable housing by combining public funding with private-sector resources. In order to accomplish the purposes of this Agreement, the Parties desire to create a joint and cooperative undertaking responsible for administering the activities described herein. The partnership among the Parties shall be called the South King Housing and Homelessness Partners ("SKHHP"). The Parties further intend that this Agreement serve as a legal framework for all participating communities within the broader SKHHP sphere of influence ~~{?}~~—(See **Exhibit A**) to do the aforementioned work. The Parties encourage other cities and other public and private entities in South King County to join the Parties in this endeavor.

2. STRUCTURE; CREATION OF JOINT BOARD. By executing this Agreement, the Parties hereto create a joint board pursuant to RCW 39.34.030(4) to govern SKHHP. The joint board created hereunder shall be called the "Executive Board" and shall be composed of members as provided for in section 4.a of this Agreement. The joint board created hereunder is not a separate legal or administrative entity within the meaning of RCW 39.34.030(3). The Executive Board shall act on behalf of all Parties and as may be in the best interest of SKHHP in order to carry out the purposes of this Agreement. The Executive Board is not authorized to own assets or employ staff.

3. RESPONSIBILITIES AND AUTHORITY. In order to carry out the purposes of SKHHP and this Agreement, the Executive Board shall have the following responsibilities and authority, and will guide the SKHHP staff in the performance of the following duties:



**DRAFT 12.26.18**

a. Create and ~~carry out~~implement an annual work plan approved by the Executive Board to guide the work of SKHHP staff (defined as the staff employed by the Administering Agency to carry out the SKHHP work plan). The work plan will include activities that may benefit multiple participating jurisdictions or individual jurisdictions. The work plan activities will be consistent with the purpose described in this Agreement.

b. Provide recommendations to the Parties regarding the allocation of public and private funding for affordable housing purposes.

c. Through its Administering Agency (defined in Section 5), enter into agreements with third parties for the use and application of public and private funds contributed by individual Parties to the SKHHP Housing Capital Funds Account established in Section 12, under such terms and conditions as may be agreed by the individual contributing Parties, as further described in Section 12. At least annually, report to the Parties on the geographic distribution of all housing capital funds as recommended by the SKHHP Executive Board.

d. Provide recommendations to the Parties regarding local and regional affordable housing policies. SKHHP staff will assist the Parties in developing strategies and programs to achieve State Growth Management Act housing goals, growth targets, local Comprehensive Plan Housing Element goals, and local housing strategy plans, as appropriate.

e. SKHHP staff will provide technical assistance to any Party considering adoption of land use incentives or requirements, or affordable housing programs. SKHHP staff will research model programs, develop draft legislation, prepare briefing materials and make presentations to planning commissions and councils upon request by a Party. SKHHP staff will assist Parties in developing strategies and programs to implement county-wide affordable housing policies to meet State Growth Management Act objectives, growth targets, local Comprehensive Plan Housing Element goals, and local housing strategy plans for an equitable and rational distribution of low- and moderate-income housing.

f. Facilitate cooperation between the private and public sector with regard to the provision of affordable housing. SKHHP staff will work directly with private developers, financial institutions, non-profit corporations and other public entities to assist in the implementation of affordable housing projects. SKHHP

**DRAFT 12.26.18**

staff will work directly with any Party to provide technical assistance with regard to the public funding of affordable housing projects and the implementation of affordable housing regulatory agreements for private developments.

g. SKHHP staff will also provide assistance in making public and private sites available for affordable housing and in developing affordable housing alternatives for such sites.

h. After the Housing Capital Fund is created, develop standard regulatory agreements acceptable to private and public financial institutions to facilitate the availability of funding for private and public projects containing affordable housing.

i. Provide other technical advice to any Party upon request and to enter into agreements to provide technical assistance to other public entities on a reimbursable basis.

j. Provide support and educational activities and to monitor legislative and regulatory activities and proposed policy changes related to affordable housing at the county, state and federal levels. Ensure that the parties to this Agreement have a strong South King County voice in regional decision making.

k. After the Housing Capital Fund is created, develop and carry out procedures for monitoring of affordable units and to administer direct service housing programs on behalf of any Party. Such direct service housing programs may include but are not limited to relocation assistance programs, rent voucher and/or deposit loan programs, etc.

l. Work directly with other public and private entities for the development of affordable housing policies and encourage the provision and preservation of affordable housing.

m. Work with the Community Advisory Board appointed under this Agreement and South King County agencies working on regional housing stability and housing affordability, identify trends and promising practices, and mobilize those agencies to support South King County positions in regional decision making forums.

n. Support public and private fundraising efforts of public and private entities (including non-profit corporations) to raise funds to carry out the purposes of this Agreement. Enter

**DRAFT 12.26.18**

into agreements with such entities for the use of such funds in order to carry out the purposes of this Agreement.

o. Pursuant to the direction of the Executive Board, accept public and private funding, to invest such funds in accordance with State law, and take other appropriate and necessary action to carry out the purposes of this Agreement.

