

AGENDA

**DES MOINES CITY COUNCIL
REGULAR MEETING
City Council Chambers
21630 11th Avenue S, Des Moines, Washington
Thursday, February 8, 2024 - 6:00 PM**

City Council meeting can be viewed live on the City's website, Comcast Channel 21/321 or on the City's [YouTube](#) channel.

CALL TO ORDER

PLEDGE OF ALLEGIANCE

ROLL CALL

CORRESPONDENCE NOT PREVIOUSLY RECEIVED BY COUNCIL

COMMENTS FROM THE PUBLIC

COMMITTEE CHAIR REPORT

CITY MANAGER REPORT/PRESENTATIONS/BRIEFINGS

CONSENT AGENDA

Item 1. APPROVAL OF VOUCHERS

Motion is to approve the payment vouchers through January 25, 2024 and payroll transfers through January 19, 2024 in the attached list and further described as follows:

EFT Vendor Payments	#9561-9622	\$788,417.38
Wires	#2463-2478	\$536,409.13
Accounts Payable Checks	#165577-165622	\$400,159.97
Payroll Checks	#19778-19784	\$ 1,002.27
Direct Deposit	#8209-8370	\$475,489.78

Total Checks and Wires for A/P & Payroll: \$2,201,478.53

[Approval of Vouchers](#)

Item 2. APPROVAL OF MINUTES

Motion is to approve the minutes from the December 14, 2023 regular City Council Meeting.

[Approval of Minutes](#)

- Item 3. CITIZENS ADVISORY COMMITTEE APPOINTMENT (ANDREWS)
Motion is to confirm the Mayoral appointment of Victoria Andrews to a term on the Citizens Advisory Committee effective immediately and expiring on December 31, 2024.

[Citizens Advisory Committee Appointment \(Andrews\)](#)

- Item 4. SOUTH KING COUNTY HOUSING AND HOMELESSNESS PARTNERS (SKHHP) HOUSING CAPITAL FUND ALLOCATION APPROVAL
Motion is to enact Draft Resolution No. 24-009, authorizing the allocation of funds to finance affordable housing in South King County in accordance with the 2023 South King Housing and Homelessness Partners (SKHHP) Housing Capital Fund Recommendation.

[SKHHP Housing Capital Fund Allocation Approval](#)

- Item 5. PATROL VEHICLE PURCHASE
Motion is to approve the use of Police Department operating funds to purchase a 2023 Ford Explorer from South King Fire & Rescue and authorize the City Manager to execute the documents needed for the purchase.

[Patrol Vehicle Purchase](#)

NEW BUSINESS

- Item 1. NEW AGENDA ITEMS FOR CONSIDERATION – 10 Minutes

COUNCILMEMBER REPORTS

(4 minutes per Councilmember) - 30 minutes

PRESIDING OFFICER'S REPORT

EXECUTIVE SESSION

NEXT MEETING DATE

February 22, 2024 City Council Regular Meeting

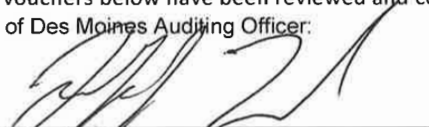
ADJOURNMENT

CITY OF DES MOINES
Voucher Certification Approval
February 8, 2024
Auditing Officer Certification

Voucher transfers audited and certified by the auditing officer as required by RCW 42.24.080, and those expense reimbursement claims certified as required by RCW 42.24.090, have been recorded on a listing, which has been made available to the City Council.

As of **February 8, 2024** the Des Moines City Council, by unanimous vote, does approve for payment those vouchers through January 25, 2024 and payroll transfers through January 19, 2024 included in the attached list and further described as follows:

The vouchers below have been reviewed and certified by individual departments and the City of Des Moines Auditing Officer:



 Jeff Friend, Finance Director

		# From	# To	Amounts
Claims Vouchers:				
EFT's		9561	9622	788,417.38
Wires		2463	2478	536,409.13
Accounts Payable Checks		165577	165622	400,159.97
Total Vouchers paid				1,724,986.48
Payroll Vouchers				
Payroll Checks		19778	19784	1,002.27
Direct Deposit	1/19/2024	8209	8370	475,489.78
Total Paychecks & Direct Deposits				476,492.05
Total checks and wires for A/P & Payroll				2,201,478.53

MINUTES

**DES MOINES CITY COUNCIL
REGULAR MEETING
City Council Chambers
21630 11th Avenue S, Des Moines, Washington
Thursday, December 14, 2023 - 6:00 PM**

CALL TO ORDER

Mayor Matt Mahoney called the meeting to order at 6:00 p.m.

PLEDGE OF ALLEGIANCE

The flag salute was led by Deputy Mayor Traci Buxton

SWEARING IN OF COUNCILMEMBER YOSHIKO GRACE MATSUI

- Mayor Matt Mahoney called Councilmember Yoshiko Grace Matsui to the podium to be sworn in by her wife Sile Grace Matsui.

ROLL CALL

Council Present:

Mayor Matt Mahoney; Deputy Mayor Traci Buxton; Councilmember Gene Achziger; Councilmember JC Harris; Councilmember Yoshiko Grace Matsui; Councilmember Jeremy Nutting; and Councilmember Mayor Harry Steinmetz

Staff Present:

Interim City Manager Tim George; Interim City Attorney Matt Hutchins; Assistant City Manager Adrienne Johnson-Newton; Finance Director Jeff Friend; Assistant Police Chief Patti Richards; Community Development Director Denise Lathrop; Planning & Development Services Manager Laura Techico; Public Works Director Andrew Merges; Civil Engineer II Tyler Beekley; Civil Engineer I Mike Kwispond; Assistant Harbormaster Katy Bevegni; Executive Administrative Analyst Rochelle Caton; Director of Emergency Management and Workplace Safety Shannon Kirchberg; IT Manager Dale Southwick; and Deputy City Clerk Sara Lee

CORRESPONDENCE NOT PREVIOUSLY RECEIVED BY COUNCIL

- There were no additional correspondence outside of the emails already received by Council.

COMMENTS FROM THE PUBLIC

- Barbara McMichael; Masonic Home, Environment
- Victoria Andrews; City Funds, Public Safety, Downtown Master Plan, Grant Incentives, Website, Soundproofing, Community Engagement, Masonic Home, Canopy
- Sheri Verburg; Marian Redevelopment, Safety/Crime
- Lloyd Lytle; SR3, Tree Canopy, Masonic Home

COMMITTEE CHAIR REPORT

SOUNDSIDE ALLIANCE

- Deputy Mayor Traci Buxton gave Council an update on Soundside Alliance.

