

RESOLUTION R-5485

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KIRKLAND RELATED TO AN INTERLOCAL AGREEMENT WITH THE CITY OF SEATTLE, FINDING THAT THE DEVELOPMENT OF AFFORDABLE AND WORKFORCE MULTIFAMILY HOUSING IS A GOVERNMENT PURPOSE, AND AUTHORIZING COMMUNITY ROOTS HOUSING TO DEVELOP AFFORDABLE AND WORKFORCE MULTIFAMILY HOUSING IN KIRKLAND.

1 WHEREAS, the City Council has found that there is a pressing
2 need for more affordable housing for low-income and moderate-
3 income households within Kirkland; and
4

5 WHEREAS, in 2018 the City of Kirkland (City) adopted a
6 Housing Strategy Plan that identifies actions to ensure that Kirkland
7 has a diverse range of housing types to accommodate all economic
8 segments of the community, including housing for moderate-income
9 community members who may not be eligible for regulated or subsidized
10 affordable housing that is income-restricted; and
11

12 WHEREAS, the City desires to encourage and support the
13 development of more affordable housing through agreements with
14 other public entities with access to additional financing tools not
15 previously available to the City; and
16

17 WHEREAS, the City of Seattle chartered Capitol Hill Housing
18 Improvement Program, which is now known as Community Roots
19 Housing, in 1976 as a public corporation organized under chapter
20 35.21 of the Revised Code of Washington (RCW), and the purpose
21 of Community Roots Housing is help preserve, develop, own and
22 operate affordable multifamily housing as well as cultural, social, and
23 economic facilities and to provide programs and services to promote
24 equity and resilience in communities; and
25

26 WHEREAS, Community Roots Housing has a long history of
27 successfully fulfilling its purpose both inside and outside its Capitol
28 Hill boundaries, including a prior affordable housing project in
29 unincorporated King County in which Community Roots Housing
30 partnered with the Delridge Neighborhoods Development
31 Association and the White Center Community Development
32 Association to secure tax credit equity for the SOPI Village affordable
33 housing project; and
34

35 WHEREAS, Community Roots Housing desires to work with
36 additional community-based partners in incorporated and
37 unincorporated King County to provide affordable housing, cultural,
38 social and economic opportunities and facilities and requested
39 permission from the City of Seattle to work at new locations in
40 incorporated and unincorporated King County; and

41 WHEREAS, RCW 35.21.740 provides that a public
42 development authority may not operate outside of the boundaries of
43 the establishing city unless that city enters into an agreement with
44 another city or county; and
45

46 WHEREAS, Seattle Municipal Code Section 3.110.170(B)
47 states, "If authorized by its charter to do so, a public corporation
48 may undertake projects and activities or perform acts outside the
49 limits of the City [of Seattle] only in those areas of another
50 jurisdiction whose governing body by agreement with the City [of
51 Seattle] consents thereto" and the Community Roots Housing
52 charter so authorizes; and
53

54 WHEREAS, through Ordinance 125424, passed by the Seattle
55 City Council on September 25, 2017 and approved by the Mayor on
56 October 5, 2017 (Ordinance), the City of Seattle authorized and
57 directed the Director of Intergovernmental Relations to enter into
58 agreements with King County and the cities of Bellevue, Federal
59 Way, Issaquah, Kent, Kirkland, Mercer Island, Redmond, Renton,
60 SeaTac, Shoreline and Tukwila, substantially in the form attached to
61 such Ordinance, to permit Community Roots Housing to participate
62 in the development of affordable housing projects in areas outside
63 Seattle; and
64

65 WHEREAS, any termination of such agreement between
66 Kirkland and Seattle to permit Community Roots Housing to develop
67 affordable and workforce housing projects would apply prospectively
68 only and would not apply to any Community Roots Housing projects
69 already completed or underway at the time of termination; and
70

71 WHEREAS, as required by the Ordinance, Community Roots
72 Housing has submitted a resolution of its Board of Directors,
73 requesting Seattle and the City enter into the Agreement and
74 certifying the Board's authorization for projects within the City
75 consistent with its charter; and
76

77 WHEREAS, it is in the interests of the City to permit
78 Community Roots Housing to engage in mission-driven projects that
79 provide affordable and workforce housing and community
80 development within the City's boundaries;
81

82 WHEREAS, the construction of affordable and workforce
83 housing is an integral means of making Kirkland a safe, inclusive,
84 and welcoming community pursuant to R-5240;
85

86 WHEREAS, on June 4, 2021, City Council held a study session
87 on Public Development Authorities, the potential role of Community
88 Roots Housing in developing affordable and workforce housing, and
89 an associated financing model, and authorized City staff to move
90 forward with next steps in permitting Community Roots Housing to
91 build and acquire affordable and workforce housing in Kirkland;
92

93 NOW, THEREFORE, be it resolved by the City Council of the City
94 of Kirkland as follows:

95 SECTION 1. Findings. The City Council hereby finds that in
 96 the Puget Sound region, almost 40% of middle-income households
 97 are cost-burdened and pay more than 30% of their income on
 98 housing costs. There is a severe shortage of housing affordable and
 99 available to families earning between 60% and 120% of the area
 100 median income within the boundaries of Kirkland. The housing
 101 shortfall results in high housing costs, reduced home ownership,
 102 reduced household ability to pay for transportation, childcare, and
 103 medical care, disproportional impacts on communities of color,
 104 increased traffic congestion and air and water pollution, negatively
 105 affects Kirkland’s employers ability to attract and retain a qualified
 106 and diverse work force, impacts transportation infrastructure, and
 107 reduces overall quality of life. The Council hereby further finds that
 108 the provision of workforce housing affordable to moderate income
 109 households is a fundamental governmental purpose.