4. EXECUTIVE BOARD.

a. Membership. SKHHP shall be governed by an Executive Board composed of either the Mayor or City Manager/Administrator for each city and the King County Executive, or their designated representative, of each Party, with the following exception. There will not be more than two members on the Executive Board representing cities with population less than 5,000 persons, unless approved by the Executive Board. In the event that there are more than two Parties to this Agreement with population less than 5,000 persons, then those Parties will propose to the Executive Board for the Executive Board's approval, a method for shared membership on the Executive Board by those Parties. The Executive Board may add additional members beyond those described above, with a two-thirds majority vote of the full Board.<sup>[JH1]</sup> Any member of the Executive Board representing more than one Party must be approved by the chief executive officer of those Parties being represented by the shared Executive Board member. The Executive Board shall administer this cooperative undertaking pursuant to the terms of this Agreement and pursuant to any procedures adopted by the Executive Board.

b. Chair. The Chair of the Executive Board shall be elected by the members of the Board from the Board membership; shall preside over all meetings of the Executive Board; and shall, in the absence of a Program Manager provided for in Section 5 of this Agreement, process issues, organize meetings and provide for administrative support as required by the Executive Board. The Chair shall serve a one-year term but may be reelected by the Executive Board.

c. Alternate Member. Each member of the Executive Board shall be entitled to designate one alternate member who shall serve in the place of the member on the Executive Board during the member's absence or inability to serve. Notice of such designation shall be provided to the Chair of the Executive Board. An alternate member may only vote on behalf of his/her appointing Party if: (a)

**DRAFT 12.26.18**

the Chair has received written notice of the alternate's appointment and (b) the chief executive officer is absent from the meeting.

d. Powers. The Executive Board shall have the power to (1) develop and approve an annual budget and work program for SKHHP; (2) adopt procedures for the administration of SKHHP (including securing any necessary legal counsel) and for the conduct of meetings; (3) make recommendations to the Parties concerning planning, policy, programs and the funding of affordable housing projects; (4) establish policies for the expenditure of SKHHP budgeted items; (5) create an agreement with and appoint one or more of the Parties to serve as an "Administering Agency" to carry out administrative functions as further described in this Agreement, or appoint another entity as approved by a two-thirds majority of the full board; (6) establish a special fund with the Administering Agency as authorized by RCW 39.34.030, to be known as the "Operating Fund of the SKHHP ~~Joint~~ Executive Board" ("SKHHP Fund") within which Fund may be established various accounts and subaccounts including but not limited to a "SKHHP Operating Account" (into which will be deposited funding for the SKHHP operating budget) and a "Housing Capital Funds Account"; (7) hold regular meetings on such dates and at such places as the Executive Board may designate; (8) through its Administering Agency, enter into contracts and agreements for the provision of personnel and other necessary services to SKHHP, including accounting and legal services and the purchase of insurance, and authorize the Administering Agency to execute such other contracts, agreements or other legal documents necessary with public and private entities for SKHHP to carry out its purposes; (9) establish the responsibilities for the SKHHP Program Manager, participate with the Administering Agency in the hiring process and performance review for that position and direct and oversee the activities of the SKHHP Program Manager; (10) appoint Advisory Board Members; (11) assist with incorporating and/or work with a non-profit corporation to accept grants, donations and other funds on behalf of SKHHP and through its Administering Agency, enter into contracts or other agreements with such agency for the use of such fund to carry out the purposes of this Agreement; and (12) take whatever other action is necessary to carry out the purposes of this Agreement.

5. ADMINISTRATION AND OVERSIGHT. The Executive Board shall have final decision-making authority on behalf of SKHHP over all legislative and administrative matters within the scope of this Agreement. The Executive Board may delegate responsibility for

**DRAFT 12.26.18**

general oversight of the operations of SKHHP to a Program Manager. The SKHHP Program Manager shall submit quarterly budget performance and progress reports on the status of the work program elements to the Executive Board and the governing body of each Party. Such reports and contents thereof shall be in a form acceptable to the Executive Board.

The Executive Board shall designate one of more of the Parties to serve as the Administering Agency, or appoint another entity as approved by a two-thirds majority of the full board, which will provide administrative support services on behalf of SKHHP. The Administering Agency shall be the Fiscal Agent for SKHHP in accordance with the requirements of chapter 39.34 RCW. SKHHP shall be staffed with personnel provided by the Parties and/or independent contractors contracting with the Administering Agency on behalf of SKHHP.

Any Party providing personnel to SKHHP shall remain solely responsible for the continued payment of any and all compensation and benefits to such personnel as well as for any worker's compensation claims. All Parties shall cooperate fully in assisting SKHHP to provide the services authorized herein.

6. MEETINGS OF EXECUTIVE BOARD.

a. Frequency. The Executive Board shall meet as often as it deems necessary, but not less often than quarterly.

b. Quorum. A quorum at any meeting of the Executive Board shall consist of the Board members (or alternates) who represent a simple majority of the Board's membership.

c. Action. No action may be taken except at a meeting where a quorum exists. Action by the Executive Board requires an affirmative vote by a majority of the Board's membership, provided however, that a supermajority (66% in number of Board members) shall be required to appoint the Administering Agency. Each Executive Board member, or his or her alternate, shall have one vote on any proposed action. Members must be present at a meeting and may not vote by proxy. To the extent applicable to meetings of the Executive Board, the Executive Board shall comply with applicable requirements of the Washington State Open Public Meetings Act (chapter 42.30 RCW).