CITY MANAGER REPORT/PRESENTATIONS/BRIEFINGS

- Interim City Manager Tim George gave Council an update on the Marina Steps Forum
- Assistant City Manager Adrienne Johnson-Newton gave Council an update on the City Manager Recruitment Process
- Interim City Manager Tim George gave Council an update on Flock Cameras

CONSENT AGENDA

Item 1: APPROVAL OF VOUCHERS

Motion is to approve the payment vouchers through November 30, 2023 and payroll transfers through December 06, 2023 in the attached list and further described as follows:

EFT Vendor Payments	#9179-9346	\$1,364,695.72
Wires	#2375-2410	\$4,045,587.17
Accounts Payable Checks	#165416-165487	\$286,920.05
Voided Checks	#164929	(\$1,325.00)
Voided EFT's	#9258, 9298, 9305	(\$18,568.82)
Payroll Checks	#19760-19764	\$3,194.72
Direct Deposit	#7363-7534	\$462,103.25
Payroll Checks	#19765-19766	\$2,775.54
Direct Deposit	#7535-7700	\$483,468.09
Payroll Checks	#7701-7870	\$555,907.42
Direct Deposit	#7871-7871	\$2,341.47

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Total Checks and Wires for A/P & Payroll: \$7,191,156.93

- Item 2: APPROVAL OF MINUTES
Motion is to approve the November 09, 2023 City Council Regular Meeting Minutes.
- Item 3: KING COUNTY COOPERATIVE WATERSHED MANAGEMENT GRANT AWARD – DES MOINES CREEK ESTUARY PROJECT
Motion is to accept the King County Cooperative Watershed Management Grant Award for the Des Moines Creek Estuary Project and authorize the City Manager to sign the Grant Agreement substantially in the form as submitted.
- Item 4: AHBL CONSULTANT SERVICES CONTRACT
Motion is to authorize the City Manager to sign the Consultant Services Contract between the City of Des Moines and AHBL, substantially in the form as attached.
- Item 5: 24TH AVE S IMPROVEMENTS PROJECT - PUGET SOUND ENERGY EASEMENT AMENDMENT
Motion is to approve the Puget Sound Energy Easement Amendment on Tax Parcel No. 0922049018, and further authorize the City Manager to sign said easement substantially in the form as submitted.
- Item 6: RIGHT OF WAY DEDICATION - DES MOINES THEATER
Motion is to authorize the City Manager to accept a Right-of-Way dedication from the Des Moines Theater, King County Tax Parcel No. 20066001100, which is located along the Marine View Drive property frontage.
- Item 7: REGIONAL COORDINATION FRAMEWORK FOR DISASTERS AND PLANNED EVENTS
Motion is to approve the agreement for the Regional Coordination Framework for Disaster and Planned Events for Public and Private Organizations and to authorize the City Manager to sign the agreement in substantially in the form submitted.
- Item 8: 2024-2025 RECYCLING PROGRAM PROFESSIONAL SERVICES CONTRACT
Motion is to approve the Professional Services Contract for the 2024-2025 Recycling Program between the City of Des Moines and Olympic Environmental Resources and to authorize the City Manager to sign substantially in the form at submitted.
- Item 9: DEPARTMENT OF ECOLOGY 2023-2025 WATER QUALITY STORMWATER CAPACITY GRANT AWARD
Motion is to accept the State of Washington Department of Ecology 2023-2025 Water Quality Stormwater Capacity Grant Agreement

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between the State of Washington Department of Ecology and the City of Des Moines, and authorize the City Manager to sign the Grant Agreement substantially in the form as submitted.

Item 10: COMMERCE MIDDLE HOUSING GRANT AGREEMENT
Motion 1 is to authorize the City Manager to sign the Middle Housing Grant Agreement (Contact No. 24-63326-113) between the City of Des Moines and the Washington State Department of Commerce, substantially in the form as attached.

Motion 2 is to authorize the City Manager to sign the Consultant Services Contract between the City of Des Moines and AHBL, substantially in the form as attached.

Direction/Action

Motion made by Councilmember Jeremy Nutting to approve the Consent Agenda; seconded by Deputy Mayor Traci Buxton.

Councilmember JC Harris pulled Consent Agenda Item #4

Councilmember JC Harris pulled Consent Agenda Item #10

The remainder of the Consent Agenda passed 7-0

Council discussed Consent Agenda Item #4

Motion made by Councilmember Jeremy Nutting to approve the Consent Agenda Item #4 as presented; seconded by Deputy Mayor Traci Buxton.

Motion passed 6-1.

For: Mayor Matt Mahoney, Deputy Mayor Traci Buxton, Councilmember Gene Achziger, Councilmember Harry Steinmetz, Councilmember Jeremy Nutting, Councilmember Yoshiko Grace Matsui.

Against: Councilmember JC Harris

Council discussed Consent Agenda Item #10

Motion made by Councilmember Jeremy Nutting to approve the Consent Agenda Item #10, Motion 1 as presented; seconded by Councilmember Harry Steinmetz.

Motion passed 7-0.

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Motion made by Councilmember Jeremy Nutting to approve the Consent Agenda Item #10, Motion 2 as presented; seconded by Councilmember Harry Steinmetz.
Motion passed 6-1.

For: Mayor Matt Mahoney, Deputy Mayor Traci Buxton, Councilmember Gene Achziger, Councilmember Harry Steinmetz, Councilmember Jeremy Nutting, Councilmember Yoshiko Grace Matsui.

Against: Councilmember JC Harris

UNFINISHED BUSINESS

RECONSIDERATION OF ORDINANCE NO. 1782 AND 1783

Council discussed the Reconsideration of Ordinance No. 1782 and 1783.

Direction/Action

Motion made by Councilmember Harry Steinmetz to approve Draft Ordinance No. 23-082, repealing Ordinance No. 1782; seconded by Councilmember Yoshiko Grace Matsui.
Motion passed 7-0.

Motion made by Councilmember Harry Steinmetz to approve Draft Ordinance No. 23-083, repealing Ordinance No. 1783; seconded by Councilmember Yoshiko Grace Matsui.
Motion passed 7-0.

NEW BUSINESS

Item 1: CECIL POWELL NEIGHBORHOOD PARK IMPROVEMENTS –
PUBLIC WORKS CONSTRUCTION CONTRACT AWARD
Staff Presentation by Director of Community Events and Services Nicole Nordholm

- Public Works Director Andrew Merges gave Council a PowerPoint Presentation update on the Cecil Powell Neighborhood Park Contract Award.