110
 111 SECTION 2. Delegation of Authority. The City Manager is
 112 hereby authorized and directed to enter into an interlocal agreement
 113 with the City of Seattle for the purpose of permitting Community
 114 Roots Housing, a public corporation chartered by the City of Seattle,
 115 to provide affordable housing and community development projects
 116 located outside the Seattle limits and in the city of Kirkland. The
 117 agreement shall be in substantially the form of Attachment A to this
 118 Resolution.

119
 120 Passed by majority vote of the Kirkland City Council in open
 121 meeting this ____ day of _____, 2021.

122
 123 Signed in authentication thereof this ____ day of _____,
 124 2021.

 Penny Sweet, Mayor

Attest:

 Kathi Anderson, City Clerk

ATTACHMENT A
INTERLOCAL AGREEMENT

THIS INTERLOCAL AGREEMENT is entered into between the **CITY OF KIRKLAND**, a municipal corporation and political subdivision of the State of Washington, hereinafter referred to as the "City" and **THE CITY OF SEATTLE**, a Washington municipal corporation, hereinafter referred to as "Seattle," each being a unit of general local government of the State of Washington.

RECITALS

WHEREAS, Seattle chartered Capitol Hill Housing Improvement Program, now known as Community Roots Housing ("CRH"), in 1976 with the purpose of assisting homeowners, property owners, residential tenants, and residents of the Capitol Hill community and such other areas as approved by the Board of Directors in preserving, improving, and restoring the quality of their homes, property, and neighborhoods, and to provide additional housing, cultural, social, and economic opportunities and facilities; and

WHEREAS, CRH has a long history of successfully fulfilling its purpose both inside and outside its Capitol Hill boundaries; and

WHEREAS, an important component of CRH's mission is to facilitate and provide safe and affordable housing and community development for the benefit of low-income and moderate-income individuals and families; and

WHEREAS, CRH has identified a specific mission-driven need in the City of Kirkland and anticipates identifying a project or projects meeting such need in the near future; and

WHEREAS, CRH is a public corporation established under Seattle Municipal Code (SMC) Chapter 3.110; and

WHEREAS, SMC, Section 3.110.170, states in part: "If authorized by its charter to do so, a public corporation may undertake projects and activities or perform acts outside the limits of the City [of Seattle] only in those areas of another jurisdiction whose governing body by agreement with the City [of Seattle] consents thereto," and

the CRH Charter so authorizes; and

WHEREAS, both the City and Seattle desire to facilitate CRH's undertaking of projects and activities consistent with its chartered purpose and to provide needed affordable housing; and

WHEREAS, by Seattle Ordinance 125424, the City Council of Seattle authorized Seattle's Director of Intergovernmental Relations to enter into this agreement with the City to enable CRH to perform the activities described herein;

NOW, THEREFORE, IN CONSIDERATION OF THE FOREGOING CIRCUMSTANCES, THE PARTIES AGREE AS FOLLOWS:

1. Consents

The City and Seattle each consent to CRH, a public corporation chartered by Seattle, developing affordable housing and community development projects located outside the Seattle limits in the city of Kirkland, which may include, without limitation, participating in the financing, ownership, and operation of such projects. The consent provided in this Agreement is intended to satisfy the conditions of SMC 3.110.170 and the Charter of CRH for actions outside Seattle, and does not constitute approval of any components of such projects that may be required by the City or any , state or federal law or regulation.

2. Powers and Authority

Pursuant to RCW Section 35.21.740, the City and Seattle agree that with respect to all activities of CRH related to such projects and all related property interests now or hereafter held by CRH, the powers, authorities, and rights of Seattle to establish, to confer power and authority upon, and to exercise authority over, a public corporation or authority, as expressly or impliedly granted pursuant to RCW Sections 35.21.730 through 35.21.755, shall be operable, applicable, and effective in the city of Kirkland, so that CRH shall have the same powers, authority, and rights with respect to such activities as CRH has within the corporate limits of Seattle, and shall be subject to the same Seattle ordinances and authority of Seattle.

3. Duration

This Agreement and the consents herein shall take effect when both parties have signed this Agreement and shall remain in effect so long as the corporate existence of CRH continues, unless the City has withdrawn its consent set forth in

Section 1 of this Agreement has been otherwise modified or terminated by written agreement of the City and Seattle.

- 4. Miscellaneous
 - a. This Agreement represents the entire agreement of the parties with respect to the subject matter hereof. Nothing in this Agreement shall impose any obligation, liability or responsibility on the City or Seattle for any liability, action, or omission of CRH.
 - b. CRH shall provide an annual report to the City Planning & Building Director by December 1 of each year, detailing the activities of CRH in the City of Kirkland, including but not limited to: existing buildings and/or properties acquired; number of units converted or built; projects in the development pipeline; and targeted and achieved income levels for units built or acquired.

CITY OF KIRKLAND

CITY OF SEATTLE

By: Signature

By: Signature

Printed Name

Printed Name

Title

Title

Date

Date

APPROVED AS TO FORM:

CITY OF KIRKLAND ATTORNEY

CITY OF SEATTLE ATTORNEY

By: Signature

By: Signature

Printed Name

Printed Name

Date

Date