7. ADVISORY BOARD. The Executive Board shall create An Advisory Board ~~is hereby created~~ to provide advice and

recommendation to the Executive Board on land and/or money resource allocation for affordable housing projects, input on policy needs related to housing stability, program design and development, recommendations for emergency shelter and other immediate affordable housing needs, and to provide public ~~relations~~ education and ~~educational~~-community outreach services. The Advisory Board shall be created before the end of the first year of SKHHP operations (with the start of the year defined as the hiring of the SKHHP Program Manager). The Advisory Board will consist of not more than fifteen (15) and not less than twelve (12) community members. The Executive Board shall appoint members to the Advisory Board. Members appointed to the Advisory Board must have knowledge and understanding of affordable housing, ~~and~~ be committed to the furtherance of affordable housing in South King County, and represent diverse community perspectives. Appointments shall be for a four-year term with service limited to a total of two consecutive terms. The Executive Board shall adopt procedures for the convening and administration of the Advisory Board. A member may be removed from the Advisory Board by the Executive Board with or without cause upon a majority vote of membership of the Executive Board.

8. MEETINGS OF ADVISORY BOARD.

a. Frequency. The Advisory Board shall meet as often as it deems necessary, but not less often than quarterly.

b. Quorum. A quorum at any meeting of the Advisory Board shall consist of the Board members who represent a simple majority of the Board's membership.

c. Action. No action may be taken except at a meeting where a quorum exists. Action by the Advisory Board requires an affirmative vote by a majority of those members attending a Board meeting where a quorum exists. Members of the Advisory Board must be present at a meeting and may not vote by proxy. To the extent applicable to meetings of the Advisory Board, the Advisory Board shall comply with applicable requirements of the Washington State Open Public Meetings Act (chapter 42.30 RCW).

9. AGREEMENT DURATION<sup>[JH2]</sup> AND TERMINATION. This Agreement shall be in full force and effect for a period commencing January 2019, and ending December 31 2020. This Agreement shall automatically renew for two-year terms, unless sooner terminated under the provisions hereafter specified. ~~of five years' duration and shall continue in effect for subsequent five-year periods upon~~

~~affirmative vote of a majority of the membership of the Executive Board. Any vote to continue the Agreement shall be taken between three to six months before the end of the five-year term.~~

10. TERMINATION OF AGREEMENT. This Agreement may be terminated at any time by affirmative vote of a majority of the legislative bodies of the Parties to this Agreement.

Upon termination of this Agreement, all property acquired during the life of the Agreement shall be disposed of in the following manner:

- (i) all property contributed without charge by any Party shall revert to the contributing Party;
- (ii) all property purchased on behalf of SKHHP after the effective date of this Agreement shall be distributed to the Parties based on each Party's pro rata contribution to the overall budget at the time the property was purchased;
- (iii) except as provided in Subsection (iv) below, all unexpended or reserve funds shall be distributed to the Parties based on each Party's pro rata contribution to the overall budget in effect at the time the Agreement is terminated;
- (iv) all uncommitted monies in the Housing Capital Funds Account shall be distributed to the Parties by remitting the total uncommitted amounts remaining in each Party's Individual Account (as described in Section 12) to that Party; and
- (v) each Party that has funded a project through the Housing Capital Funds Account shall be substituted for the Administering Agency with regard to all project financing documents, and the Administering Agency shall be released from further obligations with respect thereto.

10. WITHDRAWAL. For the initial two years of this Agreement, any Party may withdraw from this Agreement by giving three months written notice to the Executive Board, by October 1, 2020, of its intention to terminate, effective January 1 2021. The initial members of SKHHP agree they will participate for at least the first two years of the collaboration. In subsequent years, any party may withdraw from this Agreement by giving six months written notice to the Executive Board, by July 1, of its intention to terminate by January 1 of the following year. Any Party withdrawing from this Agreement shall remain legally and financially responsible for any obligation incurred by the Party pursuant to the terms of this Agreement, including but not limited to any project financing documents executed by the Administering Agency on behalf of that

**DRAFT 12.26.18**

Party, during the time the withdrawing Party was a member of SKHHP. A notice of withdrawal may be revoked by the Party that submitted the notice only by approval of a majority of the Executive Board to accept the revocation. Any party that provides written notice of their intent to withdraw may continue to vote on all matters before the Executive Board except the budget and work plan for the following year.

