



King County

## Metropolitan King County Council Committee of the Whole

Agenda Item No.:	<u>6</u>	Date:	<u>October 29, 2007</u>
Proposed No.:	<u>2007-0508</u>	Prepared By:	<u>Polly St. John</u>

### STAFF REPORT

**SUBJECT:** AN ORDINANCE authorizing the executive to execute two term-limited easements, a bill of sale, and any other necessary conveyance documents to grant property rights to the YWCA for the development of Passage Point.

**SUMMARY:**

The Executive is requesting authorization to execute legal agreements that will allow the YWCA to redevelop the former Cedar Hills Addiction Treatment (CHAT) facility in Maple Valley. Approval of Proposed Ordinance 2007-0508 will provide for the following:

1. the county will retain ownership of the property
2. the county will provide a term limited easement on the property for use by the YWCA for 50 years with an automatic extension of an additional 25 years
3. the county will execute a bill of sale for the former CHAT buildings, providing ownership of the buildings by the YWCA
4. the buildings will revert back to county ownership at the end of the easement term or if the YWCA fails to maintain on-going operations of supportive services and housing on the site.
5. the county has financial liability to Passage Point if landfill remediation requires limitation of termination of use by Passage Point

**UPDATE FROM 10/22/2007 COMMITTEE OF THE WHOLE (COW) MEETING**

Today is the second hearing on this legislation. At the October 22, 2007 COW meeting, staff presented a briefing of the proposed ordinance, which is included as **Attachment 1**. The staff report includes a discussion of the proposed easement and bill of sale.

The YWCA is anticipating \$4.9 in capital funding from the county – contingent upon a housing and development contract between the YWCA and the county. This contract is anticipated to contain detailed plans and specifications for the development of Passage Point.

Review of this contract will allow the Council to evaluate the extent of county investment at various stages of the project in relation to the decision whether to authorize the proposed easement and bill of sale in Proposed Ordinance 2007-0508.

A final contract is not yet executed; however, a near-final version has been provided by the executive for council staff analysis. The draft contract version contains, among other provisions, the following detailed contract terms:

- Limits to \$1,765,000 the amount of county funding to be provided prior to project permits being final
- Requires that the YWCA secure commitments for other public and/or private funding totaling approximately \$8,369,086
- If the YWCA fails to ensure that the project complies with the contract then the county is entitled to:
  - repayment of all funds paid by the county
  - terminate the contract
  - exercise foreclosure under the deed of trust on the easement.However, the YWCA would have no personal liability for payment of any awards for breach of the contract.
- Restricts any county funds from being advanced to the YWCA before it has secured commitments for all other financing necessary to meet total project costs
- Provides for reimbursement to the county for any unused returned materials, equipment and supplies
- Lists services to be provided by the YWCA
- Specifies the type of residences on the property
- Requires a management plan from the YWCA
- Itemizes required security policies

### **STRIKING AND TITLE AMENDMENTS**

Council staff and legal counsel have worked with the PAO to identify issues presented by the documents. The PAO has drafted a new easement and bill of sale for council consideration, which are attached to this staff report in Striking Amendment S1 contained on pages 12 through 49. A title amendment was prepared correcting the location of the project from council district 3 to council district 9. (*Striking Amendment S1 is included on page 12 and Title Amendment T1 is included on page 50.*)

### **ATTACHMENTS**

1. October 22, 2007 Staff Report for Proposed Ordinance 2007-0508

### **INVITED**

- Jackie MacLean, Director, Department of Community and Human Services
- Linda Peterson, Director, Community Services Division

- Sue Sherbrook, Executive Director, Young Women's Christian Association
- Linda Rasmussen, Young Women's Christian Association
- Linda Weedman, Young Women's Christian Association
- Mike Sinsky, Prosecuting Attorney's Office
- Lisa Dinsmore, DDES
- Bob Cowan, Director, Office of Management and Budget (OMB)
- John Amos, Budget Supervisor, OMB



King County

## Metropolitan King County Council Committee of the Whole

Agenda Item No.: 8

Date: October 22, 2007

Proposed No.: 2007-0508

Prepared By: Polly St. John

### STAFF REPORT

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### SUMMARY:

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4. the buildings will revert back to county ownership at the end of the easement term or if the YWCA fails to maintain on-going operations of supportive services and housing on the site.
5. the county has financial liability to Passage Point if landfill remediation requires limitation of termination of use by Passage Point

### BACKGROUND

The Passage Point Initiative is envisioned as a collaborative proposal between King County, the King County Housing Authority (KCHA) and the Young Women's Christian Association (YWCA) to redevelop the former CHAT facility in Maple Valley<sup>1</sup>. Under the proposal, the existing facilities would be renovated to create housing for single parent head of households (primarily women) exiting

<sup>1</sup> A Memorandum of Agreement signed in March 2007 defines the roles of the parties. However, it should be noted that the KCHA is not a party to the agreements proposed in Proposed Ordinance 2007-0508. KCHA will work with the YWCA on the provision of Section 8 housing vouchers for the units and to help identify permanent housing for graduates of the program.

the criminal justice system and their children. In addition to housing, the project would provide supportive services that include intensive case management, mental health and chemical dependency counseling, support groups, employment services and on-the-job training, parenting classes and support, school liaison and children's services for up to 100 children, domestic violence advocacy, legal assistance, wellness center and community activities.

Briefing 2007-B0178, presented to the committee on September 5, 2007, included detailed information on project background, vision, and roles of the partners, as well as changes in project scope and timing. That briefing is provided as **Attachment 6**.

It is envisioned that project development for Passage Point will be completed in two phases:

- Phase I – the existing facilities will be remodeled to convert the current dormitory housing into 46 studio, one- and two-bedroom residences for parents and their children. It is envisioned that the campus layout would be similar to previous use, but would be reconfigured for the supportive housing.
- Phase II – Construction of 24 additional units to provide for additional two and three bedroom units would occur on the site, as additional funding becomes available.

Currently, it is estimated that Phase I will cost \$13.3 million and Phase 2 could be another \$8 million due to the inflation in construction costs in the intervening time period and scope changes. *The YWCA has not yet raised the capital funding for Phase II of the project.*

## **ANALYSIS**

The table below details the committed funding sources for the YWCA capital budget for Phase I:

**Table 1. YWCA Capital Budget for Passage Point – Phase I**

Revenue Source	Total Committed
King County	\$ 4,000,000
Washington State Housing Trust Fund	\$ 2,000,000
Vets/Human Service Levy	\$ 981,825
Low Income Housing Tax Credits Equity	\$ 5,199,012
King County Housing Authority (KCHA) Weatherization Program	\$ 200,000
Deferred Developer Fee	\$ 691,271
Federal Home Loan Bank (FHLB)	\$ 250,000
<b>Total</b>	<b>\$13,322,108</b>

*Prepared by DCHS September 2005*

### King County Obligations

The county has committed \$4 million for project capital costs, which was appropriated by the county in the 2006 budget<sup>2</sup>. Although the expenditure authority was approved by the county in 2006, the revenue source has not yet been determined. The project is proposed to be funded through long term debt financing; however, Passage Point funding was not included in the recent bond authorization ordinance because the policy decision for the redevelopment of the CHAT site had not been finalized by the council. Should the council approve Proposed Ordinance 2007-0508, the revenues to fund the county portion of the project costs would most likely be obtained through interfund borrowing until such time as the funds could be included in a future bond sale. *As shown in the 2007 debt service plan, a bond issuance would obligate the county's Current Expense (CX) Fund to debt service payments for 10 years of approximately \$531,000 per year. It is estimated that the total cash outlay for the debt financing would total approximately \$5.3 million.*

The Department of Community and Human Services (DCHS) anticipates that the county will enter into a housing and community development contract with the YWCA for the supportive housing that the YWCA will provide in return for the county's total \$4.9<sup>3</sup> million capital investment. This is a standard practice followed by the DCHS for all housing projects. It is anticipated that this contractual agreement will include a promissory note to secure the funding obligation and a deed of trust to secure that obligation. This type of contract usually includes details such as the list of supportive services and capital expenditures for the site, as well as the length of time of the obligation.

### Federal Low Income Housing Tax Credits

The YWCA funding package includes \$5.2 million in federal low income housing tax credit (LIHTC) equity. The low income housing tax credit is a tax credit created under the Tax Reform Act of 1986 (TRA86) that gives incentives for the utilization of private equity in the development of affordable housing aimed at low-income Americans<sup>4</sup>.

Tax credits provide funding for the development costs of low-income housing by allowing a taxpayer to take a federal tax credit equal based upon the costs incurred for development of low-income units in a rental housing project. Development capital is raised by "syndicating" the credit to an investor or, more commonly, a group of investors. To take advantage of the LIHTC, a developer – in this case, the YWCA – will typically propose a project to a state agency, seek and win a competitive allocation of tax credits, complete the project, certify its

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<sup>2</sup> The 2006 adopted budget included expenditure authority of \$4,100,000 in the Housing Opportunity Fund (HOF) for the Passage Point Initiative. The CIP project #322400 includes \$4 million in one-time capital funding for the county's portion of the initiative and \$100,000 for administrative costs for participation in the project.

<sup>3</sup> The \$4.9 million includes both the capital costs and awarded Veteran and Human Services levy funding.

<sup>4</sup> The tax credits are more attractive than tax deductions as they provide a dollar-for-dollar reduction in a taxpayer's federal income tax, whereas a tax deduction only provides a reduction in taxable income.

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cost, and rent the project to low income tenants. Simultaneously, an investor will be found that will be make a "capital contribution" to the project in exchange for being "allocated" the entity's tax credits over a ten year period. The amount of the credit will be based on (1) the amount of credits awarded to the project in the competition, (2) the actual cost of the project, (3) the tax credit rate announced by the IRS, and (4) the percentage of the project's units that are rented to low income tenants. Failure to comply with the applicable rules, or a sale of the project or an ownership interest before the end of at least a 15-year period, can lead to recapture of credits previously taken, as well as the inability to take future credits.

The LIHTC is tied to the property for the housing project. The YWCA created the Passage Point Housing Limited Partnership (PPHLP), a Washington Limited Partnership, to be the entity that will own the project for federal tax purposes. The YWCA has provided a copy of the credit reservation and carryover allocation contract between the Washington State Housing Finance Commission and the PPHLP.

According to these documents, the PPHLP has received a reservation of 2007 credits and paid a non-refundable credit reservation fee. Carryover allocation requirements required by the IRS and contained in the documents dictate the timelines for expenditure of the funding. A ten percent (10%) "carryover test" for the total Phase I funding amount is included under Internal Revenue Code Section 42(h)(1)(E). Ten percent of the project's reasonably anticipated aggregated basis must be incurred by the PPHLP by the later of (1) six months from the date the documents are signed, which was June 22, 2007 or (2) December 31, 2007. **According to these restrictions, no extension of the spending deadline is possible after December 31.**

#### Carryover Allocation Requirements

As shown in Table 1, the committed project funding totals \$13.3 million. To meet the required carryover test, 10% of the Phase I project budget or \$1.3 million must be incurred before December 31 or the 2007 award of credits will be forfeited. This expenditure deadline is driving council timelines for consideration of the legal agreements that will be approved in Proposed Ordinance 2007-0508. Without finalized legal agreements between the county and the YWCA for use of the property and sale of the buildings, no capital funding will be expended by either party for on-site work.

The list in Table 2 below details the anticipated expenditures to meet IRS carryover allocation requirements.

**Table 2. Passage Point –Carryover Test – anticipated expenditures**

Item	Amount	Status
Incurring Costs through August 2007	\$ 386,100	actual
Identified materials for purchase	\$ 800,000	anticipated
Architectural fees	\$ 75,000	anticipated
Discovery work	\$ 25,000	anticipated
Cost estimating – preconstruction services	\$ 11,500	anticipated
Development Consultant	\$ 82,000	anticipated
Legal	\$ 15,000	anticipated
Environmental Consultant	\$ 10,000	anticipated
Accountant	\$ 2,500	anticipated
<b>Total</b>	<b>\$1,407,100</b>	
<b>Amount required to meet carryover requirement certification</b>		<b>\$1,352,382</b>

The funding amounts include both residential and non-residential costs. It should be noted that the funding will be consistent with Phase 1 renovation plans – mainly for interior and exterior rehab of the existing buildings. Previously, plans noted that this initial rehabilitation could provide for new roofs, windows and doors, new siding, and other incidental work to weatherproof the buildings through another winter.

The PPHLP must complete the construction and place the facility into service (have the facility operational) by December 31, 2009. According to the agreement, the PPHLP must comply with the tax credit program conditions, including the credit reservation and carryover allocation, or the Washington State Housing Finance Commission will terminate the agreement. This may allow another housing provider the opportunity to utilize the returned credits.

King County/YWCA Agreements to Effectuate the PPHLP

The documents required between the county and the Passage Point Housing Limited Partnership to effectuate the project specify that the county will retain ownership of the property by providing a term limited easement on the property for up to 75 years and that the former CHAT buildings will be transferred to the PPHLP through a bill of sale. If the county approves these documents and they are executed by both parties, the PPHLP will be committed to staff and fund the maintenance and operations for the project and will be the lead partner in assembling and insuring the financing for all support services.

Proposed Ordinance 2007-0508, as transmitted by the Executive, includes three attachments for approval by the council:

1. Easement documents for Phase I
2. Easement documents for Phase II
3. Bill of Sale



Council staff and legal counsel have worked with the Prosecuting Attorney's Office (PAO) and Executive staff to identify issues raised by the proposed agreements. On Thursday, October 18, 2007, the PAO sent council staff a revised version of the documents addressing some of these issues. These revised documents are a new easement and bill of sale that were submitted by the PAO for council consideration and are attached to this staff report in **Attachment 1, Striking Amendment S1**. *The staff report will discuss the revised documents.*

## **EASEMENT**

The proposed easement agreement in S1 was submitted to council legal counsel for review on Thursday afternoon, October 18. There has been limited time for review of the documents by council staff and legal counsel. Highlights of the easement agreement contents include the following:

1. **Parties**: The agreement includes the following parties: King County, the PPHLP, and the YWCA of Seattle-King County-Snohomish County<sup>5</sup>.
2. **Term**: The easement term will be for fifty years and includes an option to extend for an additional 25 years, allowing an easement for up to 75 years. Should the county wish, the agreement could be terminated following the expiration of the initial fifteen (15) year tax credit compliance period. If the county terminates prior to the full term however, the YWCA must receive fair compensation for their remaining interest in the easement and capital improvements.
3. **Compensation**: In addition to YWCA service obligations reflected in the easement and in the anticipated separate housing and community development funding contract, the county will receive a nominal payment of \$50 for the first fifty years of the easement and an additional \$25 if the option to extend for another twenty-five year period is exercised.
4. **Provision of Services**: As additional compensation for use of the easement, the YWCA is required to provide supportive housing services that are defined to be combination of affordable housing with services that support or help residents to live more stable, productive lives.
5. **Use of the Property**: Defines the rights and obligations for use of the property by both parties to include maintenance and continued use of the county operated Parks greenhouse.
6. **Improvements by the YWCA and Limitation of Site Development**: Defines the condition of infrastructure improvements and renovation of the existing facilities. Improvements or alterations erected or made within the Easement Area will belong to the county upon termination of the easement.
7. **Insurance**: The YWCA will be responsible for the property, including insurance for the infrastructure and personal injury.

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<sup>5</sup> The YWCA is the sole member of YW Home Now LLC, a Washington limited liability company, which is the general partner of Passage Point Housing Limited Partnership, a Washington limited partnership.

8. Solid Waste Operations: Operation of the Passage Point project will not conflict with the operations of the Solid Waste landfill.

#### Land Use on the Property

Although the facility usage will change from an addiction treatment center to a supportive services center, DDES has determined that the permits under which the project will operate are still valid and that the proposed use is within the scope of existing residential social service uses allowed on the site.

**Attachment 7**, Resolution 31542, which was passed by the Board of County Commissioners and was signed on February 28, 1966, granted a special permit "to establish an alcoholic treatment center" on the property. On September 23, 1975, the Department of Development and Environmental Services (DDES) approved a conditional use permit (CUP), **Attachment 8**, to allow additions to the CHAT. This CUP required that:

1. the revised site plan show revised building locations,
2. the site plan and any future buildings on the property observe a 100 foot setback from the east property line to provide a buffer and transition zone
3. the residential care unit could be rotated as proposed, and
4. future additions would include fencing along the east boundary line to prevent trespassing on the privately owned adjoining properties.

DDES has determined that the facility is a nonconforming use under the current zoning code and that this use has not been abandoned. According to **Attachment 9**, the DDES Use Determination, the YWCA may use the former CHAT facilities and site without the need for a new CUP as long as (1) the number of residents certified for the facility is not increased beyond what has been allowed for facilities that have operated on the site and (2) the building square footage is not increased by more than 10% from the existing facility. DDES has determined that the number of women and children served will not exceed the number of residents certified for the former CHAT. The new facility will, however, need to go through the review process for all applicable development standards such as for traffic and roads, drainage, critical areas review, and building codes.

#### YWCA Program Operation

The former CHAT facility is located in a rural area adjacent to the Cedar Hills Landfill. Because of the location of the facility, the YWCA has provided a transportation plan and a supportive services plan. Additionally the YWCA is proposing changes to the architectural design to address security issues and is proposing to establish a community advisory group for the project.

1. Transportation Plan – The YWCA plans to provide two large commercial vans with a 16-21 person capacity. YWCA drivers will transport resident to transit center, educational institutions, and other priority activities, such

as medical appointments. Some residents will provide their own vehicles in addition to volunteers who will also provide for transportation needs.

2. Supportive Services – The YWCA plans to provide the following supportive services:
  - Pre-release assessment, counseling
  - Case management
  - Education, job training/ placement
  - Parenting classes, support
  - Mental health/chemical dependency counseling
  - Domestic violence support
  - School liaison/children's services
  - Public housing priority for graduates
  - Housing search, transition planning
  - Follow-up case management, school liaison and support
  
3. Security Changes – After the community meetings held by the YWCA in September and October, the architect added a “guard house” style entry with a controlled gate on the road. Additionally, the architect has been asked to evaluate the fencing along the eastern border of the property. The YWCA has also planned for careful screening of residents, security cameras and alarms, additional security staff on nights and weekends, and full staff on site 24 hours a day seven days a week. The King County Sheriff's Office will provide response for crisis events.
  