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Direction/Action

Motion made by Deputy Mayor Traci Buxton to approve the Public Works Contract with McCann Construction Enterprises, Inc. (Contractor), for the Cecil Powell Neighborhood Park Improvements project, in the amount of \$163,113.15, authorize a project construction contingency in the amount of \$22,000.00, and further authorize the City Manager to sign said Contract substantially in the form as submitted; seconded by Councilmember Jeremy Nutting.
Motion passed 7-0.

Item 2: 2023 BUDGET AMENDMENTS
Staff Presentation by Finance Director Jeff Friend

Director Jeff Friend gave Council a PowerPoint Presentation on the 2023 Budget Amendments.

Direction/Action

Motion made by Councilmember Jeremy Nutting to enact Draft Ordinance No. 23-081 relating to municipal finance, amending the 2023 Annual Budget adopted in Ordinance No. 1764; seconded by Councilmember Harry Steinmetz.
Motion passed 7-0.

Item 3: NEW AGENDA ITEMS FOR CONSIDERATION – 10 Minutes

- Councilmember JC Harris asked to invite the Land Stewardship Program manager here to present to the Council.
Council Supported.

COUNCILMEMBER REPORTS

(4 minutes per Councilmember) - 30 minutes

COUNCILMEMBER YOSHIKO GRACE MATSUI

- Thanked Interim City Manager Tim George
- Association of Washington Cities Elected Officials Essentials Workshop

COUNCILMEMBER JC HARRIS

- Meeting with Interim City Manager
- StART Meeting - SeaTac Airport Round Table
- Port of Seattle Mitigation Bank

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COUNCILMEMBER HARRY STEINMETZ

- Sound Cities Association
- PIC - Public Issues Committee
- Climate Change Fund
 - Councilmember Harry Steinmetz asked Council to support a Letter to Sound Cities Association and Public Interest Committee regarding the Climate Change Fund
Council Supported

COUNCILMEMBER GENE ACHZIGER

- No Report

COUNCILMEMBER JEREMY NUTTING

- Des Moines Arts Commission Meeting - Squid-A-Rama
- Thanked Constituents for Re-Election

DEPUTY MAYOR TRACI BUXTON

- Attended Legislative Discussions
- Des Moines Police Foundation - Shop With a Cop
- Climate Crisis

PRESIDING OFFICER'S REPORT

- Year End Statement

EXECUTIVE SESSION

NEXT MEETING DATE

January 04, 2024 City Council Regular Meeting

ADJOURNMENT

Direction/Action

**Motion made by Councilmember Jeremy Nutting to adjourn;
seconded by Councilmember Harry Steinmetz.
Motion passed 7-0.**

The meeting adjourned by 7:22 p.m.

AGENDA ITEM

BUSINESS OF THE CITY COUNCIL
City of Des Moines, WA

SUBJECT: Citizens Advisory Committee
Appointment (Andrews)

FOR AGENDA OF: February 08, 2024

DEPT. OF ORIGIN: Council

ATTACHMENTS:
1. Application

DATE SUBMITTED: January 29, 2024

CLEARANCES:

- City Clerk *JK*
- Community Development _____
- Courts _____
- Emergency Management _____
- Finance _____
- Human Resources _____
- Legal */s/ MH*
- Marina _____
- Police _____
- Parks, Recreation & Senior Services _____
- Public Works _____

APPROVED BY CITY MANAGER

FOR SUBMITTAL: *[Signature]*

Purpose and Recommendation

The purpose of this agenda item is to recommend to Council approval of the Mayoral appointment to the Citizens Advisory Committee.

Suggested Motion

Motion: "I move to confirm the Mayoral appointment of Victoria Andrews to a term on the Citizens Advisory Committee effective immediately and expiring on December 31, 2024."

Background

The City Council adopted Ordinance No. 1648, establishing the Citizens Advisory Committee on April 28, 2016. Appointments were made at that time and individuals served either a one year, or two year term. All terms expired on December 31, 2018. After that time the Committee was inactive due to lack of interest.

In early 2023 Mayor Mahoney recommended to Council to re-establish the Citizens Advisory Committee due to increased public support. There are currently a number of vacancies due to terms expiring on December 31, 2023.

The Des Moines City Council created the Citizens Advisory Committee to allow citizens, neighborhoods and businesses to engage as broadly as possible in the discussion and resolution of issues and concerns that directly affect them. The City Council feels that the Citizens Advisory Committee will improve communication with and participate in local government on the part of residents, neighborhoods, businesses and property owners in the City of Des Moines and create a more robust discussion of issues and matters facing the City, ultimately resulting in better decision and solutions to problems.

Discussion

This agenda seeks confirmation of the Mayoral appointment to the Citizens Advisory Committee to become effective immediately.

Alternatives

Decline to confirm Ms. Andrews.

Financial Impact

No financial impact.



Employment Application | Submitted: 06-Mar-2023

AAA

Victoria Andrews

☎ (206) 824-3966
 ✉ vlandrews11@msn.com
 🏠 528 S 223RD ST APT 111
 Des Moines, WA 98198-4622
 United States

Des Moines Citizens Advisory Committee

Job Location - Des Moines, WA
Department - Administration
Source - Other

Resume

You may provide us with your resume here. This is optional but we encourage any additional information that will help in the Committee's review. You may either copy and paste a resume in the space provided or upload a file.

Click on the link to open the resume file if you wish to print the formatted resume.

File Name

Link

Resume_V. Andrews.pdf

🔍 Preview

Download

Text Only Resume

No Text Only Resume on File

Admin Uploaded Files

There are no admin uploaded files for this applicant.

Job Questions

Citizens Advisory Committee | Score Total - 0

Question	Answer	Score	Disqualifier?
Are you over 18? *	Yes	0	
Are you a Des Moines Resident? *	Yes	0	
If no, please list the City in which you currently live.	This question was not answered.		

Date available for appointment to committee: *	At any time.	
Can you attend evening meetings? *	Yes	0
Can you attend daytime meetings? *	Yes	0
Can you attend weekend meetings? *	Yes	0
Serving on a committee requires a time commitment. Approximately how many hours each month can you devote to the City Board? *	4	
Have you previously served or are you currently on one of the City of Des Moines committees? *	No	0
If yes, please list the committee(s) below: *	None .	
Please list any related professional and or community activities that you are involved in. *	Des Moines storm drain marker volunteer. As soon as the city's library will allow volunteers again I will continue volunteering there. Also volunteer at St. Anne's Foundation for fundraising and other programs. Have served on numerous boards and ran non-profits in my professional life. Oh, and I pick up litter on our streets every day!	
Why do you wish to serve in this capacity and what can you contribute? *	My MS is in public communications and I am a strong communicator, both in writing and in person. I have lived in Des Moines since 2004 and care very much about this community. I am willing to devote time and effort to achieve mutual goals.	
Would you consider being an alternate? *	Yes	0
How do you communicate with your neighbors? *	I served on my HOA's board for 9 1/2 years as secretary and still participate in monthly meetings. On my walks I speak to everyone I meet and now know a lot of names of the "regulars."	
What current issues are you most interested in? *	Preserving and maintaining the shoreline open space, improving communications both	

within and without the administration,
council and residents.