11. BUDGET. The fiscal year for SKHHP shall be January 1 to December 31 of any year. The budget for the first two years of SKHHP is attached to this Agreement as Exhibit B and incorporated herein by this reference. Approval of this Agreement by the legislative body of each Party shall be deemed to be approval of the first year SKHHP budget. For subsequent years, on or before June 1st of each year, a recommended operating budget and work plan for SKHHP for the next budget year shall be prepared, reviewed and recommended by the Executive Board and transmitted to each Party. The recommended operating budget shall contain an itemization of all categories of budgeted expenses and shall contain an itemization of the amount of each Party's contribution, including in-kind services, toward that budget. Contributions to the SKHHP annual budget may also come from other public or private entities. The Executive Board shall approve acceptance of those contributions.

a. No recommended budget or work plan shall become effective unless and until approved by the legislative body of each Party and adopted by the Executive Board, except for SKHHP's first year (2019). For the first year, the budget will be approved as part of the approval of this agreement, and the first year work plan must be approved by the Executive Board. Once the legislative body of each Party has approved its contribution to SKHHP, either separately or through its budget process, and the SKHHP budget has been adopted by the Executive Board, each Party shall be obligated to make whatever contribution(s) is budgeted for that Party. If a Party does not approve the work plan or budget in a timely manner, the Executive Board may adopt the annual budget and work plan with a two-thirds majority vote.

b. Such contribution(s) shall be transmitted to SKHHP on a quarterly basis at the beginning of each quarter unless otherwise provided in the budget document. Each Party shall specify the amount of its contribution to be deposited by the Administering Agency into the SKHHP Operating Account, as well as the amount, if



**DRAFT 12.26.18**

any, to be deposited into the Party's Individual Account within the SKHHP Housing Capital Funds Account established by Section 12.

c. If any Party is delinquent by more than three months in the payment of its approved operating budget contribution to the SKHHP Operating Account, such Party shall not be entitled to vote on matters before the Executive Board until such delinquency has been paid; provided however, that a Party's decision not to contribute funds to its Individual Account, or its delinquency in funding the same shall not affect that Party's voting rights on the Executive Board.

12. HOUSING CAPITAL FUNDS ACCOUNT ESTABLISHED; PROCEDURES FOR ADMINISTERING HOUSING CAPITAL FUNDS ACCOUNT CONTRIBUTIONS. Upon resolution of the Executive Board, the Administering Agency may establish and maintain an account within the SKHHP Fund for the purpose of administering the contributions of Parties, or other public or private entities, to affordable housing projects and programs, to be known as the SKHHP Housing Capital Funds Account. The amounts in the Housing Capital Funds Account shall be held and disbursed by the Administering Agency as described herein.

a. Within the Housing Capital Funds Account, a sub-account shall be established for each Party to this Agreement that chooses to contribute to the Housing Capital Funds Account. Such sub-accounts are collectively referred to as the "Individual Accounts." Contributions to an Individual Account from a Party may be released only upon, and in accordance with, the written direction of that Party.

b. A subaccount shall be established within each Individual Account for each project or program funded in whole or part by a Party from its Individual Account. Such sub-accounts are referred to as "Project Accounts."

c. The Administering Agency shall maintain records sufficient to separately track the deposits, withdrawals and interest earnings, within each Individual Account and each Project Account, and shall provide quarterly reports to all Parties as to the status of funds in each Individual Account and Project Account. The Administering Agency's responsibilities under this Section may be delegated to the SKHHP Program Manager to the extent consistent with applicable law and as the Administering Agency and Executive Board may agree.

**DRAFT 12.26.18**

d. Funds transmitted to SKHHP for deposit in the Housing Capital Funds Account shall be held by the Administering Agency on behalf of SKHHP until directed for application to a specific project or program by the contributing Party; *provided*, that uncommitted funds in an Individual Account shall be remitted to the contributing Party within 45 days of receipt of written request from the Party signed by its chief executive officer, or upon the Party's withdrawal from SKHHP in accordance with the terms of Section 10, or upon the dissolution of SKHHP per Section 9.

e. Funds within the Housing Capital Funds Account shall be invested by the Administering Agency in investments permitted by State law for investment of public funds. Investment earnings shall be credited to each Individual Account and Subaccount on a pro rata basis.

f. The Executive Board shall develop standard forms of approvals and agreements to be used in the application of funds contributed to the Housing Capital Funds Account (collectively referred to as "project financing documents"), consistent with the following goals and procedures:

(i) Each Party choosing to participate in funding a project or program through the Housing Capital Funds Account will by action of its legislative body authorize the application of a specified amount of its Individual Account monies to such project or program, and shall authorize and direct the SKHHP Executive Board, the SKHHP Program Manager, and the Administering Agency to take such actions as necessary to accomplish this. The Executive Board shall recommend to the individual legislative bodies various terms to accompany their authorizations, and the legislative body authorizations shall at a minimum include terms related to:

1. amount of funds allocated;
2. project description, including minimum affordability requirements, if any;
3. nature of the funding commitment (loan, grant, or other);
4. in the event the funding commitment is provided as a loan, the general repayment terms including but not limited to the term of the loan and applicable, interest rate(s); and
5. a general description of the security interests, if any, to be recorded in favor of the Party.

(ii) For each individual housing project or program to be funded through the Housing Capital Funds Account, the developer, owner or administrator of such project or program (generally referred to as the "developer"), shall enter into the necessary set of agreements (project financing documents) with the Administering Agency. The project financing documents shall specify that the Administering Agency is acting as administering agency on behalf of each Party that is providing Housing Capital Funds Account funding to the project or program pursuant to this Agreement and RCW 39.34.030(4), and shall identify each such participating funding Party. The project financing documents will be consistent with general forms of agreement approved by the Executive Board and the terms and conditions approved by the legislative bodies of the funding Parties. The project financing agreements will incorporate all terms and conditions relative to the use and (if applicable) repayment of such funds and provide for transfer of the Housing Capital Funds Account monies from the funding Parties to the developer.