4. Advisory Group – This group is envisioned to include participants from the surrounding community, such as the 4 Creeks UAC, Cedar Mountain Homeowners Assn and other residents, as well as representatives from the Issaquah School District, Community Corrections, Sheriff's Department, local businesses and other community organizations such as churches, civic groups, and human service providers.

### **BILL OF SALE**

Because no monetary payment for the buildings is included in the bill of sale, council staff has questioned whether the sale constitutes a gift of public funds, which is prohibited in the Washington State Constitution in Article 8, § 7:

*No county, city, town or other municipal corporation shall hereafter give any money, or property, or loan its money, or credit to or in aid of any individual, association, company or corporation, except for the necessary support of the poor and infirm, or become directly or indirectly the owner of any stock in or bonds of any association, company or corporation.*

According to the Prosecuting Attorney's Office, for transactions that are not otherwise exempt from the constitutional limitation, courts typically apply a two-part test when analyzing gift issues:

1. Are funds being expended to carry out a fundamental purpose of the government? If so, there is no gift of public funds.
2. If not carrying out a fundamental purpose of the government, courts focus on consideration received by the public and donative intent of the appropriating body. In this case, the sale would not run afoul of gifting limitations because
  - a. the constitution expressly exempts transactions for support of the poor and infirm (facilities at issue are provided solely for low-income households);
  - b. the transfer carries out fundamental governmental purposes (although this is not a mandated public service, the county has consistently provided for human service provision since it was organized as a charter county in 1969); and
  - c. the county receives consideration beyond an actual payment for the sale (the YWCA is required to provide supportive housing services to low income households for the duration of the easement term).

**Fiscal Impact**

According to the agreements, revenue from the YWCA for the facility easement is a nominal fifty dollars for the initial 50 year term and an additional twenty-five dollars if the option to extend for 25 additional years is exercised – thus having no impact upon county revenues. However, fiscal impacts are estimated for the reduction in expenditures that are equal to the cost of maintaining the CHAT facility. Currently, the facility is being maintained by the Facilities Management Division (FMD). Upon execution of the proposed easement, the cost of maintenance and improvement will be transferred to the YWCA. At the time the YWCA takes ownership of the buildings, it will be responsible for the maintenance costs. It is anticipated that FMD will reduce costs as shown below:

**Table 3: Estimated Fiscal Impact on County Expenditures**

Current Year	1st Year	2nd Year	3rd Year
2007	2008	2009	2010
(30,010)	(187,262)	(194,752)	(202,543)

*As shown in the fiscal note provided by the Executive*

As noted earlier in this report, the project is proposed to be funded through long term debt financing which will commit the county's general fund to debt service for at least ten years. The proposed debt service could limit the county's ability to deal with other capital or on-going service needs. However, the CHAT facility has been a historic part of the county's capital improvement program and currently requires county investment to maintain, with no programmatic return.

**STRIKING AND TITLE AMENDMENTS**

As noted earlier, Council staff and legal counsel have worked with the PAO to identify issues presented by the documents. The PAO has drafted a new

easement and bill of sale for council consideration, which are attached to this staff report in **Attachment 1**, Striking Amendment S1. A title amendment was prepared correcting the location of the project from council district 3 to council district 9.

**CONCLUSION:**

Redevelopment of the former CHAT facility will help preserve buildings that are currently unused and will contribute toward county goals to provide affordable housing and supportive services.

The housing and development contract between the YWCA and the county is not available for review and is anticipated to contain detailed information regarding service provision by the YWCA and the detail regarding use of the county's funding. The easement agreement references this document and states that "detailed plans and specifications" will be included; however the document is not attached as an exhibit.

The YWCA is anticipating \$4.9 in capital funding from the county – contingent upon the housing and development contract. Although these costs are considered to be one-time contributions to the project, the county could be solicited for long term operational costs through county grant processes, similar to other county programs. Additionally, there are potential county financial liabilities if there is limitation or termination of the use before the end of the easement term. These liabilities could result in larger county financial obligations.

Should the YWCA not be able to continue long term operations, the county could solicit other non-profit organizations to operate the facility.

**ATTACHMENTS**

1. Striking Amendment S1 to Proposed Ordinance 2007-0508
2. Title Amendment T1 to Proposed Ordinance 2007-0508
3. Proposed Ordinance 2007-0508, excluding attachments
4. Transmittal letter, dated September 27, 2007
5. Fiscal note
6. Previous briefing materials, 2007-B0178
7. 1966 Resolution granting special permit approval
8. 1975 conditional use permit approval
9. 2005 DDES non conforming use determination

**INVITED**

- Jackie MacLean, Director, Department of Community and Human Services
- Linda Peterson, Director, Community Services Division
- Sue Sherbrook, Executive Director, Young Women's Christian Association

- Linda Rasmussen, Young Women's Christian Association
- Linda Weedman, Young Women's Christian Association
- Mike Sinsky, Prosecuting Attorney's Office
- Mark Kantor, Kantor Taylor McCarthy P.C.
- Lisa Dinsmore, DDES
- Bob Cowan, Director, Office of Management and Budget (OMB)
- John Amos, Budget Supervisor, OMB

S1

10-22-07

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Sponsor: \_\_\_\_\_  
Proposed No.: 2007-0508

1 **STRIKING AMENDMENT TO PROPOSED ORDINANCE 2007-0508, VERSION 1**

2 On page 1, line 8 delete everything through page 3, line 31 and insert

3 "BE IT ORDAINED BY THE COUNTY COUNCIL OF KING COUNTY:

4 **SECTION 1. Findings:**

5 A. King County owns an approximately nine-hundred-twenty-acre parcel of land  
6 known as the Cedar Hills landfill, which was acquired by King County from the state of  
7 Washington.

8 B. Within the buffer of the landfill, a residential in-patient treatment facility was  
9 developed by the State, and operated by King County. The facility was known as the  
10 Cedar Hills Alcohol Treatment facility, or CHAT.

11 C. In 2005, a proposal to redevelop the property as transitional and affordable  
12 housing was developed between King County and the YWCA. This proposal was to  
13 create up to seventy units of affordable housing over two phases in a project called  
14 Passage Point.

15 D. In its 2006 Budget Ordinance, Ordinance 15333, King County committed to  
16 pay \$4,000,000 for capital costs and \$100,000 in administrative costs associated with the  
17 Passage Point project.

18 E. An easement with an initial term of fifty years and an option to extend the  
19 term for an additional twenty-five years together with a bill of sale transferring certain  
20 personal property and site improvements to Passage Point Housing Limited Partnership,  
21 which is the entity created by the YWCA to carry out the project, have been negotiated.

22 F. The council hereby finds pursuant to K.C.C. 4.56.080 and .115 that grant of  
23 the term-limited easement is in the best interest of the county.

24 SECTION 2. The King County executive is hereby authorized to execute a term  
25 limited easement along with a bill of sale, substantially in the forms of Attachments A  
26 and B to this ordinance, and any other necessary documents to convey the easement area  
27 rights to Passage Point Housing Limited Partnership."

28

29 Delete "Attachment A. Phase I Easement Agreement, Attachment B. Phase II Easement  
30 Agreement, and Attachment C. Bill of Sale and Release of Liability" and insert  
31 "Attachment A. Easement Agreement" and "Attachment B. Bill of Sale and Release of  
32 Liability".

**EFFECT: This amendment will make technical corrections to the identification of the entity obtaining the easement area rights and to the King County Code provisions authorizing the conveyance, and will delete the two transmitted easement documents and replace them with one document to encompass the easement agreements needed. The bill of sale and release of liability is also deleted, replaced and re-numbered.**



FILED FOR RECORD AT REQUEST

\_\_\_\_\_  
AFTER RECORDING RETURN TO:  
King County Real Estate Services Section  
500 Fourth Avenue, Room 500A  
Seattle, WA 98104

Reference No: P-14-05  
Grantor: King County, Washington  
Grantee: Passage Point  
Legal Des:  
Tax ID No:

PASSAGE POINT EASEMENT AGREEMENT

THIS EASEMENT AGREEMENT made this \_\_\_\_\_ day of \_\_\_\_\_, 2007, between King County, a political subdivision of the State of Washington, hereinafter called the GRANTOR, and Passage Point Housing Limited Partnership, a Washington limited partnership, hereinafter called the GRANTEE.

WITNESSETH

WHEREAS, the Grantor herein is the owner of that certain parcel of land known as Cedar Hills Landfill/Cedar Hills Alcohol Treatment Facility and described as follows:

That portion of the following described lands situate in King County, Washington:

All, except the NE ¼ of the NE ¼ of Section 21, and the N 1/2, Section 28, all in Township 23 North, Range 6 East, W. M., containing 920 acres, more or less, according to the government survey thereof. Subject to easements for rights of way for transmission lines heretofore granted under Application Nos. F-3901, F-3980, F-4327, F-5305, 30626 and 31326.

The said Grantor, for and in consideration of mutual benefits, do by these presents grant unto said Grantee, its successors and assigns, an easement in gross to use for the construction, operation, maintenance and repair of supportive housing facilities for low income households through, across, over and under the following described Easement Area.

Beginning at the southeast corner of Section 21, Township 23, Range 6;  
Thence north along the east line of said Section 21, Township 23, Range 6 800 feet; Thence westerly at right angles 450 +/- to the east line of Chief Joseph Transmission right of way line;  
Thence southerly along said east right of way line to the south line of said section;

Thence continuing south along said right of way line 900 feet; Thence easterly 400 +/- feet to the east line of Section 28, Township 23, Range 6; Thence northerly along east line of Section 28, Township 23, Range 6 to the point of beginning.

**Purpose:** The Grantee, its successors and assigns, shall have the rights to enter upon and use the Easement Area for the sole purpose of constructing, operating, maintaining, and repairing supportive housing facilities for low income households.

The Grantee herein, by accepting and recording this Easement, agree to the terms and conditions described in "Appendix A" attached hereto, and by reference made part of this Easement.

DATED this \_\_\_\_\_ day of \_\_\_\_\_, 2007.

KING COUNTY, WASHINGTON

APPROVED AS TO FORM:

\_\_\_\_\_

Deputy Prosecuting Attorney

DATED: \_\_\_\_\_

DATED: \_\_\_\_\_

**[NAME(S) OF COUNTY SIGNATOR(S)]**

Passage Point Housing Limited Partnership  
a Washington limited partnership  
By, YW Home Now LLC  
a Washington limited liability company  
By: Young Women's Christian Association of  
Seattle-King County-Snohomish County,  
Sole Member  
By \_\_\_\_\_  
Its \_\_\_\_\_

DATED \_\_\_\_\_

Young Women's Christian Association of  
Seattle-King County-Snohomish County,

By \_\_\_\_\_  
Its \_\_\_\_\_

DATED \_\_\_\_\_

STATE OF WASHINGTON )  
 )SS  
COUNTY OF KING )

I certify that \_\_\_\_\_ signed this instrument, on oath stated that he was authorized by the **King County Executive** to execute the instrument, and acknowledged it as the \_\_\_\_\_ of King County, Washington to be the free and voluntary act of said County for the uses and purposes mentioned in the instrument.

Dated this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

\_\_\_\_\_  
NOTARY PUBLIC in and for the State of Washington,  
Residing at: \_\_\_\_\_  
My appointment expires: \_\_\_\_\_

STATE OF WASHINGTON )  
 )ss  
COUNTY OF KING )

On this day \_\_\_\_\_ of \_\_\_\_\_, 2007, before me personally appeared \_\_\_\_\_ to me known to be the \_\_\_\_\_ of the Young Women’s Christian Association of Seattle-King County-Snohomish County, the sole member of YW Home Now LLC, a Washington limited liability company, which is the general partner of Passage Point Housing Limited Partnership, a Washington limited partnership, the individual that executed the foregoing instrument, and acknowledged said instrument to be the free and voluntary act and deed of said individual for the uses and purposes therein mentioned in the instrument.

GIVEN under my hand and official seal the day and year last above written.

\_\_\_\_\_  
NOTARY PUBLIC in and for the State of Washington,  
residing at: \_\_\_\_\_  
My appointment expires: \_\_\_\_\_

STATE OF WASHINGTON )  
 )ss  
COUNTY OF KING )

On this day \_\_\_\_\_ of \_\_\_\_\_, 2007, before me personally appeared \_\_\_\_\_ to me known to be the \_\_\_\_\_ of the Young Women's Christian Association of Seattle-King County-Snohomish County, the individual that executed the foregoing instrument, and acknowledged said instrument to be the free and voluntary act and deed of said individual for the uses and purposes therein mentioned in the instrument.

GIVEN under my hand and official seal the day and year last above written.

\_\_\_\_\_  
NOTARY PUBLIC in and for the State of Washington,  
residing at: \_\_\_\_\_  
My appointment expires: \_\_\_\_\_

**APPENDIX A**  
**Terms and Conditions**

1. **PARTIES.** This easement dated the \_\_\_\_\_ day of \_\_\_\_\_, 2007, is between King County, a municipal corporation and a political subdivision of the State of Washington, "Grantor" and the and Passage Point Housing Limited Partnership, a Washington limited partnership, herein after called "Grantee."

2. **EASEMENT AREA.** King County hereby grants to Grantee, upon the following terms and conditions, an easement in gross to be used for the construction, operation, maintenance and repair of supportive housing facilities low income households through, across, over and under the following described Easement Area located in King County, Washington legally described as follows:

Space at the Cedar Hills Addiction Treatment center ("CHAT") grounds and facilities.

Address: 15900 227<sup>th</sup> Avenue SE, Maple Valley, Washington  
10 acres, approx. (See Exhibit A – legal description)

(the "Easement Area"). Proposed facilities and operations within the Easement Area shall be referred to as the "Project".

3. **TERM.**

A. **TERM OF EASEMENT.** This Easement will terminate and expire fifty (50) years from the date of execution of this Easement (the "Term"). Grantee shall have an automatic extension/renewal/amendment extending term for an additional 25 years. Extension shall be granted with 12 months notice of intent to extend by Grantee.

Notwithstanding this section 3.A, Grantee agrees that this Easement may be terminated by the County following expiration of the initial fifteen (15) year low income housing tax credit compliance period, prior to expiration of the Term or any extension thereof if the County determines by ordinance that use of the site within Easement Area is necessary to further important County related functions. No such termination shall occur except upon the County's providing a minimum of one year advance written notice to the Grantee. Termination shall be conditioned upon the County's paying Grantee fair compensation in an amount equal to the fair market value of the Grantee's remaining interest in the Easement and the Improvements thereon (reflecting the limited term remaining and use limitations resulting from any existing low income housing covenants or other agreements restricting use of the Easement Area), but in no event less than the then existing debt that is both secured by the Easement and the Improvements thereon and either was approved by the King County Department of Community and Human Services or Grantor. In addition, the County shall be responsible for the payment of any

relocation expenses to which residents of the Project may be entitled upon such termination. Upon termination of the Easement, Grantee agrees to record a release in the form of a written deed acceptable to King County causing the Easement interest to revert to King County, its successor or assignee.

4. **COMPENSATION.** Grantee shall pay to King County an amount of FIFTY DOLLARS (\$50.00) as compensation for the rights herein granted. If Grantee elects to extend the term of this Easement, Grantee shall be required to pay Grantor a sum of TWENTY FIVE (\$25.00) at the time of extension.

5. **OBLIGATION TO PROVIDE SERVICES.** In addition to its payment of agreed compensation, in exchange for its use of the Easement Area, the Grantee agrees to provide supportive housing services for the term of the Easement to low income households. For purposes of this Easement "supportive housing services" means the combination of affordable housing with services that support or help residents to live more stable, productive lives; wherein the housing is operated through an affiliation of representatives of the housing owner, property manager, social services providers and the tenants, providing the tenants with access to the array of services needed to lead stable, productive lives. For purposes of this Easement "low income households" shall be households, who at the time of initial occupancy have incomes of no greater than fifty percent (50%) of the area median income. As part of this obligation, Grantee shall provide necessary capital and operations funding for construction, operations, and services at the Easement Area over the life of the term.

6. **USE.** Grantee shall use said Easement Area for the sole purpose of constructing, operating, maintaining, and repairing supportive housing facilities for low income households. Grantee shall be exclusively responsible for the safety of all persons on or about the Easement Area and security of the Easement Area under the control of the Grantee.

7. **KING COUNTY PARKS GREENHOUSE OPERATIONS.** King County operates and maintains a greenhouse and related nursery operations and facilities on a portion of the Easement Area. Grantee's Easement is nonexclusive as to the Greenhouse operation, which King County shall continue to operate in cooperation with Grantee, and which use shall be governed by separate agreement.

8. **MAINTENANCE OF THE EASEMENT AREA.** Grantee shall be responsible for the maintenance of the Easement Area and the Grantee herein agrees to the nonexclusive use of the Common Areas within the Easement Area as described below.

A. **Common Areas Defined.** The term "common areas" means all areas and facilities within the exterior boundaries of the Easement Area that are provided and designated by King County for the nonexclusive use and convenience of Grantee and King County and their respective authorized representatives and invitees. Common areas include: those access roadways and routes, site utility service routes that are located within the Easement Area.

- B. Maintenance and Management. Grantee along with King County shall cooperate in maintaining and managing common areas. Grantee herein agrees to conform to King County rules and regulations pertaining to the common areas, and to equitably share in the cost of maintaining and managing the common areas.
- C. Grantee's Right to Use. King County gives to Grantee and its authorized representatives and invitees the nonexclusive right to use the common areas, with others who are entitled to use the common areas, subject to King County's rights.
- D. County Access Unaffected. Nothing in this Easement Agreement is intended to limit or otherwise affect the County's ability: to access to its existing monitoring wells and systems within the Easement Area; to install and/or monitor any new equipment, systems and/or monitoring wells within the Easement Area; or to perform any environmental and/or remedial action within the Easement Area it deems is appropriate, whether or not required to perform such action by any regulatory agency, provided that County site alterations and activities within the Easement Area shall be undertaken to the maximum extent possible in a manner that does not interfere with supportive housing services provided by the Grantee. If such actions by the County render the Use of the Easement, as defined in Section 6 above, impossible the County shall indemnify Grantee from any and all losses, claims, demands or liabilities caused by the County's accessing its existing monitoring wells and systems within the Easement Area; negligent installation and/or monitoring of any new equipment, systems and/or monitoring wells within the Easement Area; or performance of any environmental and/or remedial action within the Easement Area.