Please select from the list below
which neighborhood you live in. *

Marina District

0

Signature

Date

AGENDA ITEM

BUSINESS OF THE CITY COUNCIL
City of Des Moines, WA

SUBJECT: SKHHP Housing Capital
Fund Allocation Approval

FOR AGENDA OF: February 8, 2024

DEPT. OF ORIGIN: Community Services

ATTACHMENTS:

DATE SUBMITTED: January 25, 2024

- 1. SKHHP Draft Resolution No. 24-009 for approval
- 2. Attachment A – Housing Capital Fund guidelines and memo from SKHHP Executive Board

CLEARANCES:

- City Clerk _____
- Community Development DEL
- Courts _____
- Emergency Management _____
- Finance [Signature]
- Human Resources _____
- Legal /s/MH
- Marina _____
- Police _____
- Parks, Recreation & Senior Services [Signature]
- Public Works _____

APPROVED BY CITY MANAGER
FOR SUBMITTAL: [Signature]

Purpose

Consistent with the SKHHP ILA, each legislative body is required to approve the allocation of funds they have contributed to SKHHP’s Housing Capital Fund to a particular project. Therefore, this approval is being brought to the Des Moines City Council for review and authorization.

Suggested Motion

Motion 1: “I move to enact Draft Resolution No. 24-009, authorizing the allocation of funds to finance affordable housing in South King County in accordance with the 2023 South King Housing and Homelessness Partners (SKHHP) Housing Capital Fund Recommendation

Background

SKHHP was established in 2019 through an interlocal agreement (Establishing ILA) to address the affordable housing challenges facing the subregion as a coordinated, unified, and collaborative coalition. SKHHP currently has 11 member jurisdictions including the cities of Auburn, Burien, Covington, Des Moines, Federal Way, Kent, Maple Valley, Normandy Park, Renton, and Tukwila, plus King County.

In 2019, RCW 82.14.540 (SHB 1406) became law allowing jurisdictions to enact a local sales and use tax for the purpose of supporting affordable housing. In 2021, eight of the nine SKHHP member cities entered into a second interlocal agreement for purposes of pooling sales tax receipts authorized by RCW 82.14.540 with SKHHP to create the Housing Capital Fund (Pooling ILA – SHB 1406). In 2022, SKHHP awarded two projects in South King County almost \$1.4 million during the first annual funding round.

In 2023, two of the four SKHHP member cities who are able to collect RCW 82.14.530 (HB 1590) revenues desired to pool a portion of those funds with SKHHP for the 2023 funding round of the Housing Capital Fund to add to existing SHB 1406 pooled revenue and entered into an additional interlocal agreement (Pooling ILA – HB 1590).

The Establishing ILA and Pooling ILAs established the SKHHP Housing Capital Fund, set parameters for the process for the selection of awards involving pooled funds, and determined the approval process. Pursuant to the ILAs, the SKHHP Executive Board recommends allocations for funding affordable housing projects to the participating City Councils. Even though the Council has already contributed funds to the 2023 Housing Capital Fund funding round, Council approval is needed to authorize the allocation of funds to specific projects.

Discussion

The SKHHP Executive Board adopts annual funding guidelines and priorities for each funding round. The SKHHP Advisory Board subsequently reviewed applications and provided a funding recommendation based on adopted priorities to the SKHHP Executive Board. The SKHHP Executive Board concurred with the majority of the SKHHP Advisory Board's recommendation and recommends funding four projects totaling \$5,747,306 as described in the 2023 SKHHP Housing Capital Fund Recommendation memo dated January 17, 2024 (attached).

The SKHHP Executive Board requests approval to use \$30,261 of the total \$34,301 contributed funds from 2023 from the City of Des Moines for the following recommended projects:

Project Sponsor and Project Name	Location	# of Units	Total Development Cost	Total SKHHP Contribution	Total City Contribution
Mercy Housing NW – Kent Multicultural Village	Kent	199	\$134,323,456	\$1,000,000	\$0
LIHI – Skyway Affordable Housing and Early Learning Center	Skyway	55	\$36,295,892	\$2,800,000	\$0
TWG – Pandion at Star Lake	Kent	168	\$87,149,708	\$1,170,000	\$0
Multi-Service Center – Victorian Place II	Des Moines	20	\$785,125	\$777,306	\$34,301

Alternatives

The Council may:

1. Pass the proposed Draft Resolution as presented.
2. Pass the proposed Draft Resolution with amendments.
3. Decline to pass the proposed Draft Resolution.

Financial Impact

No additional impact. As outlined in the attached memo, sales and use tax receipts from your jurisdiction have already been contributed to SKHHP’s 2023 Housing Capital Fund, and with this Council approval of \$34,301 those funds may be allocated to the projects recommended by the SKHHP Executive Board. Detailed descriptions of the projects, funding requests, rationale, and recommended conditions of funding for projects by the SKHHP Executive Board are included in the attached memo

Recommendation

Staff recommends approval of the proposed Draft Resolution 24-009 as presented, to authorize the allocation of \$34,301 from the City of Des Moines’s contribution to the SKHHP Housing Capital Fund to finance affordable housing in South King County communities in concurrence with the SKHHP Executive Board’s recommendation.

If not approved, SKHHP will not have Des Moines’s funds to contribute to the regional efforts to advance affordable housing projects that meet urgent local needs and priorities.

CITY ATTORNEY'S FIRST DRAFT 01/31/2024

DRAFT RESOLUTION NO. 24-009

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF DES MOINES, WASHINGTON, authorizing the duly-appointed administering agency for South King Housing and Homelessness Partners to execute all documents necessary to enter into agreements for the funding of affordable housing projects, as recommended by the SKHHP Executive Board, utilizing funds contributed by the City to the SKHHP Housing Capital Fund.