(iii) Funding contributions to, and repayments (if any) from, specific projects and programs shall be recorded by the Administering Agency, including recording of monies deposited and withdrawn from each Party's Individual Account and Project Accounts therein. Repayments (if any) under any project financing agreement shall be applied *pro rata* to the funding Parties' Individual Accounts based on the ratio of funding contributed to the project by each Party, unless the funding Parties otherwise agree.

(iv) Unless the Parties funding a project or program through the Housing Capital Funds Account otherwise agree, a default, termination or other action against a developer or other third party may be declared only after securing approval in writing of the chief executive officers of funding Parties which together have contributed not less than 51% of the total SKHHP member funding to the project. The Administering Agency shall provide reasonable notice and information regarding the status of projects as necessary to each funding Party's Chief Executive Officer to allow him or

her to make a timely decision in this regard. Funding parties not consenting to such default, termination or other action shall be bound by the decision of the majority. All funding Parties shall be obligated on a pro rata basis (based on their contributions to the project) to pay to the Administering Agency its reasonable costs and expenses incurred in furtherance of such actions. Any funds recovered through such actions shall be allocated to the funding Parties Individual Accounts pro rata based on their respective funding contributions to a project.

(v) The Executive Board may from time to time authorize the Administering Agency to administer housing project agreements entered into prior to the effective date of this Agreement, upon terms consistent with this Agreement and subject to the consent of the Administering Agency and the Parties to such agreements.

13. DUES, ASSESSMENTS AND BUDGET AMENDMENTS. Contributions to the SKHHP Operating fund shall be based on groupings of like-sized cities (based on population), or whatever contribution methodology is approved by a two-thirds majority of the Executive Board. Funding for the activities of SKHHP shall be provided solely through the budgetary process. Unless otherwise specified in this Agreement, no separate dues, charges or assessments shall be imposed or required of the Parties except upon unanimous vote of the membership of the Executive Board and ratification by the legislative body of each Party subject to the separate dues, charges or assessments. An approved budget (the overall revenues and expenditures) shall not be modified unless and until approved by the legislative body of each Party and finally adopted by the Executive Board; provided that, in the event a Party agrees to totally fund an additional task to the work program, not currently approved in the budget, the task may be added to the work plan and the budget amended to reflect the funding of the total cost of such task by the requesting Party, upon approval by a majority of the membership of the Executive Board without approval by the individual Parties. Notwithstanding the foregoing, contributions by a Party to its Individual Account within the Housing Capital Funds Account shall be solely within the discretion of that Party and are not considered "dues or assessments."

14. INDEMNIFICATION AND HOLD HARMLESS.

a. Each Party shall, indemnify and hold other Parties (including without limitation the Party serving as, and acting in its capacity as, SKHHP's Administering Agency), their officers, officials, agents and volunteers harmless from any and all claims, injuries, damages, losses or suits including attorney fees, arising out of that Party's wrongful acts or omissions in connection with the performance of its obligations under this Agreement, except to the extent the injuries or damages are caused by another Party. In the event of recovery due to the aforementioned circumstances, the Party responsible for any such wrongful acts or omissions shall pay any judgment or lien arising therefrom, including any and all costs and reasonable attorneys fees as part thereof. In the event more than one Party is held to be at fault, the obligation to indemnify and to pay costs and attorneys fees, shall be only to the extent of the percentage of fault allocated to each respective Party by a final judgment of the court.

b. Should a court of competent jurisdiction determine that this Agreement is subject to RCW 4.24.115, then, in the event of liability for damages arising out of bodily injury to persons or damages to property caused by or resulting from the concurrent negligence of a Party hereto (including without limitation the Party serving as, and acting in its capacity as, SKHHP's Administering Agency), its officers, officials, employees, and volunteers, the Party's liability hereunder shall be only to the extent of the Party's negligence. It is further specifically and expressly understood that the indemnification provided herein constitutes the Party's waiver of immunity under Industrial Insurance Title 51 RCW, solely for the purpose of this indemnification. This waiver has been mutually negotiated by the Parties. The provisions of this Section shall survive the expiration or termination of this Agreement.

c. Each Party (including without limitation the Party serving as, and acting in its capacity as, SKHHP's Administering Agency) shall give the other Parties proper notice of any claim or suit coming within the purview of these indemnities.

15. INSURANCE. The Executive Board, SKHHP Program Manager and the Administering Agency shall take such steps as are reasonably practicable to minimize the liability of the Parties associated with their participation in this Agreement, including but not limited to the utilization of sound business practice. The

**DRAFT 12.26.18**

Executive Board shall determine which, if any, insurance policies may be reasonably practicably acquired to cover the operations of SKHHP and the activities of the Parties pursuant to this Agreement (which may include general liability, errors and omissions, fiduciary, crime and fidelity insurance), and shall direct the acquisition of same.