**9. IMPROVEMENTS/GRANTEE IMPROVEMENTS.**

- A. The Grantor agrees to sever from the real property and sell or otherwise convey, for mutual benefits, to Grantee all improvements currently located on the easement area, save any improvements associated with King County's Parks nursery operations and other infrastructure related to monitoring of the adjacent landfill, it being understood and agreed that the King County shall be solely responsible for the costs of maintaining and managing all improvements related to the nursery operations.
- B. The Grantee intends to renovate existing site buildings and construct additional facilities during the term of the Easement. Grantee anticipates that its overall development of the Easement Area will occur in two phases. During 'Phase One', Grantee shall renovate and rehabilitate existing site facilities to create approximately 46 housing units. During 'Phase Two' Grantee intends to construct approximately 24 additional housing units. Such renovation and construction shall be in accordance with detailed plans and specifications approved by King County as required under the separate Housing and Community Development Contract.



Grantee shall take reasonable steps to submit to King County detailed plans and specifications for the proposed Phase One improvements within one hundred and twenty (120) days after execution of this easement. Grantee will begin construction of the proposed Phase One improvements no later than **180 days** after approval of the plans and specifications by the King County Department of Development and Environmental Services, and shall complete such improvements within 2 years of approval of the plans and specifications.

- C. Grantee intends to submit to King County detailed plans and specifications for the proposed 'Phase Two' improvements within sixty (60) months after execution of this Easement and intends to complete such Phase Two improvements within 2 years following approval of the plans and specifications by the King County Department of Development and Environmental Services. Notwithstanding such intent, Grantees, failure to meet such timelines and/or complete Phase Two shall not constitute a breach of this Easement or a default hereunder.
- D. If Grantee substantially fails to make the Phase I improvements or alterations required by this Easement, this Easement shall be terminated and all rentals paid shall be forfeited to King County. Upon termination of the Easement, Grantee agrees to record a release in the form of a written deed acceptable to King County causing the Easement interest to revert to King County, its successor or assignee.
- E. King County in its sole discretion may provide written authorization for Grantee to construct additional improvements that are in keeping with the uses specified herein.

**10. LIMITATION ON IMPLEMENTATION OF SITE DEVELOPMENT AND USES.**

Notwithstanding any provision of this Easement Agreement to the contrary, Grantee is precluded from implementing any changes in the existing site and the current use of the property shall remain essentially unchanged until after a final determination of non-significance or final environmental impact statement is issued by the responsible SEPA official pursuant to the State Environmental Policy Act. This section is not intended to preclude Grantee from undertaking repairs, maintenance or minor alterations of existing structures on the site. Nothing in this Agreement is intended to constitute regulatory or permit approval to undertake any of the uses or construction contemplated herein.

**11. ENTIRE AGREEMENT - AMENDMENTS.**

This printed easement, together with the attached General Terms and Conditions, Special Terms and Conditions, and any and all exhibits expressly incorporated herein by reference shall constitute the whole agreement between the parties. There are no terms, obligations, covenants or conditions other than those contained herein. No modification or amendment of this Easement shall be valid or effective unless evidenced by an agreement in writing signed by both parties. Upon execution of this Easement the entire agreement, together with the attached General Terms and Conditions, Special Terms and Conditions and associated attachments will be recorded with the King County Records Division.

12. NOTICES.

Required notices except legal notices shall be given in writing to the following respective address:

If to COUNTY, to: King County Real Estate Services Section  
500A King County Administration Building  
500 - 4th Avenue  
Seattle, WA 98104

If to GRANTEE, to: Passage Point Housing Limited Partnership  
c/o YWCA of Seattle-King County  
1118 5<sup>th</sup> Avenue  
Seattle, WA 98101

with a copy to NEF Assignment Corporation, as Nominee  
c/o National Equity Fund, Inc.  
120 South Riverside Plaza, 15<sup>th</sup> Floor  
Chicago, IL 60606-3908

or to such other respective addresses as either party hereto may hereafter from time to time designate in writing. Notices sent by mail shall be deemed to have been given when properly mailed.

## KING COUNTY GENERAL TERMS AND CONDITIONS

1. LICENSE, TAXES AND FEES. Grantee shall pay throughout the term of this Easement all applicable taxes and all license and excise and other applicable fees.
2. COMPLIANCE WITH ALL LAWS AND REGULATIONS. In using the Easement Area, Grantee will comply with all applicable laws, ordinances, and regulations from any and all authorities having jurisdiction. The Grantee specifically agrees to comply and pay all costs associated with achieving such compliance without any notice from King County, and further agrees that King County does not waive this section by giving notice of demand for compliance in any instance.
3. UTILITIES. Grantee shall pay for all costs, expenses, fees, services, and charges of all kinds for heat, light, water, gas, and telephone, and for all other public utilities used in conjunction with the contemplated use of this Easement so that the same shall not become a lien against the easement area. Grantee shall install appropriate metering devices and reimburse the Grantor, at actual cost, at least quarterly, for any utilities provided to the Grantee via the Grantor's distribution system, provided however that King County shall pay and be responsible for all utility costs arising from or relating to its nursery operations...
4. IMPROVEMENTS AND ALTERATIONS. Unless otherwise stipulated, all improvements or alterations erected or made within the Easement Area shall, upon expiration or earlier termination of this Easement, belong to King County without compensation to the Grantee.
5. CONDITION OF EASEMENT AREA. The Grantee has inspected and knows the condition of the Easement Area and it is understood and agreed that the Easement Area is made available for use on an "as is" basis without any obligation on the part of King County to make any changes, improvements, or to incur any expenses whatsoever for the maintenance or repair of the Easement Area.
6. NO WARRANTIES/ACCEPTANCE "AS IS". Grantor does not warrant title to the Easement Area and shall not be liable for defects thereto or failure thereof. King County does not warrant, in its regulatory, ownership or other capacity, either the allowability of proposed uses within the Easement Area or legality of this Easement. Except as otherwise provided in paragraph 10 herein, Grantor does not warrant, and expressly disclaims all warranties (express or implied) regarding the condition of the Easement Area, including without limitation, its environmental condition. Grantee has inspected the Easement Area, and has had an opportunity to have the Easement Area inspected by experts of Grantee's own choosing qualified to discover patent, latent known, and unknown defects in Grantor's title to the Easement Area, and in the condition, including environmental condition, of the Easement Area, and Grantee hereby accepts the same in its "AS IS, WHERE IS" condition, including without limitation its environmental condition, and with all faults defects or

deficiencies whether patent, latent, known or unknown, without recourse to Grantor of any kind; provided, however, Grantor shall not be released from, and Grantee does not accept, any liability to third parties which may result from the release of hazardous materials that occur prior to the date of the conveyance of the Easement hereby except to the extent now or hereafter caused or exacerbated by Grantee or its use of the Easement Area. Nothing in this paragraph is intended to modify County obligations set forth in General Term and Condition Section 10 herein.

- 6A. CONSTRUCTION DEFECTS. King County shall not be liable to the Grantee for claims or damages arising from any defect in the construction of or the present condition of any structures within the Easement Area, whether known or unknown, or for damage by storm, rain, or leakage or any other occurrence.
7. LOCATION OF EASEMENT AREA. The Grantee understands, acknowledges and accepts all risks arising out of the proximity of the Easement Area being within the Buffer Zone of an adjacent active solid waste disposal facility (Cedar Hills Landfill) and adjacent to electrical utility transmission lines.
8. MAINTENANCE.
- A. Grantee shall, throughout the term of this Easement and without cost or expense to King County, keep and maintain the Easement Area and all improvements, including the site and Easement Area utility service lines, drainage systems, access driveways, landscaping, fixtures, and equipment which may now or hereafter exist thereon, in a neat, clean, and sanitary condition and shall, except for reasonable wear and tear, at all times preserve the Easement Area in good and safe repair. Upon the expiration or sooner termination of the Easement, Grantee shall forthwith return the same in as good condition as existed at the commencement of occupancy (ordinary wear and tear accepted).
- B. If, after thirty (30) days' notice from King County, Grantee fails to maintain or repair any part of the Easement Area or any improvement, landscaping, fixtures or equipment thereon, King County may, but shall not be obligated to, enter upon the Easement Area and perform such maintenance or repair, and Grantee agrees to pay the costs thereof to King County upon receipt of a written demand. Any unpaid sums under this paragraph shall be payable within thirty days following the written demand and will bear interest at the maximum rate allowed by Washington State Law.
9. YWCA INDEMNITY DEFENSE AND HOLD HARMLESS. Grantee and the YWCA agree for themselves, their successors, and assigns, to defend, indemnify, and hold harmless King County, its appointed and elected officials, and employees from and against liability for all claims, demands, suits, and judgments, including costs of defense thereof for injury to persons, death, or property damage during such period of time that the Property is occupied by the YWCA (or any entity affiliated with the YWCA, including any limited partnership or limited liability company in which the YWCA or an affiliate thereof serves as the general partner or managing member) which is caused by, or

arises out of, the wrongful intentional actions or negligence of the Grantee, the YWCA, its agents, employees or tenants, except to the extent of County's negligence and except to the extent otherwise provided in Section 10 below.

10. COUNTY INDEMNITY, DEFENSE AND HOLD HARMLESS. The County agrees to indemnify, defend and hold Grantee, its members and their, its successors and assigns, harmless from any and all liabilities, claims, damages, demands, costs, fines, penalties and expenses of any kind or nature, including, without limitation, attorneys' fees, personal injury, death, or property damage (collectively "Claims") by any other party or parties (including a governmental entity) which may be imposed upon or incurred by Grantee, its members and their, successors or assigns arising out of or in connection with: (i) the presence, disposal, escape, migration, leakage, spillage, discharge, emission, release, threatened release, handling, or transportation of landfill-related Hazardous Materials in, on, at, under, from, in the vicinity of, or affecting or related to the Easement Area or any part of the Easement Area (collectively, "Environmental Events") prior to the Closing; (ii) Claims asserted on and after the Closing with respect to any Environmental Event that arose, existed or occurred prior to Closing; (iii) Claims with respect to any Environmental Event that originates, commences or begins on County land outside the Easement Area, whether prior to, on or after the Closing, which affects, influences or migrates upon, onto, under or over the Easement Area; and (iv) any lawsuit brought or threatened, settlement reached by the County, or government hearing, investigation, inquiry, proceeding, or order relating to any Environmental Events or landfill-related violations of any environmental statutes or regulations within the scope of the indemnified Claims described in items (i) through (iii) hereinabove. Grantee shall provide prompt notice to the County of any such Claims and shall authorize the County to control associated litigation and defense.

The County's obligation to indemnify, defend and hold the Grantee its members and their successors and assigns harmless pursuant to this section shall subject to the provisions herein, apply only if the Grantee has i) obtained a written release, prepared by the County, from Project residents waiving claims against King County arising out of or related to any Environmental Event and ii) documentation that Project residents have been provided copies of written materials prepared by the County (expressly indicating that such information is provided by the County and that Grantee and its members and their successors and assigns are in no way responsible for the content thereof), regarding potential landfill hazards and landfill operations. Notwithstanding any other provisions herein, the requirement to provide such releases shall not apply to the extent, such requirement is enjoined or otherwise determined illegal or unenforceable by any court or governmental entity. It is further agreed and acknowledged that Grantee, its members and their successors and assigns, make no representation of warranty as to the validity or enforceability of such waivers and shall have no responsibility to participate in any action relating to such enforceability.

Grantee is aware that the proximity of the Project to current and former landfill activities may subject proposed development to additional design and construction costs, including

but not limited to the requirement to comply with Seattle King County Board of Health Code section 10.09.60 (requiring that structures be protected from potential methane migration and protections be designed by qualified professionals). Any additional design or costs due to such requirements are their responsibility of the Grantee and are not affected by this section of the Easement Agreement.

11. RCW 4.24.115. To the extent that this Agreement is deemed to fall within the scope of RCW 4.24.115, then notwithstanding any other provisions herein, the following shall apply. All provisions of this Agreement pursuant to which a party (the "Indemnitor") agrees to indemnify the other (the "Indemnitee") against liability for damages arising out of bodily injury to persons or damage to property relative to the construction, alteration, repair, addition to, subtraction from, improvement to or maintenance of any building, road or other structure, project, development or improvement attached to land, including the Easement Area, (i) shall not apply to damages caused by or resulting from the sole negligence of the Indemnitee, its agents or employees, and (ii) to the extent caused by or resulting from the concurrent negligence of (a) the Indemnitee or the Indemnitee's agents or employees and (b) the Indemnitor or the Indemnitor's agents or employees, shall apply only to the extent of the Indemnitor's negligence. The parties specifically agree that the provisions of this paragraph also apply to any claim of injury or damage to the parties' respective employees or their property. Each party acknowledges and agrees that as to such claims only, it waives any right of immunity that it may have under Title 51 RCW.

12. PROPERTY INSURANCE DURING OPERATIONS AND ACTIVITIES. Grantee's failure to procure and maintain the insurance provided herein, shall constitute a Default that materially jeopardizes the County's security under this Easement Agreement.

A. The Grantee will carry fire and extended coverage insurance in an amount equal to the full insurable value of all improvements, structures, and buildings located on the Easement Area. The policy shall include King County as loss payee for its vested interest in the property. A certificate of insurance must be provided to King County. King County will not carry insurance on Grantee's property.

B. In the event of the total or partial destruction by fire, regardless of origin, or otherwise of the building, structures, or facilities currently on the Easement Area or subsequently constructed by the Grantee, the Grantee shall have the obligation to commence reconstruction of such facilities within such time frame as is required to maintain any nonconforming use status in compliance with applicable building and land use code requirements.

13. INSURANCE REQUIREMENTS DURING OPERATIONS AND ACTIVITIES. Grantee's failure to procure and maintain the insurance provided herein, shall constitute a Default that materially jeopardizes the County's security under this Easement Agreement.

By the date of execution of this Easement, the Grantee shall procure and maintain for the

duration of this Easement, insurance against claims for injuries to persons or damages to property which may arise from, or in connection with exercise of the rights and privileges granted by this Easement, by the Grantee, his agents, representatives, employees/subcontractors. The cost of such insurance shall be paid by the Grantee.

For all coverages: Each insurance policy shall be written on an "Occurrence" form.

A. Minimum Scope of Insurance

Coverage shall be at least as broad as:

General Liability: Insurance Services Office Form No. CG 00 01 Ed. 11-88, covering COMMERCIAL GENERAL LIABILITY.

B. Minimum Limits of Insurance

The Grantee shall maintain limits for General Liability no less than **\$1,000,000 per occurrence** and **\$2,000,000 aggregate** for bodily injury, personal injury, and property damage.

C. Deductibles and Self-insured Retentions

Any deductibles or self-insured retentions must be declared to and approved by King County. The deductible and or self-insured retention of the policies shall not limit or apply to the Grantee's liability to the County and shall be the sole responsibility of the Grantee.

D. Other Insurance Provisions

The insurance policies required in this Easement are to contain or be endorsed to contain the following provisions:

General Liability Policy:

1. King County, its officers, officials, employees, and agents are to be covered as additional insureds as respects liability arising out of activities performed by or on behalf of the Grantee in connection with this Easement.

2. To the extent of Grantee's negligence, the Grantee's insurance coverage shall be primary insurance as respects the County, its officers, officials, employees, and agents. Any insurance and/or self-insurance maintained by the County, its officers, officials, employees, or agents shall not contribute with the Grantee's insurance or benefit the Grantee in any way.

3. The Grantee's insurance shall apply separately to each insured against whom a claim is made and or lawsuit is brought, except with respect to the limits of the insurer's liability.
- 4.

All Policies:

Coverage shall not be suspended, voided, canceled, reduced in coverage or in limits, until after forty-five (45) days prior notice - return receipt requested, has been given to the County.

E. Acceptability of Insurers

Insurance is to be placed with insurers with a Bests' rating of no less than A:VIII, or if not rated with Bests' with minimum surpluses, the equivalent of Bests' surplus size VIII.

If at any time, of the foregoing policies shall be or become unsatisfactory to the County, as to form or substance, or if a company issuing any such policy shall be or become unsatisfactory to the County, the Grantee shall, upon notice to that effect from the County, promptly obtain a new policy, and shall submit the same to the County, with the appropriate certificates and endorsements for approval.

F. Verification of Coverage

Grantee shall furnish the County with certificate(s) of insurance and endorsement(s) required by this Easement. The certificate(s) and endorsement(s) for each insurance policy are to be signed by a person authorized by that insurer to bind coverage on its behalf. The certificates and endorsements for each insurance policy are to be on forms approved by the County and are to be received and approved by the County prior to the commencement of activities associated with the Easement. The County reserves the right to require complete certified copies of all required insurance policies at any time.

G. Insurance Review

In consideration of the duration of this Easement, the parties agree that the Insurance section herein, at the discretion of the County Risk Manager, may be reviewed and adjusted with each amendment and within ninety (90) days of the end of the first five (5) year period of the Easement and the end of each successive five (5) year period thereafter.

Any adjustments made as determined by the County Risk Manager, shall be in accordance with reasonably prudent risk management practices and insurance industry standards and shall be effective on the first day of each successive five



(5) year period.

Adjustment, if any, in insurance premium(s) shall be the responsibility of the Grantee. Any failure by the County to exercise the right to review and adjust at any of the aforementioned timings shall not constitute a waiver of future review and adjustment timings.

14. PROPERTY INSURANCE FOR DESIGN AND CONSTRUCTION.

A. The Grantee will carry or will cause its Contractor to carry All Risk Builders Risk in an amount equal to the full insurable value of the construction contract for all improvements, structures, and buildings. The policy shall include King County as loss payee for its vested interest in the property. A certificate of insurance must be provided to King County. King County will not carry insurance on Grantee's property.

B. In the event of the total or partial destruction of the building, structures, or facilities currently on the Easement Area or under construction by the Grantee, the Grantee shall have the obligation to commence reconstruction of such facilities within such time frame as is required to maintain any nonconforming use status in compliance with applicable building and land use code requirements.

15. INSURANCE REQUIREMENTS during Design and Construction. By the date of execution of this Easement, the Grantee shall procure and maintain for the period of design and construction during this Easement, insurance against claims for injuries to persons or damages to property which may arise from, or in connection with design and/or construction related activities by the Grantee, his agents, representatives, employees/subcontractors. The cost of such insurance shall be paid by the Grantee.