WHEREAS, on March 28, 2019, the City of Des Moines enacted an interlocal agreement to form South King Housing and Homelessness Partners (SKHHP) to help coordinate the efforts of South King County cities to provide affordable housing, and

WHEREAS, on March 4, 2021 the City of Des Moines enacted an interlocal agreement for the purposes of pooling sales tax receipts with SKHHP to administer funds through the SKHHP Housing Capital Fund, and

WHEREAS, the SKHHP Executive Board has recommended that the City of Des Moines participate in the funding of certain affordable housing projects and programs hereinafter described, and

WHEREAS, the SKHHP Executive Board has developed a number of recommended conditions to ensure that the City's affordable housing funds are used for their intended purpose and that projects maintain their affordability over time, and

WHEREAS, pursuant to the SKHHP formation Interlocal Agreement each legislative body participating in funding a project or program through SKHHP's Housing Capital Fund must authorize the application of a specific amount of the City funds contributed to the SKHHP Housing Capital Fund to a specific project or program, and

WHEREAS, the City Council desires to use \$30,261.00 from funds contributed to the SKHHP Housing Capital Fund as designated below to finance the projects recommended by the SKHHP Executive Board; now therefore

THE CITY COUNCIL OF THE CITY OF DES MOINES RESOLVES AS FOLLOWS:

Sec. 1. Pursuant to the Interlocal Agreement, the City Council authorizes the duly-appointed administering agency of

Draft No. 22-012
Page 2 of 2

SKHHP to execute all documents and take all necessary actions to enter into agreements on behalf of the City to fund the rehabilitation of the Multi-Service Center's Victorian Place II and to use \$30,261.00 from the City's SHB 1406 contribution.

Sec. 2. The agreements entered into pursuant to Section 1 of this resolution shall include terms and conditions to ensure that the City's funds are used for their intended purpose and that the projects maintain affordability over time. In determining what conditions should be included in the agreements, the duly-appointed administering agency of SKHHP shall be guided by the recommendations set forth in the SKHHP Executive Board's memorandum dated January 17, 2024, a copy of which is attached as Exhibit A.

Sec. 3. This Resolution will take effect and be in full force on passage and signatures.

ADOPTED BY the City Council of the City of Des Moines this _____ day of _____, 2024 and signed in authentication thereof this _____ day of _____, 2023.

M A Y O R

APPROVED AS TO FORM:

City Attorney

ATTEST:

City Clerk



South King Housing and Homelessness Partners

Memorandum

TO: City of Auburn City Council
 City of Burien City Council
 City of Covington City Council
 City of Des Moines City Council
 City of Federal Way City Council

City of Kent City Council
 City of Normandy Park City Council
 City of Renton City Council
 City of Tukwila City Council

FROM: SKHHP Executive Board

DATE: January 17, 2024

RE: 2023 SKHHP Housing Capital Fund Recommendation

OVERVIEW

The 2023 SKHHP Housing Capital Fund was the second funding round made possible by pooling resources among SKHHP member jurisdictions. 2023 was the first year members pooled funds sourced from HB 1590, which led to quadrupling the amount of funding available over the previous year totaling \$5,899,297. SKHHP received six applications for funding representing over \$8.6 million in requests to develop or preserve 493 units of housing. The SKHHP Executive Board concurred with the majority of the SKHHP Advisory Board's recommendation and recommends funding four projects totaling \$5,747,306 (see Table 1). Of this total, the Executive Board recommends using \$777,306 of the total \$928,812 sourced from SHB 1406 revenue contributions for one preservation project; and \$4,970,000 sourced from HB 1590 revenue contributions for three new construction projects. This recommendation leaves a balance of \$151,506 in SHB 1406 funds and \$485 in HB 1590 funds in the Housing Capital Fund that will rollover into the next funding round in 2024 (see Tables 2 and 3). A summary of the recommended projects, funding rationale, and the conditions for funding are described in this memo. Included as an attachment are the economic summaries of the recommended projects.

Table 1: Recommended Projects and Recommended Funding Level

Project Sponsor	Location	# of Units	Project type	Amount requested	Recommended Funding – HB 1590	Recommended Funding – SHB 1406
Mercy Housing NW	Kent	199	New Construction Rental	\$1,000,000	\$1,000,000	--
LIHI	Skyway	55	New Construction Rental	\$2,800,000	\$2,800,000	--
TWG	Kent	168	New Construction Rental	\$2,856,000	\$1,170,000	--
Multi-Service Center	Des Moines	20	Preservation Rental	\$500,000	--	\$777,306
TOTAL	--	442	--	--	\$4,970,000	\$777,306

Table 2: Proposed HB 1590 Allocations by Jurisdiction for Recommended Projects

Jurisdiction	1. Mercy Housing-KMV	2. LIHI-Skyway	3. TWG-Pandion	Total Contributed in 2023	Unallocated
Covington	\$ 88,126	\$ 246,752	\$ 103,107	\$ 438,028	\$ 43
Kent	\$ 911,874	\$ 2,553,248	\$ 1,066,893	\$ 4,532,457	\$ 442
Total	\$ 1,000,000	\$ 2,800,000	\$ 1,170,000	\$ 4,970,485	\$ 485

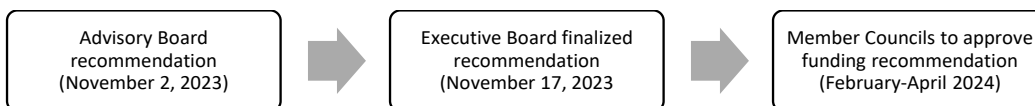
Table 3: Proposed SHB 1406 Allocations by Jurisdiction for Recommended Projects

Jurisdiction	4. MSC-Victorian Place II	Total Contributed in 2023	Carry-Over from 2022	Unallocated
Auburn	\$ 137,595	\$ 152,865	\$ 11,548	\$ 26,819
Burien	\$ 63,128	\$ 69,897	\$ 5,535	\$ 12,304
Des Moines	\$ 30,261	\$ 34,301	\$ 1,858	\$ 5,898
Federal Way	\$ 119,468	\$ 133,558	\$ 9,196	\$ 23,286
Kent	\$ 188,422	\$ 212,655	\$ 12,493	\$ 36,726
Normandy Park	\$ 5,942	\$ 6,992	\$ 108	\$ 1,158
Renton	\$ 217,088	\$ 246,643	\$ 12,758	\$ 42,313
Tukwila	\$ 15,402	\$ 17,233	\$ 1,171	\$ 3,002
Total	\$ 777,306	\$ 874,145	\$ 54,667	\$ 151,506

BACKGROUND

The SKHHP Advisory Board met on October 5, 2023 and November 2, 2023 to review project applications and develop a funding recommendation for the SKHHP Executive Board’s consideration. The SKHHP Executive Board met on October 20, 2023 and November 17, 2023 to review each project and consider the recommendations of the Advisory Board. The Advisory Board adopted its recommendation on November 2, 2023 and the Executive Board took final action on November 17, 2023.