16. AMENDMENTS. Any amendments to this Agreement must be in writing. This Agreement may be amended upon approval of at least two thirds (66%) of the legislative bodies of all Parties to this Agreement, evidenced by the authorized signatures of such approving Parties as of the effective date of the amendment; *provided that* any amendment to this Agreement affecting the terms and conditions of membership on the Executive Board, powers of the Executive Board, voting rights of Executive Board members, Party contribution responsibilities, hold harmless and indemnification requirements, provisions regarding duration, termination or withdrawal, or the conditions of this Section shall require consent of the legislative authorities of all Parties. This Section shall not be construed to require amendment of this Agreement for the addition of a new Party contemplated under Section 17 or for any related revision to Executive Board membership authorized in Section 4(a).

17. ADDITIONAL PARTIES. Any city, town or county within the approved SKHHP Sphere of Influence may, upon execution of the Agreement and approval of the budget and work plan by its legislative body, become a Party to this Agreement upon affirmative vote of a majority of the membership of the Executive Board. The Executive Board shall determine by a vote of a majority of its membership what, if any, funding obligations such additional Party shall commit to as a condition of becoming a Party to this Agreement.

18. SEVERABILITY. The invalidity of any clause, sentence, paragraph, subdivision, section or portion thereof, shall not affect the validity of the remaining provisions of the Agreement.

19. CONFLICT RESOLUTION. Whenever any dispute arises between the Parties or between a Party or Parties, the Executive Board, or the Administering Agency (referred to collectively in this Section as the "parties" ) under this Agreement which is not resolved by routine meetings or communications, the parties agree to seek resolution of such dispute in good faith by meeting, as soon as feasible. The meeting shall include the Chair of the Executive

**DRAFT 12.26.18**

Board, the SKHHP Program Manager, and the representative(s) of the Parties involved in the dispute. If the parties do not come to an agreement on the dispute, any party may pursue mediation through a process to be mutually agreed to in good faith between the parties within 30 days, which may include binding or nonbinding decisions or recommendations. The mediator(s) shall be individuals skilled in the legal and business aspects of the subject matter of this Agreement. The parties to the dispute shall share equally the costs of mediation and assume their own costs.

20. SURVIVABILITY. Notwithstanding any provision in this Agreement to the contrary, the provisions of Section 9 (Duration and Termination), Section 10 (Withdrawal), Section 14 (Indemnification and Hold Harmless) shall remain operative and in full force and effect, regardless of the withdrawal or termination of any Party or the termination of this Agreement.

21. WAIVER. No term or provision of this Agreement shall be deemed waived and no breach excused unless such waiver or consent shall be in writing and signed by the Party claimed to have waived or consented.

22. SUBSEQUENT BREACH. Waiver of any default shall not be deemed a waiver of any subsequent default. Waiver of breach of any provision of this Agreement shall not be deemed to be a waiver of any other or subsequent breach and shall not be construed to be a modification of the terms of the Agreement unless stated to be such through written approval of all Parties.

23. NOTICE. Any notice to the Executive Board shall be in writing and shall be addressed to the Chair of the Executive Board and to the SKHHP Program Manager. In the absence of a SKHHP Program Manager, notice shall be given to the Chief Executive Officer of the Administering Agency. Any notice to an Officer or Party shall be sent, respectively, to the address specified by the chief executive officer of the Party.

24. ASSIGNMENT. No Party may sell, transfer or assign any of its rights or benefits under this Agreement without Executive Board approval.

25. VENUE. This Agreement and any rights, remedies, and/or obligations provided for in this Agreement shall be governed, construed, and enforced in accordance with the substantive and procedural laws of the State. The Parties agree that the Superior

**DRAFT 12.26.18**

Court of King County, Washington shall have exclusive jurisdiction and venue over any legal action arising under this Agreement.

26. RETAINED RESPONSIBILITY AND AUTHORITY. Parties retain the responsibility and authority for managing and maintaining their own internal systems and programs related to affordable housing activities.

27. INDEPENDENT CONTRACTORS AND NO THIRD PARTY BENEFICIARIES. Each Party to this Agreement is an independent contractor with respect to the subject matter herein. No joint venture or partnership is formed as a result of this Agreement.

Nothing in this Agreement shall make any employee of one Party an employee of another party for any purpose, including, but not limited to, for withholding of taxes, payment of benefits, worker's compensation pursuant to Title 51 RCW, or any other rights or privileges accorded by virtue of their employment. No Party assumes any responsibility for the payment of any compensation, fees, wages, benefits or taxes to or on behalf of any other Party's employees. No employees or agents of one Party shall be deemed, or represent themselves to be, employees of another Party.

This Agreement is for the benefit of the Parties only, and no third party shall have any rights hereunder.

28. NONDISCRIMINATION. The Parties shall comply with the nondiscrimination requirements of applicable federal, state and local statutes and regulations.

29. COUNTERPARTS. This Agreement may be signed in counterparts and, if so signed, shall be deemed one integrated Agreement.

30. FILING AND EFFECTIVE DATE; PRIOR AGREEMENTS. This Agreement shall become effective January 1, 2019, subject to its prior approval by the legislative bodies of all jurisdictions who are members of SKHHP as of January 1, 2019, and, pursuant to RCW 39.34.040, upon recording this Agreement or posting this Agreement on a Party's web site or other electronically retrievable public source.