For all coverages: Each insurance policy shall be written on an "Occurrence" form.

A. Minimum Scope of Insurance

Coverage shall be at least as broad as:

1. General Liability: Insurance Services Office Form No. CG 00 01 Ed. 11-88, covering COMMERCIAL GENERAL LIABILITY.

2. Professional Liability:

Professional Liability, Errors and Omissions coverage. In the event that services delivered pursuant to this Contract either directly or indirectly involve or require professional services, Professional Liability, Errors and Omissions coverage shall be provided. "Professional Services", for the purpose of this Contract section shall mean any services provided by a licensed professional.

3. Automobile Liability:

Insurance Services Office form number (CA 00 01 Ed. 12-90) covering BUSINESS AUTO COVERAGE, symbol 1 "any auto"; or the combination of symbols 2, 8, and 9.

If "pollutants" as excluded under the Standard Commercial Auto policy are to be transported, endorsements CA 9948 and MCS-90 are required.

4. Workers' Compensation:

Workers' Compensation coverage, as required by the Industrial Insurance Act of the State of Washington.

5. Employers Liability or "Stop-Gap":

The protection provided by the Workers Compensation policy Part 2 (Employers Liability) or, in states with monopolistic state funds, the protection provided by the "Stop Gap" endorsement to the General Liability policy.

B. Minimum Limits of Insurance

The Grantee shall maintain limits for, no less than:

1. General Liability: \$5,000,000 combined single limit per occurrence for bodily injury, personal injury and property damage, and for those policies with aggregate limits, a \$5,000,000 aggregate limit, provided that such insurance may be either in primary insurance or through an excess liability or umbrella policy.
2. Professional Liability, Errors and Omissions: \$1,000,000
3. Automobile Liability: \$1,000,000 combined single limit per accident for bodily injury and property damage.
4. Workers' Compensation: Statutory requirements of the State of residency.
5. Employers' Liability or "Stop Gap" coverage: \$1,000,000

C. Deductibles and Self-insured Retentions

Any deductibles or self-insured retentions must be declared to and approved by King County. The deductible and or self-insured retention of the policies shall not limit or apply to the Grantee's liability to the County and shall be the sole responsibility of the Grantee.

D. Other Insurance Provisions

The insurance policies required in this Easement are to contain or be endorsed to contain the following provisions:

General Liability Policy:

1. King County, its officers, officials, employees, and agents are to be covered as additional insureds as respects liability arising out of activities performed by or on behalf of the Grantee in connection with this Easement.
2. The Grantee's insurance coverage shall be primary insurance as respects the County, its officers, officials, employees, and agents. Any insurance and/or self-insurance maintained by the County, its officers, officials, employees, or agents shall not contribute with the Grantee's insurance or benefit the Grantee in any way.
3. The Grantee's insurance shall apply separately to each insured against whom a claim is made and or lawsuit is brought, except with respect to the limits of the insurer's liability.

All Policies:

Coverage shall not be suspended, voided, canceled, reduced in coverage or in limits, until after forty-five (45) days prior notice - return receipt requested, has been given to the County.

E. Acceptability of Insurers

Insurance is to be placed with insurers with a Bests' rating of no less than A:VIII, or if not rated with Bests' with minimum surpluses, the equivalent of Bests' surplus size VIII.

If at any time, of the foregoing policies shall fail to meet the above stated requirements the Grantee shall, upon notice to that effect from the County, promptly obtain a new policy, and shall submit the same to the County, with the appropriate certificates and endorsements for approval.

F. Verification of Coverage

Grantee shall furnish the County with certificate(s) of insurance and endorsement(s) required by this Easement. The certificate(s) and endorsement(s) for each insurance policy are to be signed by a person authorized by that insurer to bind coverage on its behalf. The certificates and endorsements for each insurance policy are to be received and approved by the County prior to the commencement of activities associated with the Easement. The County reserves the right to

require complete certified copies of all required insurance policies at any time. Failure to provide verification of coverage in accordance with this subsection, and subject to the notice and cure provisions set forth below, shall be deemed a default that materially jeopardizes the County's security.

G. Factory Mutual Engineering Plan Review

It shall be the responsibility of the Grantee to obtain Factory Mutual Engineering review and acceptance of all elements of the building design and construction, including but not limited to: seismic and wind loading, roofing and HVAC systems, fire protection and alarm systems, and boiler systems (if any). Plans should be submitted for review at the 60% and 90% design phase.

Upon completion of the fire protection system installations, one copy of the Contractor's Materials and Test Certificate shall be forwarded to Factory Mutual's District Office for their records.

Factory Mutual Engineering Association  
Seattle District Office  
10900 N.E. 4<sup>th</sup> Street, Suite 700  
Bellevue, Washington 98004  
Telephone: (206) 454-3931

16. MUTUAL RELEASE AND WAIVER. To the extent a loss is covered by insurance in force, King County and Grantee hereby mutually release each other from liability and waive all right of recovery against each other for any loss from perils insured against under their respective fire insurance policies, including any extended coverage endorsements hereto; provided that this Agreement shall be inapplicable if it would have the effect of invalidating any insurance coverage of King County or the Grantee.
17. RELEASE OF EASEMENT. At the expiration or earlier termination of this Easement, Grantee agrees to record a release in the form of a written deed acceptable to King County causing the Easement interest to revert to King County, its successor or assignee.
18. DEFAULT AND RE-ENTRY.
  - A. Monetary Default. If a monetary event of default occurs under the terms of this Easement, prior to exercising any remedies hereunder, the County shall give Grantee and its limited partner, at the addresses specified in paragraph 12 above, simultaneous written notice of such default. Grantees shall have a period of twenty (20) days after such notice is given within which to cure the default prior to exercise of remedies by the County, which remedies may include cancellation of this Easement upon thirty (30) days written notice.

B. Non Monetary Default. If a non-monetary event of default occurs under the terms of this Easement, prior to exercising any remedies hereunder, the County shall give Grantee and its limited partner, at the addresses specified in paragraph 12 above, simultaneous written notice of such default. If the default is reasonably capable of being cured within thirty (30) days, Grantee shall have such period to effect a cure prior to exercise of remedies by the County. If the default is such that it is not reasonably capable of being cured within thirty (30) days or such longer period if so specified, and if Grantee (a) initiates corrective action within said period, and (b) diligently, continually, and in good faith works to effect a cure as soon as possible, then Grantee shall have such additional time as is reasonably necessary to cure the default prior to exercise of any remedies by the County. If Grantee fails to take corrective action or to cure the default within a reasonable time, the County shall give Grantee and its limited partner written notice thereof, whereupon the limited partner may remove and replace the general partner of Grantee with a substitute limited partner approved by the County, such approval not to be unreasonably withheld, who shall effect a cure within a reasonable time thereafter in accordance with the foregoing provisions. If Grantee fails to cure the default within the cure periods set forth herein, the County may exercise any and all remedies it deems appropriate including, without limitation, cancellation of this Easement upon ninety (90) days written notice. Nothing in this section is intended to preclude the County from exercising any remedies it deems appropriate if its security becomes or is about to become materially jeopardized by any failure to cure a default or the default is not cured within one hundred eighty (180) days after the first notice of default is given.

19. ADVANCES BY KING COUNTY FOR GRANTEE. If Grantee fails to pay any fees or perform any of its obligations under this Easement, King County will mail notice to Grantee of its failure to pay or perform. Twenty (20) days after mailing notice, if Grantee's obligation remains unpaid or unperformed, King County may pay or perform these obligations at Grantee's expense. Upon written notification to Grantee of any costs incurred by King County under this paragraph, Grantee will reimburse King County within twenty (20) days.
20. NON-WAIVER. It is hereby agreed that no waiver of any condition or covenant in this Easement or any breach thereof, shall be taken to constitute waiver of any subsequent breach.
21. SIGNS. No sign, advertisement, notice, or other lettering will be exhibited, inscribed, painted, or affixed by Grantee on any part of the outside of the Easement Area without the prior written consent of King County. If Grantee violates this provision, King County may remove the sign without any liability and may charge the expense incurred by such removal to the Grantee provided, however, King County shall give Grantee written notice of Grantee's violation of this provision, and Grantee shall have forty-eight (48) hours after receiving said notice to comply with the terms of this provision. All signs erected or installed by Grantee shall be subject to any federal, state or local statutes, ordinances or regulations applicable to signs.

22. INSPECTIONS. Subject to the rights of Grantee under this Easement, King County reserves the right to inspect the Easement Area and any improvements thereon at any and all reasonable times throughout the term of this Easement, provided that King County shall not interfere unduly with Grantee's operations. The right of inspection reserved to King County hereunder shall impose no obligation on King County to make inspections to ascertain the condition of the improvements, and shall impose no liability upon King County for failure to make such inspections.

23. LIENS. Except as otherwise expressly provided herein, it is understood and agreed that this Easement is executed and delivered upon the express condition that the Grantee will not and cannot contract any debt or debts for labor, materials, services, or otherwise which will or may become a lien against the interest of King County in the Easement Area, and King County hereby denies to Grantee any right, power, or authority to do any act, or contract any obligation or liability that would in any way subject the interest of King County in the Easement Area to any lien, claim, or demand whatsoever.

The County expressly acknowledges that Grantee's development of the Easement Area may require the recording of utility easements and other customary easements necessary and incidental to the development, construction and operation of the Project. The County hereby agrees to the recording of such easements, at the sole expense of Grantee, and shall provide such written consents as are necessary to the recording of such easements, provided that such easements are in locations within the Easement Area reasonably satisfactory to the County, do not unduly burden any property of the County other than the Easement Area and are authorized pursuant to procedures set forth in King County Code section 4.56.115.

The County expressly acknowledges Grantee will be obtaining financing for the development and operation of the Project from a variety of private and governmental funding sources and that such financing may require restrictive covenants or regulatory agreements ("Covenants") which restrict the use of the Project to residential rental housing for low-income households, to be recorded against Grantee's interest in the Easement Area. The County hereby agrees to the recording, at Grantee's sole expense, of such Covenants and shall provide such written consents as are necessary for recording of such Covenants provided that such covenants will, at County's option, terminate upon termination of this Easement. The sole exception to Grantee's above stated duty shall be the Regulatory Use (Extended Use) Agreement required under Section 42 of the Internal Revenue Code (the "Exception"), which will survive any termination of the Easement, except by foreclosure, and attach to the County's interest in the Easement Area during the initial forty years following occupancy of Phase I of the Project.

24. ASSIGNMENT OR TRANSFER.

A Except as otherwise permitted in this Easement, Grantee shall not assign any portion of its rights or responsibilities under this Easement or without the prior written consent of the County.

B. The County agrees and acknowledges that the assignment, transfer or granting of sub-easement rights to or under this Easement, or any portion thereof, from Grantee to the Young Women's Christian Association of King and Snohomish County, or any affiliate thereof, is permitted hereunder and shall require no further consent from the County.

C. The County agrees and acknowledges that the withdrawal (not including a voluntary withdrawal allowed by the limited partnership agreement of Grantee, or a voluntary withdrawal with the consent of the limited partner of Grantee), or removal of the general partner of Grantee for cause pursuant to the terms of the Grantee's limited partnership agreement shall not constitute a default hereunder provided that the substitute general partner is acceptable to the County and admitted to the Grantee within ninety (90) days thereafter.

D. The County agrees and acknowledges that the sale, transfer, assignment or exchange of all or a portion of any limited partner's interest in Grantee shall not be deemed an assignment or transfer hereunder and shall not require the County's consent.

E. The County agrees and acknowledges that the leasing of residential units in the buildings constructed and/or rehabilitated within the Easement area shall not be deemed an assignment or transfer hereunder and shall not require the County's consent.

F. If Grantee desires to assign or transfer any portion of this Easement or any interest therein which assignment or transfer is not specifically permitted under sections B, C, D and E above, Grantee shall notify King County in writing of said desire to assign or transfer and the details of the proposed agreement at least sixty (60) days prior to the proposed date of assignment, transfer, or sublease to a third party. The notification shall include but not be limited to a financial statement of the proposed assignee, including but not limited to a full disclosure of the monetary payment or any other considerations involved, and an affidavit from the proposed assignee stating it has examined this Easement, understanding this Easement, agrees to assume and be bound by all of the Grantee's obligations and covenants under this Easement, the same as if it were the original Grantee hereunder, and the proposed date of assignment, transfer or sublease.

G. Except for those transfers or assignments specifically permitted under sections B, C, D and E above, King County reserves the right of opportunity to withhold its' approval in the event Grantee attempts to assign or transfer any portion of the above mentioned parcel to any party independent of itself unless the new assignment is necessary for purposes of financing.

H. King County will review the request and respond with either an approval or disapproval of the request not later than twenty (20) business days prior to the proposed date. Disapproval of any such request shall be final and binding on the Grantee and not subject to challenge or arbitration. King County shall charge to the Grantee a reasonable fee for administrative costs in reviewing and processing any assignment or sublease.

25. CONDEMNATION.

A. King County and Grantee will immediately notify the other in writing of the receipt of notice of any proceedings with respect to a condemnation or intent of any authority to exercise the power of eminent domain.

B. If all of the Easement Area are taken by any lawful authority under the power of eminent domain for a period which will end on or extend beyond the expiration of the term of this Easement, this Easement terminates as of the date condemner takes Grantee's easement interest, and Grantee will have no claim or interest in or to any award of just compensation except that the Grantee will be entitled to an amount equal to the fair market value of the Grantee's Easement interest in any improvement taken by the condemner made to the Easement Area by the Grantee, but not to exceed the amount of that part, if any, of the award attributable to the value of the improvements.

C. If part of the Easement Area is taken by any lawful authority under the power of eminent domain for a period which will end on or extend beyond the expiration of the term of this Easement, Grantee may choose to terminate this Easement as of the date the condemner takes Grantee's interest in the Easement. Grantee will have no claim or interest in or to any award of just compensation or damages except that the Grantee will be entitled to an amount equal to the fair market value of the Grantee's Easement interest in the part taken by the condemner of any improvements made to the Easement Area by the Grantee, but not to exceed the amount of that part, if any, of the award attributable to the value of the improvements.

D. If temporary use of all or a portion of the Easement Area is taken by any lawful authority for a period which would reduce the Easement and, consequently, would render the Use of the Easement impossible by Grantee for the purposes set forth in Section 6 of this Easement then, at Grantee's determination, Grantee may choose to terminate this Easement. If Grantee elects to terminate the Easement, the Easement will terminate the date the condemner takes possession and Grantee will have no claim or interest in or to any award of just compensation except that the Grantee will be entitled to an amount equal to the fair market value of the Grantee's Easement interest in any improvements made to the Easement Area by the Grantee. If Grantee elects not to terminate this Easement, the Easement will continue in full force.

E. It is understood and agreed that Grantee shall not be party to any negotiation or proceedings at law wherein King County claims compensation other than that which is defined statutorily as constituting "just compensation."

26. ANTI-DISCRIMINATION. In all services or activities and all hiring or employment made possible by or resulting from this Easement, there shall be no discrimination against any employee or applicant for employment because of sex, age (except minimum age and retirement provisions), race, color, creed, religion, national origin, marital status, sexual



orientation, or the presence of any sensory, mental, or physical handicap, unless based upon a bona fide occupational qualification. This requirement shall apply to but not be limited to the following: Employment, advertising, lay-off or termination, rates of pay or other forms of compensation, and selection for training, including apprenticeship. The Grantee shall not violate any of the terms of R.C.W. 49.60, Title VII of the Civil Rights Act of 1964, King County Code 12.16.020, or any other applicable federal, state, or local law or regulations regarding non-discrimination. Any violation of this provision shall be considered a violation of a material provision of this Easement and shall be grounds for cancellation, termination, or suspension, in whole or in part of the Easement by the County, and may result in ineligibility for further County agreements. The Grantee will also comply with other anti-discrimination laws or requirements of any and all jurisdictions having authority.

27. HEIRS, AGENTS, AND ASSIGNS. Without limiting any provisions of this Easement pertaining to assignment and subletting, the provisions of this Easement bind the heirs, successors, agents and assigns of any of the parties to this Easement.
28. CAPTIONS. The captions in this Easement are for convenience only and do not in any way limit or amplify the provisions of this Easement.
29. TIME IS OF THE ESSENCE. Time is of the essence of this Easement, and in the event of the failure of Grantee to pay any charges at the time in the manner herein specified, or to keep any of the covenants or agreements herein set forth, the Grantee shall be in default.
30. CUMULATIVE REMEDIES. No provision of this Easement precludes King County from pursuing any other remedies for Grantee's failure to perform his obligations.
31. ATTORNEY'S FEES/COLLECTION CHARGES. In the event legal action is brought by either party to enforce any of the terms, conditions, or provisions of this Easement, the prevailing party shall recover against the other party in addition to the costs allowed by law, such sum as the court may adjudge to be a reasonable attorney's fee. In addition to all other charges, Grantee shall pay a charge of \$150.00 to King County for preparation of a demand for delinquent payment or a notice of default.
32. HAZARDOUS MATERIALS AND ENVIRONMENTAL COMPLIANCE.
  - A. Definition. "Hazardous Materials" as used herein shall mean:
    1. Any toxic substances or waste, sewage, petroleum products, radioactive substances, medical, heavy metals, corrosive, noxious, acidic, bacteriological or disease-producing substances; or

2. Any dangerous waste or hazardous waste as defined in:
    - a. Washington Hazardous Waste Management Act as now existing or hereafter amended (RCW Ch. 70.105); or
    - b. Resource Conservation and Recovery Act as now existing or hereafter amended (42 U.S.C. Sec. 6901 et seq.); or
  3. Any hazardous substance as defined in:
    - a. Comprehensive Environmental Response, Compensation and Liability Act of 1980 as now existing or hereafter amended (42 U.S.C. Sec. 9601 et seq.); or
    - b. Washington Model Toxics Control Act as now existing or hereafter amended (RCW Ch. 70.105D); or
  4. Any pollutants, contaminants, or substances posing a danger or threat to public health, safety or welfare, or the environment, which are regulated or controlled as such by any applicable federal, state or local laws, ordinances or regulations as now existing or hereafter amended.
- B. Grantee shall not without first obtaining King County's prior written approval, use, generate, release, handle, spill, store, treat, deposit, transport, or dispose of any Hazardous Materials in, on, or about the Easement Area, or transport any Hazardous Material to or from the Easement Area. In the event, and only in the event, King County approves any of the foregoing, Grantee agrees that such activity shall occur safely and in compliance with all applicable federal, state, and local laws, ordinances and regulations.
- C. Environmental Compliance.
1. Grantee shall, at Grantee's own expense, comply with all federal, state and local laws, ordinances and regulations now or hereafter affecting the Easement Area, Grantee's business, or any activity or condition on or about the Easement Area, including, without limitation, all laws, ordinances and regulations related to Hazardous Materials and all other environmental laws, ordinances and regulations, and any other laws relating to the improvements on the Easement Area, soil and groundwater, storm water discharges, or the air in and around the Easement Area, as well as such rules as may be formulated by King County ("the Laws"). Grantee warrants that its business and all activities to be conducted or performed in, on, or about the Easement Area shall comply with all of the Laws. Grantee agrees to change, reduce, or stop any non-complying activity, or install necessary equipment, safety devices, pollution control

systems, or other installations may be necessary at any time during the Easement to comply with the Laws.