PROCESS



ATTACHMENTS

1. Economic summaries for recommended projects

1. Mercy Housing NW - Kent Multicultural Village

Funding request: \$1,000,000

Executive Board recommendation: \$1,000,000 (forgivable loan)

Address: 23446 Pacific Highway South, Kent, WA 98032

PROJECT SUMMARY

Kent Multicultural Village is a 199-unit multifamily rental project in Kent adjacent to the future Kent Des Moines Link light rail station. The light rail station is scheduled to open in 2026. The project will support households earning 30% area median income (AMI) to 80% AMI with a 20% set-aside (39 units) for households with an intellectual and/or developmental disability (I/DD). The I/DD units will benefit from on-site supportive services. A 30% set-aside (61 units) will be for families with children. The project includes studios, 1-bedrooms, 2-bedrooms, and three-bedroom units. The site is comprised of eight stories and will include a community center, a family resource center, and a licensed early learning facility with six classrooms to accommodate 96 infants and children with a focus on serving children with I/DD. The project was awarded the RFP by Sound Transit to be located on surplus land, but the terms of development are forthcoming, and the final project may be slightly different than described. 39 units are eligible for SKHHP funds sourced from HB 1590 revenue.

The project is a partnership between Mercy Housing NW and Open Doors for Multicultural Families, who will provide support to the I/DD households and will relocate their headquarters to the property. Open Doors for Multicultural Families will also operate the Community Center which will include space for recreational activities and community-focused programming. Open Doors for Multicultural Families is a non-profit organization dedicated to meeting the needs of persons of color living with I/DD, especially immigrants and refugees.

PROJECT SCHEDULE

Activity	Date
Site Control	2024 – to be coordinated in Sound Transit negotiations
Building Permits Issued	4/2025
Begin Construction	6/2025
Begin Lease Up	2/2027
Certificate of Occupancy Issued	6/2027
First LIHTC Year Start	6/2027
100% Lease Up	2/2028

FUNDING RATIONALE

The Executive Board supports the intent of this application for the following reasons:

- The project has a 20% set-aside for households with an I/DD.
- The project serves a diverse range of incomes from 30% AMI to 80% AMI.
- The project proposal is thorough, well planned, and has funding commitments already established.

- The project is located adjacent to the future Kent Des Moines Link light rail station and has convenient access to transit, schools, medical clinics, grocery stores, and services.
- The project strongly aligns with SKHHP Housing Capital Fund adopted priorities including: being a transit-oriented development (TOD) project, collaboration with local community-based organizations, addressing the needs of populations most disproportionately impacted by housing costs, advancing economic opportunity due to its proximity to the future Link light rail station and other amenities, advancing geographic equity of the Housing Capital Fund, and the leverage of private and public investment.
- Mercy Housing NW is a well-established nonprofit developer in the region.
- A third-party construction report found the proposed budget to be appropriate.

PROPOSED CONDITIONS

Standard Conditions

1. Contractor shall provide SKHHP with development and operating budgets based upon actual funding commitments for approval by SKHHP staff. Contractor must notify SKHHP staff immediately if it is unable to adhere to these budgets, and must submit new budget(s) to SKHHP staff for approval. SKHHP staff shall not unreasonably withhold its approval of these budget(s), so long as they do not materially or adversely change the Project. This shall be a continuing obligation of the Contractor. Contractor's failure to adhere to budgets (either original or new/amended) may result in SKHHP's withdrawal of its funding commitment. Contractor must prepare and submit final budgets to SKHHP at the time it starts project construction and at the project's completion.
2. Contractor shall submit to SKHHP evidence of funding commitments from all proposed public and private funding sources. If Contractor cannot secure an identified commitment within an application's time frame, Contractor shall immediately notify SKHHP staff and describe its anticipated actions and time frame for securing alternative funding.
3. Contractor shall use SKHHP provided funds toward specific project costs as included in the funding agreement and consistent with RCW 82.14.530. Contractor may not use SKHHP funds for any other purpose unless SKHHP staff authorizes such alternate use in writing. If budget line items with unexpended balances exist after completion of the project, SKHHP and other public funders shall approve adjustments to the project capital sources (including potential reductions in public fund loan balances).
4. Contractor shall evaluate and consider maximizing sustainability features for the Project (such as an efficient building envelope and heat pumps) and shall propose a plan to maximize the Project's sustainability.
5. If Contractor uses federal funds toward the Project, it must meet applicable federal guidelines, including but not limited to: contractor solicitation; bidding and selection; wage rates; and federal laws and regulations.

6. Contractor shall maintain documentation of any necessary land use approvals, permits, and licenses required by the jurisdiction in which the project is located.
7. Quarterly Status Reports. Contractor is required to provide SKHHP with quarterly status reports for projects funded through SKHHP's Housing Capital Fund during the project's development stage (from the time funds are awarded until the project's completion and occupancy). These quarterly reports must include at a minimum the status of funds expended and progress to date. SKHHP will rely on these quarterly reports to determine whether Contractor is making satisfactory progress on the project. Contractor shall submit a final budget to SKHHP upon project completion. If applicable, Contractor shall submit initial tenant information as required by SKHHP.
8. SKHHP will inspect the project site at least once during the project's construction.
9. Ongoing Monitoring. After occupancy, Contractor will submit annual reports to SKHHP summarizing the number of project beneficiaries, housing expenses for the target population, and the proportion of those beneficiaries that are low- and/or moderate-income and that meet other eligibility criteria established in the Contract. In addition, for projects with loan payments, Contractor must annually report financial information to SKHHP that it will use to assess contingent loan payments and project health. These annual reports will be required for the full duration of affordability. SKHHP will also periodically evaluate all projects for long term sustainability.
10. For rental projects, Contractor shall maintain the project in good and habitable condition for the duration of its affordability term.
11. SKHHP shall reimburse the Contractor for satisfactory completion of the requirements specified in the Contract and upon Contractor's submission to SKHHP of invoices and supporting documentation of eligible expenses.
12. A covenant is recorded ensuring affordability for at least 50 years, with unit size, number of units, and affordability distribution established prior to executing Contract.