Approved and executed this \_\_\_\_\_ day of \_\_\_\_\_, 2019.



DRAFT 12.26.18

Name of Party: \_\_\_\_\_ Approved as to form

\_\_\_\_\_  
By: \_\_\_\_\_ City Attorney  
Its: \_\_\_\_\_

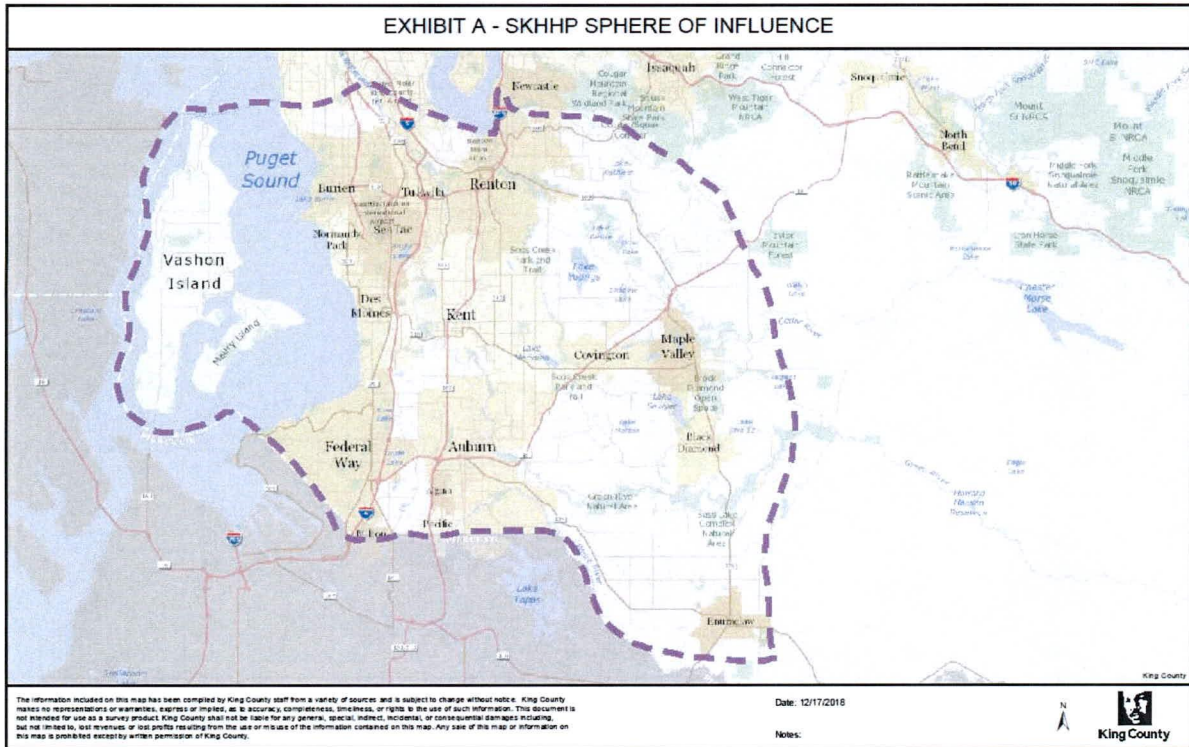
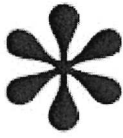


EXHIBIT B

<b>FIRST YEAR SKHHP BUDGET</b> 9 cities & King County Year 1: 10 months of Operations			
<b>Annual Expense Budget</b>			
Full-time manager with salary/taxes/benefits		\$	130,000
Administrative & low-level policy support with salary/taxes/benefits		\$	90,000
Expenses - travel, phone, postage, and start-up costs		\$	19,000
Space		\$	12,000
SubTotal		\$	251,000
10% Fiscal Administration Fee		\$	25,100
<b>TOTAL</b>		<b>\$</b>	<b>276,100</b>
<b>Cost for 10 months of Operations:</b>		<b>\$</b>	<b>230,083</b>
<b>Revenue Budget</b>			
Outside sources* (County, philanthropy, aligned organizations)		\$	68,000
Office Space (in-kind donation) [Pro-rated]		\$	10,000
Shared among participating cities (see below)		\$	152,083
<b>TOTAL</b>		<b>\$</b>	<b>230,083</b>
<b>Shares for participating cities:</b>			
	<b>Population (OFM 2018 est)</b>	<b>% of Population</b>	<b>Grouped by Size**</b>
Auburn	80,615	12%	\$ 20,236
Burien	51,850	8%	\$ 11,675
Covington	20,080	3%	\$ 5,837
Des Moines	31,340	5%	\$ 5,837
Federal Way	97,440	15%	\$ 20,236
Kent	128,900	20%	\$ 26,463
Normandy Park	6,700	1%	\$ 3,113
Renton	104,100	16%	\$ 26,463
Tukwila	19,800	3%	\$ 5,837
Unincorporated SKC	111,000	17%	\$ 26,463
<b>TOTAL</b>	<b>651,825</b>		<b>\$ 152,161</b>
<b>*Outside sources</b>		<b>**Grouped by Size Ranges</b>	
KC Housing Authority	15,000	<10,000	\$ 3,113
Enterprise	5,000	10,001- 35,000:	\$ 5,837
King County***	48,000	35,001 - 65,000:	\$ 11,675
<b>TOTAL</b>	<b>68,000</b>	65,001 - 100,000	\$ 20,236
		100,001+ :	\$ 26,463
***King County has committed \$75,000; including covering the share for unincorporated (In Year 1, the accrual from the unincorporated SKC share is used for \$7K in startup costs)			