2. Grantee shall not cause or permit to occur any violation of the Laws on, under, or about the Easement Area, or arising from Grantee's use or occupancy of the Easement Area, including, but not limited to, soil and ground water conditions.
3. Grantee shall promptly provide all information regarding any activity of Grantee related to Hazardous Materials on or about the Easement Area that is requested by King County. If Grantee fails to fulfill any duty imposed under this paragraph within a reasonable time, King County may do so; and in such case, Grantee shall cooperate with King County in order to prepare all documents King County deems necessary or appropriate to determine the applicability of the Laws to the Easement Area and Grantee's use thereof, and for compliance therewith, and Grantee shall execute all documents promptly upon King County's request. No such action by King County and no attempt made by King County to mitigate damages shall constitute a waiver of any of Grantee's obligations under this paragraph.
4. Grantee shall, at Grantee's own expense, make all submissions to, provide all information required by, and comply with all requirements of all governmental authorities ("the Authorities") under the Laws.
5. Should any Authority demand that a cleanup plan be prepared and that a cleanup be undertaken because of any deposit, spill, discharge or other release of Hazardous Materials that occurs during the term of this Easement at or from the Easement Area, or which arises at any time from Grantee's use of occupancy of the Easement Area, then Grantee shall, at Grantee's own expense, prepare and submit the required plans and all related bonds and other financial assurances; and Grantee shall carry out all such cleanup plans. Any such plans and cleanup are subject to King County's prior written approval.

D. Indemnification. Except as otherwise provided in Section 10 above

1. Grantee shall be fully and completely liable to King County for any and all cleanup costs, and any and all other charges, fees, penalties (civil and criminal) imposed by any Authority with respect to Grantee's use, disposal, transportation, generation, release, handling, spillage, storage, treatment, deposit and/or sale of Hazardous Materials in or about the Easement Area, common area, or buildings. Grantee shall indemnify, defend, and save King County harmless from any and all of the costs, fees, penalties, and charges assessed against or imposed upon King County (as well as King

County's attorney's fees and costs) by any Authority as a result of Grantee's use, disposal, transportation, generation, release, handling, spillage, storage, treatment, deposit and/or sale of Hazardous Materials, or from Grantee's failure to provide all information, make all submissions, and take all steps required by all Authorities under the Laws.

2. Grantee shall indemnify and hold King County harmless from any and all claims, liabilities, lawsuits, damages, and expenses, including reasonable attorney's fees, for bodily injury or death, property damage, loss, or costs caused by or arising from the use, disposal, transportation, generation, release, handling, spillage, storage, treatment, deposit and/or sale of Hazardous Materials by Grantee or any of its agents, representatives or employees in, on, or about the Easement Area occurring during the term of the this Easement.
- E. Reporting Requirements. Grantee shall comply with the Laws requiring the submission, reporting, or filing of information concerning Hazardous Materials with the Authorities, and shall provide to King County a full copy of any such filing or report as submitted within 15 days of such submission.
- F. Right to Check on Grantee's Environmental Compliance. King County expressly reserves the right, and Grantee shall fully cooperate in allowing, from time to time, such examinations, tests, inspections, and reviews of the Easement Area as King County, in its sole and absolute discretion, shall determine to be advisable in order to evaluate any potential environmental problems.
- G. Remedies. Upon Grantee's default under this Section 30 HAZARDOUS MATERIALS AND ENVIRONMENTAL COMPLIANCE, King County shall be entitled to the following rights and remedies in addition to any other rights and remedies that may be available to the County:
1. At King County's option, to terminate this Easement immediately; and/or,
  2. At King County's option, to perform such response, remediation and/or cleanup as is required to bring the Easement Area and any other areas of King County property affected by Grantee's default into compliance with the Laws and to recover from Grantee all of the County's costs in connection therewith; and/or
  3. To recover from Grantee any and all damages associated with the default, including but not limited to, response, remediation and cleanup costs and charges, civil and criminal penalties and fees, adverse impacts on marketing the Easement Area or any other adjacent areas of King County property, loss of business and sales by King County and other King County Grantees, diminution of value of the Easement Area and/or other

adjacent areas owned by King County, the loss of or restriction of useful space in the Easement Area and/or other adjacent areas owned by King County, any and all damages and claims asserted by third parties, and King County's attorney's fees and costs.

- H. Remediation on Termination of Easement. Upon the expiration or earlier termination of this Easement, Grantee shall remove, remediate or clean up any Hazardous Materials on, or emanating from, the Easement Area, resulting from Grantee's use, Grantee shall undertake whatever other action may be necessary to bring the Easement Area into full compliance with the Laws ("Termination Cleanup"). The process for such Termination Cleanup is subject to King County's prior written approval. If Grantee fails or refuses to commence the Termination Cleanup process, or fails to reasonably proceed toward completion of such process, King County may elect to perform such Termination Cleanup after providing Grantee with written notice of the County's intent to commence Termination Cleanup, and after providing Grantee a reasonable opportunity, which shall be not less than ninety (90) days after such notice (unless King County is given notice by a government agency with jurisdiction over such matter that Termination Cleanup must commence within a shorter time, in which case King County shall give Grantee notice of such shorter time), to commence or resume the Termination Cleanup process. If King County performs such Termination Cleanup after said notice and Grantee's failure to perform same, Grantee shall pay all of King County's costs.
  - I. Survival. Grantee's obligations and liabilities under this Section 30, HAZARDOUS MATERIALS AND ENVIRONMENTAL COMPLIANCE, shall survive the expiration of this Easement.
  - J. Nothing in this Section is intended to affect County obligations relating to landfill-related Hazardous Materials set forth in Section 10 of this Easement.
33. SEVERABILITY. If any term or provision of this Easement or the application of any term or provision to any person or circumstance is invalid or unenforceable, the remainder of this Easement, or the application of the term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected and will continue in full force; provided that this provision shall not apply if the invalidity or unenforceability determination is made by a court of law and frustrates a fundamental purpose of this Easement.

**END OF GENERAL TERMS AND CONDITIONS**

## SPECIAL TERMS AND CONDITIONS

Terms and conditions applicable to the Easement granted by King County:

1. PERMIT REQUIRED. Before constructing any improvements or making any alterations to the site pursuant to this Easement, a Special Use Permit must be obtained from the King County Real Estate Services Section or successor agency ("Real Estate Services Section"). Before such County permit will be issued, if applicable, complete plans and specifications of the proposed project, including details of landscaping if any, must be submitted. Construction or alterations shall comply with any and all other provisions as more specifically set forth in the permit application.
2. NO CONFLICT WITH SOLID WASTE LANDFILL OPERATIONS. The construction, operation, maintenance and repair of the Passage Point facilities shall not conflict with the operation, parking, maintenance, closure, monitoring and access to the adjacent Solid Waste landfill other facility ("Solid Waste Facility") operated by the King County Solid Waste Division or its successor agency. Prior to undertaking construction or engaging in use of the Passage Point facility, the Grantee shall obtain Solid Waste Division approval of plans and schedules to avoid such conflicts and shall thereafter obtain Solid Waste Division approval of any changes to such plans and schedules.
3. EMERGENCY SITUATIONS. In the event of an emergency involving Grantee's facilities within this Easement, the Grantee will take immediate steps to perform any necessary repairs. If the Grantee fails to perform any necessary repairs, the Grantor may do all work necessary at the sole cost and expense of Grantee.
4. DAMAGES. If any damage is caused by reason of performing any act authorized by this Easement, Grantee will promptly pay the damaged party the amount necessary to put the damaged party in the position he would have been in had the damage not occurred.
5. ASSESSMENTS. Grantor and its property shall not be subjected to any charge, assessment, or expense resulting from Grantee's use of this Easement.
6. ABANDONMENT. In the event that Grantee permanently abandons or discontinues the use of the Easement for the purposes expressed in this document, the Grantee's Easement will terminate.
7. TERMINATION. Upon expiration of the Easement or in the event that the Easement is otherwise terminated for any reason, Grantee agrees to record a release in the form of a written deed acceptable to King County causing the Easement interest to revert to King County, its successor or assignee free of any and all claims of the Grantee.
8. USE RESTRICTIONS. Grantee may be required to temporarily limit operation or curtail use of the site if the Department of Health provides of advance written notice to the Grantee

that County use of the Easement Area is necessary to facilitate construction, renovation, repair or other needed improvements to the Solid Waste facility, provided however, that to the extent any such limitation or use of site results in a temporary or permanent termination of the use of the Project, the County shall indemnify and hold harmless, Grantee, the YWCA and their successors and assigns from any and all losses, claims, demands or liabilities arising from such termination, including any liabilities under any loans and other financing obligations relating to the development or operation of the Project to the extent such obligations are either approved by the King County Department of Community and Human Services or Grantor, as well as any tenant relocation claims arising from the termination of the operation of the Project.

9. MAINTENANCE OF FACILITY. Grantee shall maintain and repair the Easement Area and any improvements thereon in a neat, clean and safe condition and otherwise suitable for its intended use.
10. NO OPPOSITION. Grantee and the YWCA acknowledge possible expansion and continued operation of the landfill site into the future. To the extent such expansion does not materially interfere with Grantee's ability to carry out Project operations, Grantee and the YWCA agree not to oppose any such modifications or expansions.
11. RIGHT OF ENTRY. Grantor, its officers, employees and agents may enter the Easement Area and any improvements thereon for purposes of implementing the terms of this Easement. Except in emergencies, Grantor shall provide Grantee with reasonable prior notice of entry, which notice may be given orally. Grantor, its officers, employees and agents may further enter the portions of the Easement Area and any improvements thereon that are open to the public at any time that such areas are open.
12. OTHER APPLICABLE LAWS. Grantee will comply with all federal, state, and local laws, and will assume all cost, expense, and responsibility in connection with compliance, without any liability on the part of the Grantor.
13. MISCELLANEOUS.

132.1. This Easement shall be interpreted, construed and enforced in all respects in accordance with the laws of the State of Washington. Jurisdiction and venue for any action related to this Easement shall be in the Superior Court of King County.

13.2. This Easement shall not be interpreted or construed to create an association, joint venture or partnership between the parties or to impose any partnership obligations or liability upon either party. Neither party shall have any right, power or authority to enter into any agreement or undertaking for or on behalf of, to act as or be an agent or representative of, or to otherwise bind the other party.

13.3. The failure of either party to insist upon or enforce strict performance by the other party of any of the provisions of this Easement or to exercise any rights or remedies under

this Easement shall not be construed as a waiver or relinquishment to any extent of such party's right to assert or rely upon any such provisions or rights in that or any other instance; rather, the same shall be and remain in full force and effect.

13.4. This Easement sets forth the entire agreement of the parties. This Easement shall be construed as a whole. All provisions of this Easement are intended to be correlative and complementary.

13.5. No amendment, change or modification of any provision of this Agreement shall be valid unless set forth in a written amendment to this Agreement signed by both parties.



Exhibit A  
Legal Description  
Easement area

Beginning at the southeast corner of Section 21, Township 23, Range 6; Thence north along the east line of said Section 21, Township 23, Range 6 800 feet; Thence westerly at right angles 450 +/- to the east line of Chief Joseph Transmission right of way line; Thence southerly along said east right of way line to the south line of said section; Thence continuing south along said right of way line 900 feet; Thence easterly 400 +/- feet to the east line of Section 28, Township 23, Range 6; Thence northerly along east line of Section 28, Township 23, Range 6 to the point of beginning.

**BILL OF SALE  
AND  
RELEASE OF LIABILITY**

THIS BILL OF SALE is made as of this \_\_\_\_ day of \_\_\_\_\_, 200 \_\_, by KING COUNTY ("Seller"), in favor of \_\_\_\_\_ ("Buyer") (collectively referred to as "the Parties"), subject to the following.

Buyer intends to construct and operate facilities for low income housing support services on the real property owned by Seller and described in **EXHIBIT A**, which will be comprised of an easement granted to Buyer from Seller, as provided for in that certain agreement attached as **EXHIBIT B**. In order to facilitate the aforementioned provision of low income housing support services, it is necessary to sever all fixtures from the real property and convey them to Buyer separate from the underlying fee interest of Seller.

NOW, THEREFORE, for good and valuable consideration, the receipt and adequacy of which is hereby acknowledged, Seller does hereby absolutely and unconditionally give, grant, bargain, sell, transfer, set over, assign, convey, release, confirm and deliver to Buyer all of Seller's right, title and interest in and to any and all improvements, buildings, operating systems, heating, cooling or other mechanical systems, sanitary sewer systems, water systems, equipment, furniture, furnishings, fixtures and other tangible personal property (hereinafter "Severed Fixtures"), excluding testing, monitoring and maintenance equipment and fixtures specifically related to the operation and maintenance of the Cedar Hills Landfill Facility, owned by Seller that is attached, appurtenant to or used in connection with the real property legally described on the attached **EXHIBIT A**.

It is the intent of the Parties that said Severed Fixtures be severed from the real property upon which they are located, attached to, and appurtenant to and be sold separately and apart from the fee simple interest of the property described in attached **EXHIBIT A**, which fee simple interest shall remain with Seller.

Seller represents and warrants that it is the sole owner of, and has good title to, such personal property, and has full right and authority to transfer and deliver the same, and will defend the sale hereby against each and every person claiming otherwise.

Buyer releases Seller from all liability with respect to the Severed Fixtures, including but not limited to the environmental aspects and physical condition of the Severed Fixtures, its valuation, and suitability for Buyer's business purposes other than those directly resulting from Seller lacking title to the Severed Fixtures. Buyer acknowledges: (i) that in purchasing the Severed Fixtures, Buyer has been given the opportunity to investigate and study the Severed Fixtures, including, without limitation, the opportunity to conduct its own physical and environmental inspections of the Severed Fixtures, and that Buyer is not relying on any representation or warranty of Seller regarding the physical or environmental condition of the

Severed Fixtures; and (ii) Buyer will acquire the Severed Fixtures in "as is", "where is" condition and shall assume the risks that adverse physical conditions may not have been revealed by its investigation, and Seller specifically disclaims making any representation or warranty respecting the physical condition of the Severed Fixtures, including, but not limited to, warranties of fitness, merchantability, fitness for a particular purpose, habitability or tenantability.

Buyer hereby fully releases Seller and its employees, managers, and elected officials, from all claims, demands and causes of any action, known or unknown, of whatever kind arising out of or related to the Severed Fixtures, other than those directly resulting from Seller lacking title to the Severed Fixtures.

IN WITNESS WHEREOF, Seller has executed this Bill of Sale as of the date first above written.

**SELLER:**

By: \_\_\_\_\_

Its: \_\_\_\_\_

**BUYER:**

By: \_\_\_\_\_

Its: \_\_\_\_\_

Approved as to Form:

By: \_\_\_\_\_

Attorney for Buyer

And By: \_\_\_\_\_

Senior Deputy Prosecuting Attorney

Exhibit A

Legal Description

Beginning at the southeast corner of Section 21, Township 23, Range 6; Thence north along the east line of said Section 21, Township 23, Range 6 800 feet; Thence westerly at right angles 450 +/- to the east line of Chief Joseph Transmission right of way line; Thence southerly along said east right of way line to the south line of said section; Thence continuing south along said right of way line 900 feet; Thence easterly 400 +/- feet to the east line of Section 28, Township 23, Range 6; Thence northerly along east line of Section 28, Township 23, Range 6 to the point of beginning.

T1

10-22-07

Sponsor: \_\_\_\_\_

pj

Proposed No.: 2007-0508

1 **TITLE AMENDMENT TO PROPOSED ORDINANCE 2007-0508, VERSION 1**

2 On page 1, line 1, delete everything through page 1, line 6 and insert

3 "AN ORDINANCE authorizing the executive to execute a  
4 term-limited easement and bill of sale and all other  
5 necessary conveyance documents to grant certain property  
6 rights to the YWCA to facilitate the development of  
7 Passage Point, adjacent to the Cedar Hills landfill, located  
8 in council district 9."

**EFFECT: This amendment corrects the council district where the project is located, changing from council district 3 to council district 9.**



Signature Report

October 20, 2007

Ordinance

Proposed No. 2007-0508.1

Sponsors Constantine

1 AN ORDINANCE authorizing the executive to execute a  
2 term-limited easement and bill of sale and all other  
3 necessary conveyance documents to grant certain property  
4 rights to the YWCA to facilitate the development of  
5 Passage Point, adjacent to the Cedar Hills landfill, located  
6 in council district 3.

7

8

BE IT ORDAINED BY THE COUNTY COUNCIL OF KING COUNTY:

9

SECTION 1. Findings:

10

A. King County owns an approximately nine-hundred-twenty-acre parcel of land  
11 known as the Cedar Hills landfill, which was acquired by King County from the state of  
12 Washington.

13

B. Within the buffer of the landfill, a residential in-patient treatment facility was  
14 developed by the State, and operated by King County. The facility was known as the  
15 Cedar Hills Alcohol Treatment facility, or CHAT.

16

C. In 2005, a proposal to redevelop the property as transitional and affordable  
17 housing was developed between King County and the YWCA. This proposal was to

18 create up to seventy units of affordable housing over two phases in a project called  
19 Passage Point.

20 D. In its 2006 Budget Ordinance, Ordinance 15333, King County committed to  
21 pay \$4,000,000 for capital costs and \$100,000 in administrative costs associated with the  
22 Passage Point project.