Special Conditions

1. SKHHP will provide project funds to the Contractor in the form of a **deferred, contingent, forgivable loan**. Loan terms will account for various factors, including loan terms from other fund sources and available cash flow. Final loan terms shall be determined prior to release of funds and must be approved by SKHHP staff. The loan will be secured by a deed of trust recorded against the development property to ensure that Contractor maintains the project's affordability and target population. Contractor shall not be required to repay the loan so long as it maintains these project requirements.
2. Timeframe for funding commitment. The funding commitment continues for **thirty-six (36) months** from the date of Council approval and shall expire thereafter if all conditions are not satisfied. An extension may be requested to SKHHP staff no later than sixty (60) days prior to the expiration date. At that time, the Agency will provide a

status report on progress to date and expected schedule for start of construction and project completion. The SKHHP Executive Board will consider a twelve-month extension only on the basis of documented, meaningful progress in bringing the project to readiness or completion. At a minimum, the Contractor will demonstrate that all capital funding has been secured or is likely to be secured within a reasonable period of time.

3. At least 39 of the housing units shall be set-aside for households with an I/DD who earn no more than 60% AMI. Use of funds and population eligibility must be in-alignment with RCW 82.14.530.
4. SKHHP funds shall be used solely for new construction, unless otherwise approved by SKHHP staff.
5. Receipt of the documentation of remediation results and Department of Ecology approval of remediation efforts shall be submitted to SKHHP prior to proceeding with construction.

2. Low Income Housing Institute (LIHI) - Skyway Affordable Housing and Early Learning Center

Funding request: \$2,800,000

Executive Board recommendation: \$2,800,000 (forgivable loan)

Address: 12712-12724 & 12742 Renton Ave. South, Seattle, WA 98178

PROJECT SUMMARY

Skyway Affordable Housing and Early Learning Center is a multifamily rental project in Unincorporated King County. The project will provide 55 housing units for individuals and families, including 12 studios, 19 one-bedroom, 13 two-bedroom, and 11 three-bedroom units for households earning between 30% and 50% AMI with a 75% set-aside (42 units) for households transitioning out of homelessness. An early learning center will be located on the ground floor of the building, featuring four classrooms to accommodate up to 80 children, a parent resource room, and offices. The surrounding community will be prioritized in the early learning center activities. Additional amenities include a community room, case manager offices, and a roof deck for resident use. LIHI will provide on-site case management. This project has been previously awarded predevelopment and acquisition funds from King County.

The project will serve individuals (25 units) and families (17 units) exiting homelessness earning 30% AMI (42 total units) and will support general population households earning up to 50% AMI (12 units). A common room will support all residents (1 unit). 42 units are eligible for SKHHP funds sourced from HB 1590 revenue.

Childhaven, a nonprofit dedicated to strengthening families and preventing childhood trauma, plans to lease the early learning center and relocate their program to the site and will assist in applying for local funding for this portion of the project. The early learning center will be financed separately from the residential space, without using tax credits on the commercial space.

PROJECT SCHEDULE

Activity	Date
Site Control	1/30/2023
Building Permits Issued	1/23/2025
Begin Construction	6/1/2025
Begin Lease Up	9/15/2026
Certificate of Occupancy Issued	10/15/2026

FUNDING RATIONALE

The Executive Board supports the intent of this application for the following reasons:

- The project has a 75% set-aside for households transitioning out of homelessness.
- The project brings quality, affordable housing to a historically underserved neighborhood.
- The project will house Childhaven on-site to run an early learning center.
- The project is located near schools, a library, and a future community center.
- The project strongly aligns with SKHHP Housing Capital Fund adopted priorities including: collaboration with local community-based organizations, addressing the needs of populations

most disproportionately impacted by housing costs, advancing geographic equity of the Housing Capital Fund, leverage of private and public investment, and promoting racial equity by prioritizing residents with a connection to the neighborhood.

- The project will prioritize residents with a connection to the neighborhood.
- LIHI is an established developer in the region.
- A third-party construction report found the proposed budget to be appropriate.

PROPOSED CONDITIONS

Standard Conditions

1. Contractor shall provide SKHHP with development and operating budgets based upon actual funding commitments for approval by SKHHP staff. Contractor must notify SKHHP staff immediately if it is unable to adhere to these budgets, and must submit new budget(s) to SKHHP staff for approval. SKHHP staff shall not unreasonably withhold its approval of these budget(s), so long as they do not materially or adversely change the Project. This shall be a continuing obligation of the Contractor. Contractor's failure to adhere to budgets (either original or new/amended) may result in SKHHP's withdrawal of its funding commitment. Contractor must prepare and submit final budgets to SKHHP at the time it starts project construction and at the project's completion.
2. Contractor shall submit to SKHHP evidence of funding commitments from all proposed public and private funding sources. If Contractor cannot secure an identified commitment within an application's time frame, Contractor shall immediately notify SKHHP staff and describe its anticipated actions and time frame for securing alternative funding.
3. Contractor shall use SKHHP provided funds toward specific project costs as included in the funding agreement and consistent with RCW 82.14.530. Contractor may not use SKHHP funds for any other purpose unless SKHHP staff authorizes such alternate use in writing. If budget line items with unexpended balances exist after completion of the project, SKHHP and other public funders shall approve adjustments to the project capital sources (including potential reductions in public fund loan balances).
4. Contractor shall evaluate and consider maximizing sustainability features for the Project (such as an efficient building envelope and heat pumps) and shall propose a plan to maximize the Project's sustainability.
5. If Contractor uses federal funds toward the Project, it must meet applicable federal guidelines, including but not limited to: contractor solicitation; bidding and selection; wage rates; and federal laws and regulations.
6. Contractor shall maintain documentation of any necessary land use approvals, permits, and licenses required by the jurisdiction in which the project is located.
7. Quarterly Status Reports. Contractor is required to provide SKHHP with quarterly status reports for projects funded through SKHHP's Housing Capital Fund during the project's

development stage (from the time funds are awarded until the project's completion and occupancy). These quarterly reports must include at a minimum the status of funds expended and progress to date. SKHHP will rely on these quarterly reports to determine whether Contractor is making satisfactory progress on the project. Contractor shall submit a final budget to SKHHP upon project completion. If applicable, Contractor shall submit initial tenant information as required by SKHHP.

8. SKHHP will inspect the project site at least once during the project's construction.
9. Ongoing Monitoring. After occupancy, Contractor will submit annual reports to SKHHP summarizing the number of project beneficiaries, housing expenses for the target population, and the proportion of those beneficiaries that are low- and/or moderate-income and that meet other eligibility criteria established in the Contract. In addition, for projects with loan payments, Contractor must annually report financial information to SKHHP that it will use to assess contingent loan payments and project health. These annual reports will be required for the full duration of affordability. SKHHP will also periodically evaluate all projects for long term sustainability.
10. For rental projects, Contractor shall maintain the project in good and habitable condition for the duration of its affordability term.
11. SKHHP shall reimburse the Contractor for satisfactory completion of the requirements specified in the Contract and upon Contractor's submission to SKHHP of invoices and supporting documentation of eligible expenses.
12. A covenant is recorded ensuring affordability for at least 50 years, with unit size, number of units, and affordability distribution established prior to executing Contract.