<b>SECOND YEAR SKHHP DRAFT BUDGET</b>			
9 cities & King County			
Year 2: Full Year of Operations			
<b>Annual Expense Budget</b>			
Full-time manager with salary/taxes/benefits		\$	130,000
Administrative & low-level policy support with salary/taxes/benefits		\$	90,000
Expenses - travel, phone, postage		\$	12,000
Space		\$	12,000
<b>SubTotal</b>		\$	244,000
<i>10% Fiscal Administration Fee</i>		\$	24,400
<b>TOTAL</b>		\$	268,400
<b>Revenue Budget</b>			
Outside sources* (County, philanthropy, aligned organizations)		\$	61,000
Office Space (in-kind donation)		\$	12,000
Shared among participating cities (see below)		\$	195,400
<b>TOTAL</b>		\$	268,400
<b>Shares for participating cities:</b>			
	<b>Population</b>	<b>% of</b>	<b>Grouped by Size**</b>
	<b>(OFM 2018 est)</b>	<b>Population</b>	
Auburn	80,615	12%	\$ 26,000
Burien	51,850	8%	\$ 15,000
Covington	20,080	3%	\$ 7,500
Des Moines	31,340	5%	\$ 7,500
Federal Way	97,440	15%	\$ 26,000
Kent	128,900	20%	\$ 34,000
Normandy Park	6,700	1%	\$ 4,000
Renton	104,100	16%	\$ 34,000
Tukwila	19,800	3%	\$ 7,500
Unincorporated SKC	111,000	17%	\$ 34,000
<b>TOTAL</b>	651,825		\$ 195,500
<b>*Outside sources</b>		<b>**Grouped by Size Ranges</b>	
KC Housing Authority	15,000	<10,000	\$ 4,000
Enterprise	5,000	10,001- 35,000:	\$ 7,500
King County***	41,000	35,001 - 65,000:	\$ 15,000
<b>TOTAL</b>	<b>61,000</b>	65,001 - 100,000	\$ 26,000
		100,001+ :	\$ 34,000
***King County has committed \$75,000; including covering the share for unincorporated			



C. Interlocal Agreement: South King County Housing & Homelessness Partnership

Staff is seeking Council approval of an interlocal agreement to form a South King County Housing and Homelessness Partnership to cooperatively address affordable housing and homelessness. Tukwila’s share is estimated to be \$10,500 per year, but the final amount will depend on the number of participating agencies. The other jurisdictions proposing participation are Auburn, Burien, Covington, Kent, Normandy Park, Renton, King County, and King County Housing Authority. Des Moines, Federal Way, and Maple Valley are still considering participation. Staff will continue to work collaboratively to create a final version of the interlocal agreement, which should be ready for Committee of the Whole review. Staff supports a 2-year commitment to be in alignment with the budget cycle. Councilmembers discussed the proposal and expressed general support for the partnership. The Committee requested that the City’s comments on the draft include City Council representation on governance. **FORWARD TO JANUARY 14, 2019 COMMITTEE OF THE WHOLE.**

D. Sound Transit Policy Options

Staff briefed the Committee on several issues related to Sound Transit facilities and related service in the City, including the Development Agreement for the Link Light Rail, parking, I-405 Bus Rapid Transit (BRT), and transit-oriented development near the Tukwila International Boulevard station. If Sound Transit decides to locate the BRT station at the TIB station, Tukwila could enforce the Settlement Agreement for more parking or redesign the site to facilitate more transit-oriented development. Increasing parking may not provide a direct benefit to Tukwila residents since it is a regional parking facility. The City could also advocate for advancing the opening of the Boeing Access Road infill station, ask for more parking at the Sounder station, partner on the Strander Boulevard extension project, or other alternatives. Staff is seeking Council direction on what solutions should be prioritized when working with Sound Transit. Staff will continue to engage the Council on this in 2019 and Chair Kruller suggested working with the incoming Council President on the best approach. **DISCUSSION ONLY.**

III. **MISCELLANEOUS**

Chair Kruller referenced a proposed Renton to Seattle water taxi and mentioned that the developer is also interested in a Southcenter area circulator. She passed on the City’s economic development staff and Seattle Southside Chamber of Commerce contacts.

Staff mentioned that Starfire Sports is hosting Rugby Canada in March as part of the 2019 Americas Rugby Championship and the City could create a marketing plan targeted at the visiting Canadian fans. The City will be submitting an application for lodging tax funds and is seeking support to go directly to the full Council in January due to timing issues. The Committee agreed.

Staff noted that the Economic Development Plan will be coming through Committee in 2019, starting with a draft outreach plan. The ED intern is currently doing background work to prepare.