23 E. Two easements with an initial term of fifty years and an option to extend the  
24 term for an additional twenty-five years together with a bill of sale transferring certain  
25 personal property and site improvements to the YWCA have been negotiated.

26 F. The council hereby finds pursuant to K.C.C. 4.56.115 that grant of the term-  
27 limited easements is in the best interest of the county.

28 SECTION 2. The King County executive is hereby authorized to execute two  
29 term limited easements along with a bill of sale, substantially in the forms of Attachments

**Ordinance**

---

30 A, B and C to this ordinance, and any other necessary documents to convey the easement  
31 area rights to the YWCA.

32

KING COUNTY COUNCIL  
KING COUNTY, WASHINGTON

---

ATTEST:

---

APPROVED this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

---

**Attachments**      A. Phase I Easement Agreement, B. Phase II Easement Agreement, C. Bill of Sale  
and Release of Liability



The Honorable Larry Gossett  
Chair, King County Council  
Room 1200  
COURTHOUSE

September 27, 2007

Dear Councilmember Gossett:

I am pleased to transmit for King County Council review and approval an ordinance that will transfer to the Young Women's Christian Association (YWCA) the buildings and use of the property at the former Cedar Hills Addiction Treatment Center (CHAT) in Maple Valley. The YWCA will redevelop the former CHAT facility into a campus for single parents reuniting or seeking to reunite with their children, who are exiting jail or an institution, and who are homeless. The new project will be called Passage Point and will be the first housing of its kind in the region and one of the first of its kind in the nation.

There is a great need for housing programs serving disenfranchised persons, where parents have the opportunity to learn parenting and other skills, reunite in a safe and supportive environment with their children, and move on to permanent housing. Under the Passage Point proposal, the existing facilities would be remodeled to create transitional apartment-style residences with on-site service offices. In addition to the housing units, the project would provide intensive case management, mental health and chemical dependency counseling, support groups, employment services and on-the-job training, parenting classes and support, and school liaison and children's services, domestic violence advocacy, legal assistance, a wellness center and community activities.

### **Background**

The CHAT facility opened in 1967 as a 202-bed residential treatment facility dedicated to serving chronic inebriates and drug addicts. Insufficient State funding for substance abuse services, increased costs of operation, and a State audit finding that called for significant upgrades to the facility and the provision of enhanced medical services, combined to cause the facility to operate at a substantial deficit for several years. By 2001, the Current Expense (CX) fund was subsidizing the program through a transfer of approximately \$1.4 million for residential and public health services. These factors highlighted the need for modifications to the service program being provided.

As plans for the Passage Point facilities have been worked through, the Parks Department has continued to maintain and operate a plant nursery and bark bagging operation on campus grounds. These operations have been integrated with the CHAT site operations and would remain as part of the Passage Point project. During this transitional period, Facilities Management has been funded to continue routine maintenance to the existing facilities, as necessary, such as perimeter security, basic weatherization, and upkeep of the campus buildings and infrastructure, including the provision of heat in the buildings during the winter months to offset mold and other moisture damage.

### **Passage Point Vision**

Passage Point is an innovative project that is a collaborative effort of King County, the YWCA and the King County Housing Authority (KCHA). This partnership came about as a result of the Mental Health, Chemical Abuse and Dependency Services Division's request for proposals for program use of the vacant CHAT facility following research on local community needs and successful treatment models. The YWCA saw the property as an ideal location to provide supportive housing for single parents who hoped to reunite with their children after a separation due to hospitalization, incarceration, or other life circumstances. The YWCA has a long and successful history of developing and operating similar programs for at-risk populations. KCHA joined the project, allocating housing subsidy funding (Section 8) to help make the program affordable for households with very-low incomes.

The ten-acre campus would include a community center based in the existing community center facility, children's program facilities, outdoor recreational areas, and administrative, program and support space. Housing options will ultimately include a total of 70 units that will include:

1. Dormitory-style rooms with access to communal kitchens for individual parents working towards reunification with their child/children.
2. Studio and one-bedroom apartments with refrigerator/microwave for parents with one child.
3. Two-bedroom apartments with kitchenettes for larger families.

It is envisioned that project development will occur in two phases. In Phase I, the existing facilities will be remodeled to create 46 studio, one and two-bedroom residences for women and their children. In Phase II, the YWCA will construct 24 additional units to provide the larger units on the site.

Phase II activities would not occur until 2009 or 2010, and would require that the YWCA secure additional funding and permitting approval.

We do expect that many of the parents served will be exiting the criminal justice system. As many as 75 percent of women who have completed terms in the criminal justice system have children under the age of 18, most of whom are currently cared for by grandparents or foster

parents. When these parents are ready to be reunited with their children, they often face barriers such as the inability to find affordable housing, lack of training for jobs or access to jobs, and lack of parenting skills. In addition to these barriers, many of these parents need treatment, counseling, job training and other supportive services.

The residents chosen for the program will be carefully pre-screened through professional assessment and counseling to determine their appropriateness for the program. Violent offenders and sex offenders will not be accepted. These families would reside at Passage Point for approximately 12-24 months or as long as living in housing with intensive services is needed, and would be provided with services to help them secure more permanent housing and with follow-up services in private housing secured after leaving Passage Point.

The facility will be staffed 24 hours a day, seven days a week by staff of the YWCA and some, but not all, services will be provided on site. Transportation will be arranged for those services provided off-site.

It is anticipated that Passage Point will result in the following outcomes:

- Decreased homelessness
- Fewer children placed into foster care
- Reduced taxpayer-supported criminal justice and health care costs
- More families moved into permanent housing.

### **Partnership**

In April 2005, King County, KCHA, and the YWCA signed a Memorandum of Understanding (MOU) regarding the proposed redevelopment and operation of the CHAT facility, which was revised in March 2007. Per the updated MOU, the parties coordinate activities, meet regularly regarding project progress, and carry out their roles in ensuring the success of the project.

The proposed site redevelopment plan assumes that the county will retain ownership of the property but not the CHAT buildings, will provide \$4 million for capital costs related to site rehabilitation, and will enter into a long-term nominal easement and purchase and sale agreement for the buildings with the YWCA. Through many months of project coordination, the easement and purchase agreements were chosen as the legal instruments, in order to satisfy tax credit funding requirements regarding time and equity in the project.

The YWCA is the lead partner in assembling the financing for the project, in carrying out the rehabilitation and development activities, in creating the management and services plan for the project, and in staffing the project. KCHA will provide Section 8 subsidies to the project so that the residential units can be rented to very-low income households. King County will monitor adherence to legal requirements related to the easement agreement over the life of the project.

### **Community Outreach/Community Concerns**

As Passage Point is a project of the YWCA, the YWCA has served as the lead for outreach and education, beginning in 2005 when they individually briefed several members of the King County Council and spoke to the Maple Valley Rotary Club, the Greater Maple Valley Area Council, and the Four Creeks Unincorporated Area Council (UAC), and others. In 2006, their community outreach included a briefing before the Maple Valley City Council and presentations to the South King Council of Human Services Board of Directors, the Issaquah School District and others. More recently, the YWCA returned to meet with the Four Creeks UAC in April 2007 and held a public meeting at the May Valley Alliance Church on September 12, 2007.

The most recent meeting generated a number of questions and concerns, primarily in the areas of on-site security, screening of eligible participants, and stress on the Issaquah School District, as well as questions about water quality and concerns about impacts on property values. One group, the Cedar Mountain Homeowners Association whose members live nearest the CHAT, felt they had not received sufficient notification of the public meeting; therefore, the YWCA and its partners will meet with this group on September 26, in addition to a second community meeting already scheduled and announced for October 1. At both meetings, the YWCA and its partners will respond directly to the issues raised, particularly with regard to revised security plans based on the public comment. They will also provide additional information on their ongoing conversations with the Issaquah School District, including a copy of the District's letter of support, and will provide experts to respond to water quality and other environmental and permitting issues.

### **Project Costs and King County Funding**

The 2006 adopted King County budget included expenditure authority of \$4,100,000 in the Housing Opportunity Fund (HOF) for the Passage Point Initiative. The Capital Improvement Project #322400 includes \$4 million in one-time capital funding for the county's portion of the initiative and \$100,000 for administrative costs for participation in the project. Within King County, representatives from the Department of Natural Resources and Parks (Solid Waste and Parks), Department of Community and Human Services (Community Services Division and Mental Health, Chemical Abuse and Dependency Services Division), Department of Executive Services (Risk Management and Facilities Management), Department of Development and Environmental Services, and the Prosecuting Attorney's Office have met with the YWCA and KCHA for over a year to ensure the interests and needs of all departments and the county were satisfied.

Although the county's \$4 million capital investment funding is significant, the amount is not sufficient to fully redevelop the site. The YWCA has secured the additional funding needed for the capital portion of the project in Phase I. Those additional capital sources include Low

Income Housing Tax Credit financing, the King County Veterans and Human Services Levy and the Gates Foundation Sound Families Initiative and a Federal earmark.

The original estimate for full conversion (Phases I and II) was \$17 million. Currently, it is estimated that Phase I will cost \$13.3 million and Phase 2 could be another \$8 million, due to the inflation in construction costs in the intervening time period. The KCHA has committed to work with the YWCA to raise additional capital funding for Phase II. The YWCA is currently developing services funding for the project.

### **The Conveyance**

In order to provide the land and facilities for this program, King County has agreed to convey the former CHAT site to the YWCA by way of two separate term-limited easements and one bill of sale. The easements will each be for an initial term of 50 years, with an option to extend the term for an additional 25 years. The length of this easement is consistent with current affordable housing funding requirements and is allowed under King County Code 4.56.115.

The easements will be aimed at separate areas related to Phase I and Phase II of the projects. Both easements will be granted at the same time, and both will expire concurrently.

The overall easement area includes approximately ten acres, which now makes up the CHAT campus and all necessary roadways for ingress, egress and utility lines.

Improvements to the campus cover seven buildings, roadways, and other infrastructure that will be transferred to the YWCA by way of a bill of sale. Those improvements will become the property of the YWCA. At the end of the easement term, King County will reclaim the improvements.

### **Closing**

Redevelopment of the CHAT facility presents an opportunity to stabilize high cost, hard-to-house families and provide them with the treatment, life skills training and services they need to move ahead and care for their family members. The CHAT facility has been an historic part of the county's capital improvement program and currently requires county investment to maintain, with no programmatic return. The land cannot be sold due to its designation as a buffer zone to the landfill. The CHAT buildings are empty, at the same time that King County and regional partners are working so hard to end homelessness. Passage Point provides King County with an opportunity to support the Committee to End Homelessness in King County and the regional goal of creating more housing and support services for homeless and at-risk populations.

King County is fortunate to have dedicated partners within the human services, housing and criminal justice communities who are committed to taking the next steps to provide housing for a population that is hard to serve and has multiple challenges and barriers to success. This

The Honorable Larry Gossett

September 27, 2007

Page 6

facility would help stabilize families and ensure healthier lives and futures for children, youth, and adults with previous involvement in the justice system.

I recommend that you approve the ordinance authorizing execution of the easement and bill of sale between the county and the YWCA in order to formalize this collaborative proposal. I look forward to the implementation of this project and the unique partnership we have been able to create. If you have any questions, please feel free to contact Jackie MacLean, Department of Community and Human Services Director, at 206-296-7689.

Sincerely,

Ron Sims  
King County Executive

Enclosures

cc: King County Councilmembers

ATTN: Ross Baker, Chief of Staff

Nancy Glaser, Interim Policy Staff Director

Anne Noris, Clerk of the Council

Bob Cowan, Director, Office of Management and Budget

Theresa Jennings, Interim Director, Department of Natural Resources and Parks

Jim Buck, County Administrator Officer Designee, Department of Executive Services

Stephanie Warden, Director, Development and Environmental Services

Jackie MacLean, Director, Department of Community and Human Services

# Attachment 5

## FISCAL NOTE

<b>Ordinance/Motion No. 2007 3rd Qtr Supplemental</b>	
Title: Passage Point Easement	
Affected Agency and/or Agencies: DCHS-Community Services Division & FMD Real Estate Services	
Note Prepared By:	Randy Inouye
Note Reviewed By:	Tesia Forbes

Impact of the above legislation on the fiscal affairs of King County is estimated to be: a reduction in expenditures equal to the cost of maintaining the Cedar Hills Alcohol Treatment Facility.

### Revenue to:

Fund Title	Fund Code	Revenue Source	Current Year 2007	1st Year 2008	2nd Year 2009	3rd Year 2010
Current Expense	0010	YWCA	50	0	0	0
Facilities Management	5511	CX	(30,010)	(187,262)	(194,752)	(202,543)
<b>TOTAL</b>			<b>(29,960)</b>	<b>(187,262)</b>	<b>(194,752)</b>	<b>(202,543)</b>

### Expenditures from:

Fund Title	Fund Code	Department	Current Year 2007	1st Year 2008	2nd Year 2009	3rd Year 2010
Facilities Management	5511	0602	(30,010)	(187,262)	(194,752)	(202,543)
<b>TOTAL</b>			<b>(30,010)</b>	<b>(187,262)</b>	<b>(194,752)</b>	<b>(202,543)</b>

### Expenditures by Categories

	Current Year 2007	1st Year 2008	2nd Year 2009	3rd Year 2010
Salaries & Benefits	0	0	0	0
Capital Outlay	0	0	0	0
Other	0	0	0	0
<b>TOTAL</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

**Assumptions:** The proposed legislation authorizes the County to grant an easement to the former Cedar Hills Addiction Treatment Facility (CHAT) located in Maple Valley to the YWCA for use as a 70-unit residential facility. The existing property will be redeveloped by the YWCA, with the assistance of King County Housing Authority, into a service enriched transitional housing facility for parents exiting the criminal justice system. Currently, the facility is being maintained by the Facilities Management Division (FMD). Upon execution of the proposed easement, the cost of maintenance and improvement will be transferred to the YWCA. The proposed easement will enable the YWCA to provide stable housing plus services for parents coming out of incarceration, will contribute to a reduction in recidivism, and is an important element in the County's response to the plan to end homelessness within ten years. King County will issue a contract with the YWCA and contribute \$4 million to the construction of the project and \$100,000 for administration after the easement and bill of sale are approved by council. Facilities Management is currently maintaining the buildings; once the YWCA takes ownership of the buildings, it will be responsible for the maintenance costs.



Metropolitan King County Council  
Capital Budget Committee

Agenda Item No.: 3 Date: September 5, 2007  
Proposed No.: 2006-B0178 Prepared By: Polly St. John

**STAFF REPORT**

**SUBJECT:** A BRIEFING on the status of the Passage Point CIP project, which is an initiative to convert the former Cedar Hills Addiction Treatment (CHAT) facility to a supportive housing facility with social services for single parents leaving the criminal justice system and reuniting with their children.

**SUMMARY:**  
The Passage Point Initiative is envisioned as a collaborative proposal between King County, the King County Housing Authority (KCHA) and the Young Women’s Christian Association (YWCA) to redevelop the former CHAT facility in Maple Valley. Under the proposal, the existing facilities would be redeveloped to create housing for single parent head of households (primarily women) exiting the criminal justice system and their children. In addition to housing, the project would provide intensive case management, mental health and chemical dependency counseling, support groups, employment services and on-the-job training, parenting classes and support, school liaison and children’s services for up to 100 children, domestic violence advocacy, legal assistance, wellness center and community activities.

Anticipated outcomes include reduced recidivism and cost savings, reduction in the number of children and youth in foster care, reduced incarceration and greater housing stability for women and their families.

**BACKGROUND**  
The Cedar Hills Addiction Treatment facility was originally a 202 bed residential treatment facility dedicated to serving chronic inebriates and long-term drug addicts. Due to low state funding rates and the increasing costs of operating and maintaining the facility, as well as state audit findings that the facility should be upgraded and that enhanced medical services should be provided, the facility was operating at a deficit for several years. By 2001 the Current Expense (CX) fund was subsidizing the program through a transfer of about \$1.4 million for human and public health services.



The 2002 adopted budget included a proviso requiring the Executive to complete an analysis of the options for CHAT and to make a recommendation regarding continued operations. In July 2002, the council adopted the Adult Justice Operational Master Plan (AJOMP) that recommended that the county close CHAT and the North Rehabilitation Facility (NRF). The AJOMP included proposals to re-allocate "savings" from the closure of the two facilities to provide alternatives to secure detention and treatment programs. The closure of these facilities allowed the reinvestment of \$3 million in "savings".

The CHAT was closed in 2002. The adopted 2003 budget reduced the MHCADS/Alcoholism and Substance Abuse budget \$3,317,599 and 46.00 FTEs for the operation of the facility. The Criminal Justice Initiatives began in 2003 using a portion of the CX savings from CHAT and NRF.

Since the CHAT was closed, the facility's buildings and infrastructure have not been occupied or utilized for other purposes. The parks department has maintained and operated a plant nursery and bark bagging operation on portions of the adjacent campus grounds. (These operations were in existence while CHAT was in operation and continue today.) The Facilities Management Division (FMD) has performed only minor maintenance to the closed facilities, as necessary. This maintenance includes perimeter security, basic weatherization, and upkeep of the campus buildings and infrastructure, including the provision of some heat in the buildings during the winter months to offset mold and other moisture damage.

### **PROJECT VISION:**

Passage Point is proposed as a collaborative effort of the county, KCHA and the YWCA to redevelop the former CHAT facility. The ten acre campus would include a large community center, a participant staffed store, children's program facilities, and outdoor recreational areas, as well as administrative, program and support space. Housing options will include a mix of 70 studio, one and two bedroom units. The parents entering the program will live in studio units during the period when they are working to reunite with their children and can move to a larger unit when their children arrive. The unit size they receive will depend upon the number of children that come to live with them.

It is envisioned that project development will be done in two phases:

- Phase I – the existing facilities will be remodeled to convert the current dormitory housing into 46 studio, one- and two-bedroom residences for women and their children. It is envisioned that the campus layout would be similar to previous use, but would be reconfigured for the supportive housing.
- Phase II – Construction of 24 additional units to provide for additional two and three bedroom units would occur on the site, as additional funding becomes available.

The majority of the clients will be exiting the criminal justice system. As many as 75% of women, for example, who have completed terms in the criminal justice system have children under the age of 18, most of whom are currently cared for by grandmothers or foster parents. When these mothers are ready to be reunited with their children, they often face barriers such as lack of training for jobs, affordable housing, ongoing counseling and support. It is anticipated that about 100 children will join their parent at Passage Point. The residents chosen for the program will be screened through professional counseling and assessment.

These reunited families would reside at Passage Point for approximately 24 months or as long as living in supportive housing with intensive social services is needed, and would be provided with intensive case management, mental health and chemical dependency counseling, support groups, employment services and on-the-job training, parenting classes and support, school liaison and children's services, domestic violence advocacy, legal assistance, wellness center and community activities. It is anticipated that a successful program will result in the following outcomes:

- Homelessness will decrease
- Fewer children will be placed into foster care
- Taxpayer supported criminal justice and health care costs will decline
- More families will move into permanent housing.

The program would include up to six months of follow-up with participants after moving from Passage Point into permanent housing.

#### **THE PARTNERS:**

In April 2005, the county, KCHA, and YWCA signed a Memorandum of Understanding (MOU) regarding the proposed redevelopment and operation of the CHAT facility. This document was revised in March 2007 and is now termed a Memorandum of Agreement. Per the MOA, the parties will coordinate activities and meet regularly regarding project progress. In addition, each of the three partners would be expected to explore specific areas of project development. They are as follows:

#### **King County – Department of Executive Services (DES)**

- Maintain existing building shells and roofs prior to beginning the project (including heating to mitigate moisture related problems, as well as grounds maintenance
- Provide security and site monitoring
- Investigate and coordinate efforts for special use permitting
- Draft and coordinate preparation of a long term lease
- Seek council approval of a lease agreement, and if approved, execute the agreement
- Research existing site related documents and making copies available

- Coordinate adjacent site operations before during and after construction phase

#### King County – Department of Community and Human Services (DCHS)

- Monitor development of the project
- Participate in public meetings
- Verify sustainability of operation and maintenance plans
- Execute contract for construction funds and monitor construction progress
- Ensure that capital funding is disbursed and is compliant with federal, state, and local laws
- Monitor contract compliance and financial performance over the term of the lease

#### King County – Department of Natural Resources and Parks (DNRP)

- Provide site data on the property
- Inform all parties of any public process related to the landfill
- Provide water supply and wastewater services to the campus on a fee-for-service basis
- Act as liaison between the department and the YWCA
- Work with YWCA and KCHA to establish site access and relationship
- Ensure that Solid Waste Division has ingress/egress permission to do environmental monitoring

#### KCHA

- Consult with YWCA regarding design of the project
- Provide predevelopment loans and potential bridge financing
- Provision of project based housing choice vouchers for up to 70 units
- Work with YWCA to determination of the role of KCHA in on-going maintenance and management of the facility
- Work with the YWCA to raise additional capital funding
- Work with the YWCA to identify suitable permanent housing for graduates of the program

#### YWCA

- Responsible for capital and operational funding for construction, operation, and services
- Negotiate site lease with DES
- Satisfy applicable environmental review and permitting requirements
- Develop supportive services plan and pro-forma for operational costs
- Lead public process with a pro-active community education program for neighborhood acceptance
- Maintain and manage the facility over the term of the lease
- Work with the KCHA to identify suitable permanent housing for those exiting the programs

## **FUNDING AND SITE DEVELOPMENT:**

The preliminary site redevelopment plan assumed that the county would retain ownership of the facility, provide \$4 million for capital costs related to site rehabilitation, and enter into a long term lease with the YWCA. As the project has developed some of those assumptions have changed. The county will still provide \$4 million in funding for capital costs. However, due to federal tax credit funding restrictions upon the YWCA, the county will mostly likely retain ownership of the property, but not the former CHAT buildings. It is now proposed that the YWCA and the county will enter into a long term nominal easement on the property and a purchase and sale agreement for the buildings. The YWCA still plans to staff and fund the maintenance and operations as originally envisioned and will also be the lead partner in assembling and insuring the financing for all support services. KCHA would provide Section 8 subsidy to the project for the residential units. In addition to the subsidy, tenants will pay rents.

The 2006 adopted budget included expenditure authority of \$4,100,000 in the Housing Opportunity Fund (HOF) for the Passage Point Initiative. The CIP project #322400 includes \$4 million in one-time capital funding for the county's portion of the initiative and \$100,000 for administrative costs for participation in the project.

Redevelopment of the CHAT site will be expensive. Although the county's \$4 million for capital investment funding is significant, the amount would not be sufficient to fully redevelop the site. The original estimate for full conversion was approximately \$8 to \$10 million. Currently, it is estimated that Phase I will cost \$13.3 million and Phase 2 could be another \$8 million due to the inflation in construction costs in the intervening time period and scope changes. Per the Executive, the KCHA has committed to work with the YWCA to raise additional capital funding, and the YWCA is exploring ongoing services funding for the program.

The county's \$4.1 million CIP project is proposed to be funded through long term debt financing. The proposed funding would obligate the county's Current Expense (CX) Fund to debt service payments for 10 years of approximately \$531,000 per year. It is estimated that the total cash outlay for the debt financing would total approximately \$5.3 million.

It should be noted that the CX fund has experienced a long-term structural deficit between revenues and expenditures. The proposed debt service could limit the county's ability to deal with other capital or on-going service needs. However, the CHAT facility has been a historic part of the county's capital improvement program and currently requires county investment to maintain, with no programmatic return. Redevelopment financing could prove to be a good policy option.

Additionally, redevelopment of the CHAT facility presents an opportunity to stabilize high cost, hard-to-house families, while providing the treatment and life skills training to residents. The Passage Point Initiative will support the regional goal of creating more housing and support services for homeless and at risk populations.

#### **NEXT STEPS/CRITICAL TIMELINE**

It is anticipated that the Executive will transmit legislation to approve an easement and purchase and sale agreement between the county and the YWCA this week. The legislation will require action by the committee and consideration by the council prior to the budget process to accommodate the expenditure restrictions on tax credit funding obtained by the YWCA. Staff has asked the YWCA and DCHS to investigate whether an extension of the deadline (discussed below) would be possible.

The YWCA has applied for and received federal tax credit funding in the amount of \$5 million. At least 10% of the project budget (\$1.2 million) must be spent on the project by December 31, 2007 or the funding could be forfeited. Without a finalized legal agreement for use of the property and sale of the buildings between the county and the YWCA, DCHS will not release funds, and the YWCA will not expend other funds for on-site work. The result is that the tax credit funding could be lost. The funding is intended to be used for renovation of the existing campus buildings, including replacement of the roofing.

The replacement roofing would be consistent with the Phase 1 plans for interior and exterior rehab of the county's existing buildings. Previously, plans noted that this rehabilitation could provide for new roofs, windows and doors, new siding, and other incidental work to weatherproof the buildings through another winter.

The YWCA, King County, and the KCHA have been meeting regularly to coordinate the project as laid out in the MOA. Representatives from DCHS and the YWCA are here today to inform the committee regarding the latest steps for the project.

#### **ATTACHMENTS**

1. Current Memorandum of Agreement

#### **INVITED**

- Jackie MacLean, Director, Community Services Division
- Linda Weedman, Young Women's Christian Association
- Linda Rasmussen, Young Women's Christian Association
- Bob Cowan, Director, Office of Management and Budget (OMB)
- John Amos, Budget Supervisor, OMB

**Memorandum of Agreement  
among  
King County Department of Community and Human Services,  
King County Department of Executive Services,  
King County Department of Natural Resources and Parks,  
  
and  
YWCA of Seattle-King County-Snohomish County  
  
Regarding Proposed Redevelopment and Operation of Passage Point  
as a Supportive Housing Facility**

KC DCHS	Maria Ramirez, Project Manager Housing Finance Section Housing and Community Development Program, Community Services Division	Telephone: 206 298-8889 Email: maria.ramirez@ Metrokc.gov
KC DCFM	Richard Ouellet, Project Manager, Real Estate Services Facilities Management Division	Telephone: 206 205-3335 Email: Richard.Ouellet@ Metrokc.gov
KC DNRP	Kevin Kiernan, Engineering Services Manager Solid Waste Division Department of Natural Resources and Park	Telephone: 298-4419 Email: Kevin.kiernan@metrokc.gov
YWCA	Linda Rasmussen, Regional Director for YWCA South King County, YWCA	Telephone: 425 226 1266, x 1018 Email: rasmuss@ywcaworks.org
KCHA	Debbie Thiele, Special Projects Manager	Telephone: 206 574 1355 Email: DebbieT@kcha.org
Effective dates:	Start Date: October 1, 2006 End Date: June 30, 2008	

THIS MEMORANDUM OF AGREEMENT is entered into by the King County Departments of Community and Human Services (DCHS), Natural Resources and Parks (DNRP), and Executive Services (DES) (the "County Departments"), the YWCA of Seattle-King County-Snohomish County (the "YWCA", a Washington nonprofit corporation), and the King County Housing Authority (the "KCHA", a municipal corporation). The provisions set forth in this agreement supersede those contained in the 2005 Memorandum of Understanding regarding the redevelopment of this property.

**PROJECT DESCRIPTION**

The YWCA proposes to enter into a long-term lease agreement to rehabilitate, construct, maintain and operate a supportive housing facility with supportive services with a preference for women (consistent with fair housing laws) coming out of institutions, many seeking to reunite with their children, on real property located at 15900 227th Avenue SE, Maple Valley, a property owned by King County, formerly known as the Cedar Hills Alcohol Treatment (CHAT) facility. In 2005 the King County Council allocated \$4,000,000 in County funds to this project. The supportive housing facility would be known as Passage Point. The goals of this project are to enable Passage Point tenants to move on to stable lives reunited with children, and reduce recidivism in the county jail and in-patient systems.

The YWCA is proposing to renovate the CHAT facilities and site, a 10-acre campus in rural Maple Valley, to provide a supportive housing site for individuals and their dependent children, many of whom will have experienced trauma, addictions, and/or mental health issues, and who are likely to benefit from treatment and housing in a fully-serviced supportive housing program.

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The project would be developed in two phases, the first being rehabilitation of the existing structures and the second being construction of two new buildings. In the first phase, the YWCA would rehabilitate the existing buildings on the campus converting dormitories into one- and two-bedroom apartments, creating approximately 46 housing units. Existing community spaces, maintenance, and management functions would be renovated and used to support the residents living in the Passage Point project. The community space would include a child-watch area, exercise room, meeting hall, classrooms, laundry facilities, and spaces to meet with case managers, clinicians and other providers. Space would be provided for small-scale commercial enterprises. The YWCA anticipates creating a small resident-operated convenience store, a coffee stand, and a wellness clinic, among other possibilities. An additional 24 units of housing would be constructed in the second phase of the project bringing the total number of units to 70.

The YWCA would provide a service and staffing plan that outlines a comprehensive case management program designed to result in participants of Passage Point achieving self-sufficiency and housing stability when they leave Passage Point. Intensive services would include, but are not limited to, employment and training opportunities; health-supporting education and preventative services for adults and children; mental health and drug and alcohol services; and re-entry advocacy. KCHA would provide access to its inventory of permanent housing for program participants upon graduation.

#### ANTICIPATED ROLES OF THE RESPECTIVE PARTNERS

The County Departments, YWCA and KCHA intend to undertake the development and operation of Passage Point in accordance with the respective roles outlined below. This MOU is not, however, intended to legally bind any of the parties to any of the undertakings listed below; nor does it commit any party to either proceed with this project or provide project funding, facilities, or services outlined below.

It is anticipated that King County DES will do the following prior to start of phase one of the project and construction:

- Maintain existing building shells and roofs prior to the beginning of development;
- Provide security and site monitoring;
- Provide grounds maintenance;
- Heat existing facilities as needed to prevent mold or other moisture-related problems;
- Draft and coordinate preparation of a long term lease agreement;
- Investigate and coordinate county efforts regarding special use permitting;
- Seek Council approval of lease agreement;
- Execute final lease agreement; and
- Coordinate with the PAO, Solid Waste and the County Parks Department regarding ongoing adjacent site operations before, during, and after construction phase.

It is anticipated that King County DCHS will do the following throughout the development phases and subsequent operation of the project:

- Monitor development activities of project;
- Participate in and attend public meetings;
- Verify sustainability of operation and maintenance plans;
- Execute contract for KC funds for construction;
- Monitor all phases of development to ensure capital funds are disbursed in a manner that fully complies with all applicable federal, state and local laws, statutes, rules, and regulations;
- Monitor construction progress; and
- Monitor contract compliance and financial performance of the facility over the term of the lease.

It is anticipated that King County DNRP will do the following throughout the development phases and subsequent operation of the project:

- To provide site data on the property;
- Inform all parties of any public process related to the landfill;
- Provide water supply and wastewater services to the campus on a fee-for-services basis;
- Act as liaison between the relevant Divisions of Parks and Recreation and Solid Waste and the YWCA;
- The Parks program currently operating on the property will work with YWCA and KCHA on establishing their relationship and site access; and
- Ensure that the Solid Waste Division has ingress/egress permission to all its environmental monitoring facilities within and around the campus. This permission will be necessary during facility development and operating stages.

It is anticipated that YWCA will do the following throughout the development phase and subsequent operation of the project:

- Raise and/or secure necessary capital and operations funding for construction, operations, and services at Passage Point;
- Develop sustainable supportive services plan;
- Develop pro forma for operational costs of managing and maintaining Passage Point;
- Negotiate site lease terms with DES;
- Develop and lead a pro-active community education program to develop neighborhood acceptance for Passage Point;
- Maintain and manage the facility over the term of the lease;
- Work with KCHA to identify suitable permanent housing for clients exiting the program; and
- Satisfy applicable environmental review and permitting requirements.

It is anticipated that the King County Housing Authority will do the following throughout the development and subsequent operation of the project:

- Consult with the YWCA regarding the design of the project;
- Provide predevelopment loans and/or potential bridge financing;
- Provide Project-Based Assistance for up to 70 units;
- Work with the YWCA to determine the role of KCHA in ongoing maintenance and management of the facility, if any;
- Work with the YWCA to raise additional capital funding; and
- Work with the YWCA to identify suitable permanent housing for graduates of the program.

All parties agree to identify a representative to participate in a Work Group to communicate on an on-going basis and convene as needed to achieve the goals set forth in this agreement. The YWCA and King County will distribute bi-weekly status reports to all representatives of the workgroup. This Work Group will in turn staff monthly meetings for the directors of each entity signing this Memorandum of Agreement during which each party will report on the status of funding of development and operations, lease negotiations and public inquiries, and other project developments. Monthly Meeting dates, locations, and times will be mutually agreed upon by representatives of the work group. DCHS will facilitate and host the first meeting.


All parties shall appoint a project liaison to coordinate activities and to meet regularly to maintain communication regarding progress on activities. All parties recognize that any in-house staff costs incurred during the development phase may be treated as in-kind contributions to the project.

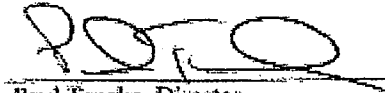
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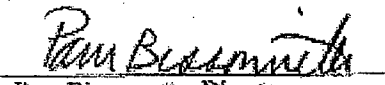



IN WITNESS HERETO, YOUNG WOMEN'S CHRISTIAN ASSOCIATION and the Departments of Community and Human Services, Natural Resources and Parks, and Executive Services, and the King County Housing Authority have executed this Agreement as of the dates written below:

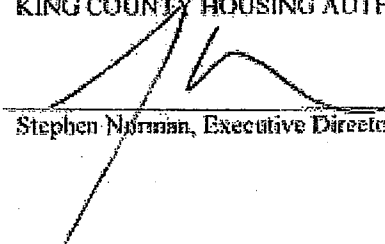
YOUNG WOMEN'S CHRISTIAN ASSOCIATION

  
\_\_\_\_\_  
Sue Sherbrooke, Executive Director  
KING COUNTY DEPARTMENT OF EXECUTIVE SERVICES  
Date 2/14/07

  
\_\_\_\_\_  
Paul Tanaka, Director  
KING COUNTY DEPARTMENT OF NATURAL RESOURCES AND PARKS  
Date 3-8-07

  
\_\_\_\_\_  
Pam Bissonnette, Director  
KING COUNTY DEPARTMENT OF COMMUNITY AND HUMAN SERVICES  
Date 2/29/07

  
\_\_\_\_\_  
Jackie MacLean, Director  
KING COUNTY HOUSING AUTHORITY  
Date 3/27/07

  
\_\_\_\_\_  
Stephen Norman, Executive Director  
Date 2/20/07

*Planning (3)*  
*J.*

RESOLUTION NO. **31542**

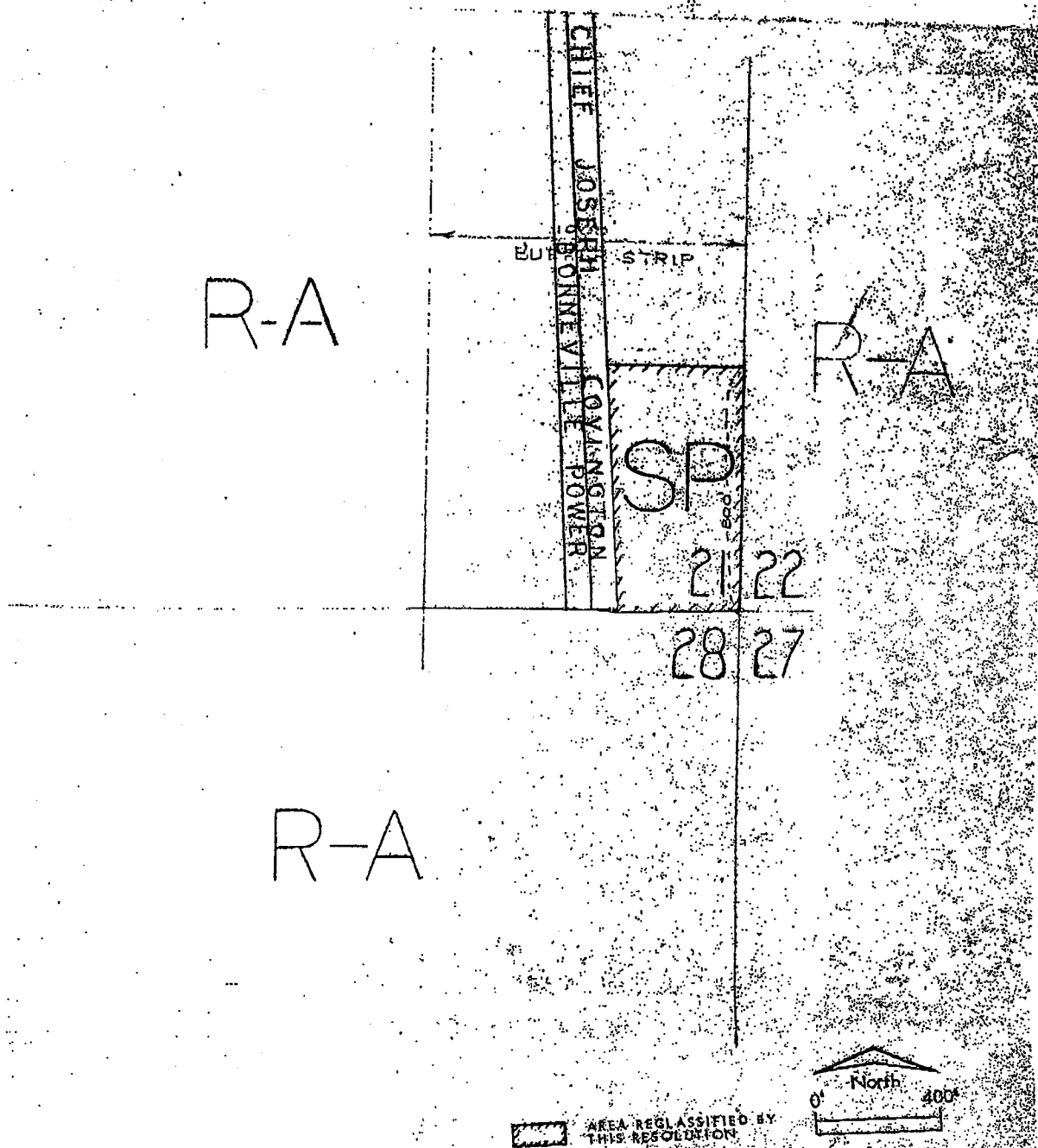
Planning Agency No. ZA 66-1

A RESOLUTION GRANTING A SPECIAL PERMIT AS PROVIDED FOR IN KING COUNTY DISTRICTING (ZONING) RESOLUTION NO. 18801 AS AMENDED. VOL **11** FRME **407**

WHEREAS KING COUNTY SHERIFF'S DEPARTMENT has petitioned King County, requesting a special permit to establish an alcoholic treatment center. on property described in said petition, and all legal requirements have been performed; and

WHEREAS the King County Planning Department has transmitted to the Board of County Commissioners, King County, Washington, a copy of the King County Planning Agency's findings and action recommending the granting of this special permit;

NOW, THEREFORE, BE IT RESOLVED that the Board of County Commissioners does hereby adopt the findings and recommendation of the Planning Agency as its own, and does hereby grant a SPECIAL PERMIT as shown hereon and legally described herein, which lies within SECTION 21 TOWNSHIP 23 RANGE 6E E.W.M., on Area Map W-37 a part of the District (Zoning) Map.



Attachment 7

VOL 11 FRME 408

Resolution No. 31542  
Planning Agency No. ZA 66-1

LEGAL DESCRIPTION:

Beginning at the southeast corner of section 21, township 23, range 6; thence north along the east line of said section 21, township 23, range 6 800 feet; thence at right angles 450'± to the east line of Chief Joseph Transmission line right-of-way; thence southerly along said east right-of-way line to the south line of said section; thence east to the point of beginning. Less county roads and portions deeded for roads.

PASSED this 28<sup>th</sup> day of February, 1966

BOARD OF KING COUNTY COMMISSIONERS  
STATE OF WASHINGTON

Scott Wallace  
Chairman

Ed Munro  
Commissioner

John T. O'Brien  
Commissioner

ATTEST: ROBERT A. MORRIS  
Clerk of the Board

Ralph A. Stender  
Deputy

DIVISION OF LAND USE MANAGEMENT  
Department of Community & Environmental Development  
W-217 King County Court House  
Seattle, Washington 98104  
344-4292

ZONING ADJUSTOR

Report and Decision

SUBJECT: File No.: 75-36-C  
Applicant: KING COUNTY  
Location: Lying on the east side of 228 Avenue Southeast  
and approximately 2400' north of Cedar Grove Road  
Southeast  
Request: A Conditional Use Permit to allow additions to an  
existing alcoholic treatment center.

DEPARTMENT REPORT: Application for a Conditional Use Permit was duly  
received and filed on June 25, 1975.

Public Notice of Public Hearing was mailed to  
property owners within a 300' radius of subject  
property by the Division of Land Use Management,  
Department of Community & Environmental  
Development on July 31, 1975.

Field inspection was made by the Land Use  
Management Staff on July 18, 1975, and  
colored slides of the site were taken.

A report was prepared by the Staff and dated  
August 21, 1975, incorporating therein data  
and information taken from the application for a  
Conditional Use Permit, as well as that observed  
by site inspection.

I. PUBLIC HEARING:

The public hearing on File No. 75-36-C was opened by the Zoning  
Adjustor at 9:58 a.m., August 21, 1975, in Room 402 - King County Court  
House.

FILE NO. 75-36-C  
AUGUST 21, 1975 - PUBLIC HEARING  
REPORT and DECISION

Correspondence received and entered into the file:

- EXHIBIT 3 Washington State Department of Fisheries, 7/22/75
- EXHIBIT 4 King County Department of Public Works, Division of Hydraulics, 7/22/75
- EXHIBIT 5 Issaquah School District No. 411, 7/23/75
- EXHIBIT 6 King County Division of Building, Housing and Zoning Section, 7/16/75
- EXHIBIT 7 King County Department of Public Works, Division of Traffic & Planning, 7/17/75
- EXHIBIT 8 Copy of Lease between State of Washington, Department of Natural Resources and King County, signed 5/31/68
- EXHIBIT 9 King County Department of Public Works, Division of Hydraulics, 8/1/75
- EXHIBIT 10 C. H. "Bill" Billington, 8/12/75

The following exhibits were entered by the staff:

- EXHIBIT B Plot Plan
- EXHIBIT C Assessor's Map
- EXHIBIT F Slides of subject property which were displayed by Staff.
- EXHIBIT G Staff Report
- EXHIBIT 1 Vicinity Map
- EXHIBIT 2 Declaration of No Significant Impact, signed by Gerald R. Schlatter, Manager, Architecture Division of King County

Speaking for the application:

1. Bjarni Olason, Architecture Division  
1221 Smith Tower, Seattle, WA 98104
2. Ronald J. Fagan  
4141 - 40th Southwest, Seattle, WA 98111

Speaking in opposition: None.

The Zoning Adjustor, having considered the testimony given at the public hearing, and reviewing all exhibits presented, took the matter under advisement.

The hearing on File No. 75-36-C was closed by the Zoning Adjustor at 10:16 a.m., August 21, 1975.

II. FINDINGS & CONCLUSIONS:

Having reviewed all exhibits entered into the record, considered all testimony presented at the public hearing, considered the Zoning Code requirements for a Conditional Use Permit, the Zoning Adjustor makes and enters the following:

FINDINGS:

1. This request is for a Conditional Use Permit to allow additions to an alcoholic treatment center at Cedar Hills. The original permit for this use was granted in February of 1966 by the Board of King County Commissioners.
2. Mr. Ron Fagan, former Director of the Treatment Center, testified as to the need for this expansion and the continuation of a very successful program which contemplated this type of expansion when it started in 1966. Treatment procedures and theories have changed somewhat over the years, and, therefore, there are some structures and uses in the plan now that are a little bit different than originally envisioned, but not substantially so.
3. The original permit granted for this use provided for a 100' wide buffer-screening area along the east side of the property. The original plans submitted with the application and available at the hearing indicated that now there were buildings proposed in this 100' buffer strip. Testimony by Mr. Olsson of the Architecture Division indicated that possibly the County owned an additional 60' in this area, and that that would be available as part of that buffer area. Since the hearing was closed, the Architecture

Division has submitted information which, in fact, indicates that the additional 60' does exist along the east boundary.

4. There were letters submitted by property owners to the east, indicating that in the past they had some trouble with people from the alcoholic treatment center crossing or using their property, and they were suggesting that possibly fencing should be provided along the east boundary line.
5. Eleven State and County agencies were contacted for recommendations on this request, and also to provide information that would assist the Division of Land Use Management in determining whether an Environmental Impact Statement would be required. An Environmental Assessment was made from the information submitted, the field trip and file information available to the Division of Land Use Management. The Division of Architecture had also made a Declaration of No Significant Impact.

DECLARATION OF NO SIGNIFICANT IMPACT:

Pursuant to the Environmental Policy Act of 1971, it is determined that approval of the subject Conditional Use Permit to allow proposed additions to an existing alcoholic treatment center would not constitute a major action significantly affecting the environment, therefore, an Environmental Impact Statement is not required. This determination is based upon the responses from reviewing agencies, site inspection, information submitted by the applicant and an evaluation of physical and social systems affected, as identified in Section 5, Ordinance No. 1700.

CONCLUSIONS:

1. This is an addition to a needed public facility. The demand for this type of facility has been increasing for social reasons, and,

also, due to changes in the law which requires treatment of alcoholics as a health problem, rather than a police problem.

2. The location and surrounding development are such that this addition will have no adverse effect on surrounding properties. That fact has already been demonstrated by the existence of the use at this site for some years.
3. The proposed expansion is consistent with the original plan that was contemplated as future development in the original application of 1966.

ACTION: The Conditional Use Permit is hereby granted, subject to the following conditions:

1. A revised site plan shall be submitted showing the additional 60' of property that was not shown originally along the east side of this development; also, revised building locations should be shown on that plan, if required.
2. All buildings proposed in this request and all future buildings shall observe the 100' setback from the east property line to provide a buffer and transition zone adjacent to the privately owned property in that area.
3. The proposed residential care unit may be rotated in the manner as shown on Exhibit B-1, which was submitted 8/26/75.
4. Future additions to this site should include fencing along the east boundary line, and, in the meantime, special precautions should be made to prevent trespassing on privately owned adjoining properties.



FILE NO. 75-36-C  
AUGUST 21, 1975 - PUBLIC HEARING  
REPORT and DECISION

ORDERED this 23rd day of September, 1975.

*Edward B. Sand*

EDWARD B. SAND  
ZONING ADJUSTOR

TRANSMITTED this 23rd day of September, 1975, to the following parties of record;

Bjarni Olason

Ronald J. Fagan

Richard Gemperle

Action of the Zoning Adjustor may be appealed in writing by any aggrieved party to the King County Board of Appeals. Appeals must be filed within 14 days from the date of this transmittal. Appeals to the Board of Appeals should be addressed to:

King County Board of Appeals

Room 509, King County Administration Building

Seattle, Washington 98104

BS:jf



**King County**  
**Department of Development**  
**and Environmental Services**  
900 Oakesdale Avenue Southwest  
Renton, WA 98057-5212  
206-296-6600 TTY 206-296-7217

COPY

August 7, 2007

Ms. Amy Kosterlitz  
GordonDerr  
2025 First Avenue, Suite 500  
Seattle, WA 98121-3140

RE: Zoning Clarification for the King County Passage Point Supportive Housing Project

Dear Ms. Kosterlitz:

This is in response to your letter of July 25, 2007, requesting clarification of the facility as an allowed nonconforming use and the need for a Conditional Use Permit (CUP).

As stated in our letter of July 17, 2007, the project is housing with social services. This use, while not a treatment facility, is allowed as the continuation of the Cedar Hills Treatment Facility (CHTF) legally established nonconforming use, which was not abandoned.

The YWCA may use the former CHTF facilities and site without the need for a CUP so long as the numbers of the residents certified for the CHTF are not increased and so long as the building square footage, impervious surface, parking or building height is not increased by more than 10% from the existing facility. If there is an increase in the number of residents, or a greater than 10% increase in the size of the facility as previously noted, then a CUP is required.

I hope this clarifies the issues raised. Please contact me if you have any questions. I may be reached at 206-296-7171 or [lisa.dinsmore@kingcounty.gov](mailto:lisa.dinsmore@kingcounty.gov).

Sincerely,

Lisa Dinsmore, Supervisor, Current Planning Section  
Land Use Services Division

CC: B07ZC011



**King County**

**Department of Development  
and Environmental Services**  
900 Oakesdale Avenue Southwest  
Renton, WA 98057-5212  
206-296-6600 TTY 206-296-7217  
www.kingcounty.gov

July 17, 2007

Ms. Amy Kosterlitz  
GordonDerr, Attorneys at Law  
2025 1<sup>st</sup> Avenue, Suite 500  
Seattle, WA 98121-3140

RE: Parcel 212306-9016 (YWCA Passage Pt. Transitional Housing Facility)  
File: B07ZC011

Dear Ms. Kosterlitz:

Thank you for your letter of July 2, 2007, requesting a zoning certification letter.

The above referenced parcel is currently zoned RA-10 (Rural Area; one dwelling unit per 10 acres). The subject site served as the location of the former Cedar Hills Treatment Facility (CHTF) that was established by a King County "Special Permit" in 1966, and a King County Conditional Use Permit (CUP) in 1975. As this legally established facility is no longer permitted by the range of uses in the sites current zoning of RA-10, the CHTF is considered a non-conforming use.

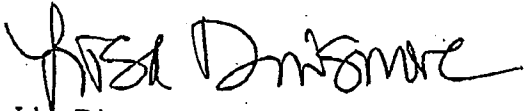
The CHTF was closed for budget reasons and is now proposed to be used for housing with social services in a facility known as "Passage Point". The Department recognizes the fact that the use of the facility for treatment was never meant to be abandoned. The Department acknowledges that the proposed Passage Point Treatment Facility is the continuation and not an expansion of the former CHTF's non-conforming use, provided that the number of people served by the new facility does not exceed the number of residents certified for the former CHTF. The new Passage Point Treatment Facility requires a Conditional Use Permit (CUP), which will include review of the CUP criteria (see KCC21A.44.040) and all other applicable development standards (i.e. traffic and roads, drainage, landscaping, parking, critical areas, building codes, etc.).

Page 2  
July 17, 2007  
Re: File B07ZC011

Prior to submittal of a CUP application, a pre-application meeting is required. This will be scheduled after your submittal of an application for the meeting. The forms are located at: [www.kingcounty.gov/ddes](http://www.kingcounty.gov/ddes).

Should you have any questions regarding this letter, please call me at (206) 296-7171.

Sincerely,

A handwritten signature in black ink, appearing to read "Lisa Dinsmore". The signature is written in a cursive, flowing style.

Lisa Dinsmore, Supervisor, Current Planning Section  
Land Use Services Division

CC: File

**Sinsky, Mike**

---

**From:** Warden, Stephanie  
**Sent:** Friday, April 22, 2005 6:04 PM  
**To:** MacLean, Jackie; 'terryp@kcha.org'  
**Cc:** Sinsky, Mike; Reitenbach, Paul  
**Subject:** FW: Cedar Hills Treatment Center

Jackie & Terry: Here is our analysis regarding the zoning issues for the proposed transitional facility at the former CHAT site. The bottom line is that we will treat it as a continuation of a nonconforming use and we will not consider it as an expansion of the nonconforming use provided that the number of women and children served by the new facility does not exceed the number of residents certified for the former CHAT facility. The new facility will need to go through the conditional use permit review process and meet the CUP criteria (See KCC 21A.44.040) and all other applicable development standards (i.e. traffic and roads, drainage, critical areas) and building codes. I will be on vacation through May 4th- if you have any questions in the meantime please contact Paul Reitenbach at 296-6705). The next step in the permitting process will be to set-up a preapplication conference once you are ready to proceed forward.

-----Original Message-----

**From:** Reitenbach, Paul  
**Sent:** Friday, April 22, 2005 2:02 PM  
**To:** Warden, Stephanie  
**Subject:** Cedar Hills Treatment Center



Nonconforming2.doc  
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**1. Is the closed Cedar Hills Treatment Facility a nonconforming use?**

Yes, the facility was established by a 1966 "Special Permit", a 1975 CUP that allowed an expansion, and a 1992 UUP that allowed a reservoir for fire flow purposes. As this legally established facility is no longer permitted by the range of uses in the sites current zone, the facility is a nonconforming use.

**2. Was the non-conforming use abandoned, resulting in forfeiture of nonconforming status?**

The facility was closed December 31, 2003 – 15 months ago. King County Code Chapter 21A.32.045 considers a nonconforming use forfeited if the nonconformance is discontinued for more than 12 months. However, further research indicates that in addition to discontinuing a use for 12 months, there is a second consideration when determining whether or not a nonconforming use has been abandoned.

The minutes of the November 8, 1991 DDES code interpretation meeting indicate that total cessation of activity does not, by itself, constitute discontinuance of an activity. These minutes reference "Cass Jochman's review of the 1986 Greg Montgomery case" and go on to state "the courts have concluded that abandonment of a nonconforming use can only be found where the facts establish both intent on the part of the user to abandon the nonconforming use and an overt act or failure to act, which implies abandonment".

Although the Cedar Hills Treatment Facility was closed 15 months ago based on budget considerations, King County did not intend to abandon the nonconforming use. Amnon Shoenfeld, a division director in the Department of Community and Human Services indicated in an April 22, 2005 telephone conversation that King County was engaged in discussions about future uses of this site at least 18 months ago. He stated King County did not intend to permanently abandon the nonconforming use of this site, and said he would provide documentation to this effect.

**3. Is the proposed facility for women reuniting with families after homelessness/treatment allowed in the RA zone?**

No. The proposed 70 – 150 bed transitional housing facility exceeds the limited size of 10 residents and staff for a community residential facility allowed in the Rural zone subject to a Conditional Use Permit.

**4. Is the proposal an expansion or continuation of an existing nonconforming use?**

The proposal is a continuation of a nonconforming use, based on consideration of the factors described above. While the nonconforming Cedar Hills Treatment Center was discontinued 15 months ago, there was no intent to permanently abandon the nonconforming use; therefore the nonconforming use may be continued. The Cedar Hills Treatment facility had a 208 bed capacity, which exceeds the capacity of the proposed transitional housing facility. While the proposed facility would result in a greater range of uses allowed on the site, it would not result in an intensification of use of the site.