Special Conditions

1. SKHHP will provide project funds to the Contractor in the form of a **deferred, contingent, forgivable loan**. Loan terms will account for various factors, including loan terms from other fund sources and available cash flow. Final loan terms shall be determined prior to release of funds and must be approved by SKHHP staff. The loan will be secured by a deed of trust recorded against the development property to ensure that Contractor maintains the project's affordability and target population. Contractor shall not be required to repay the loan so long as it maintains these project requirements.
2. Timeframe for funding commitment. The funding commitment continues for **thirty-six (36) months** from the date of Council approval and shall expire thereafter if all conditions are not satisfied. An extension may be requested to SKHHP staff no later than sixty (60) days prior to the expiration date. At that time, the Agency will provide a status report on progress to date and expected schedule for start of construction and project completion. The SKHHP Executive Board will consider a twelve-month extension only on the basis of documented, meaningful progress in bringing the project to readiness or completion. At a minimum, the Contractor will demonstrate that all capital funding has been secured or is likely to be secured within a reasonable period of time.

3. At least 75% of the housing units shall be set-aside for households transitioning out of homelessness and be for an eligible population defined in RCW 82.14.530 and who earn no more than 60% AMI.
4. SKHHP funds shall be used solely for new construction, unless otherwise approved by SKHHP staff.
5. LIHI shall reexamine the guest policy allowing only one guest at a time to determine if it is necessary.

3. TWG – Pandion at Star Lake

Funding request: \$2,856,000

Executive Board recommendation: \$1,170,000 (loan)

Address: 2526 S 272nd Street, Kent, WA 98059

PROJECT SUMMARY

The South Building (building one of two) of Pandion at Star Lake is a multifamily rental, mixed use project consisting of 168 affordable housing units for households earning between 30% and 60% AMI in Kent. The project is located adjacent to the Kent/Star Lake Link light rail station. This transit-oriented development (TOD) project will provide a mix of studio, one, two and three-bedroom units. The project will include ground floor commercial space consisting of an early learning center for low-income children and other non-profit tenants. The property was purchased by the developer in December 2022. The project is a seven-story building with six stories of affordable housing over one story of commercial space, plus basement level parking.

The 168 units includes 109 units for the general population, 30 units for families with children, 25 units for families with children that require permanent supportive services and who are transitioning out of homelessness or are at-risk of homelessness, and 4 units supporting households with an intellectual and/or developmental disability (I/DD) requiring supportive services.

Pandion at Star Lake is a partnership between TWG Development and Vision House, with Vision House providing on-site supportive serves for 140 units or those receiving 4% LIHTC support. In collaboration with the City of Kent, an additional service provider will be selected to serve residents of the remaining 28 units or those receiving 9% LIHTC support.

29 units of the project are eligible for HB 1590 funds which includes 25 units for families with children transitioning out of homelessness or are at-risk of homelessness and require permanent supportive services and the four units set-aside for I/DD households.

PROJECT SCHEDULE

Activity	Date
Site Control	12/6/2022
Building Permits Issued	10/1/2025
Begin Construction	12/31/2025
Certificate of Occupancy Issued	12/31/2027
Placed in service	1/1/2028
First LIHTC Year	2028

FUNDING RATIONALE

The Executive Board supports the intent of this application for the following reasons:

- The project is located adjacent to the future Kent/Star Lake Link light rail station and has convenient access to transit, schools, grocery stores, and services.

- The project strongly aligns with SKHHP Housing Capital Fund adopted priorities including: being a transit-oriented development (TOD) project, collaboration with local community-based organizations, addressing the needs of populations most disproportionately impacted by housing costs, advancing economic opportunity due to its proximity to the future Link light rail station and other amenities, advancing geographic equity of the Housing Capital Fund, and the leverage of private and public investment.
- The project construction start date is anticipated by early 2026, six months later than other recommended projects. The sponsor may have more time to secure the additional funds than other projects prior to beginning construction.
- The project has a strong partnership with Vision House who will provide on-site supportive services for 140 households.
- A second building supporting 173 units for seniors earning 80% to 100% AMI is part of the overall project, but is not part of the application to public funders. The overall project supports mixed-income housing from 30% AMI-100% AMI.
- The project sponsor has been in close communication with the City of Kent on project feasibility and zoning requirements since the property was purchased in December 2022.
- The project sponsor has agreed to voluntarily meet the design standards for properties zoned as 'Midway Transit Community,' which is a higher degree of development than what is required under general mixed-use commercial standards for the City of Kent.
- A third-party construction report found the proposed budget to be appropriate.

PROPOSED CONDITIONS

Standard Conditions

1. Contractor shall provide SKHHP with development and operating budgets based upon actual funding commitments for approval by SKHHP staff. Contractor must notify SKHHP staff immediately if it is unable to adhere to these budgets, and must submit new budget(s) to SKHHP staff for approval. SKHHP staff shall not unreasonably withhold its approval of these budget(s), so long as they do not materially or adversely change the Project. This shall be a continuing obligation of the Contractor. Contractor's failure to adhere to budgets (either original or new/amended) may result in SKHHP's withdrawal of its funding commitment. Contractor must prepare and submit final budgets to SKHHP at the time it starts project construction and at the project's completion.
2. Contractor shall submit to SKHHP evidence of funding commitments from all proposed public and private funding sources. If Contractor cannot secure an identified commitment within an application's time frame, Contractor shall immediately notify SKHHP staff and describe its anticipated actions and time frame for securing alternative funding.
3. Contractor shall use SKHHP provided funds toward specific project costs as included in the funding agreement and consistent with RCW 82.14.530. Contractor may not use SKHHP funds for any other purpose unless SKHHP staff authorizes such alternate use in writing. If budget line items with unexpended balances exist after completion of the

project, SKHHP and other public funders shall approve adjustments to the project capital sources (including potential reductions in public fund loan balances).

4. Contractor shall evaluate and consider maximizing sustainability features for the Project (such as an efficient building envelope and heat pumps) and shall propose a plan to maximize the Project's sustainability.
5. If Contractor uses federal funds toward the Project, it must meet applicable federal guidelines, including but not limited to: contractor solicitation; bidding and selection; wage rates; and federal laws and regulations.
6. Contractor shall maintain documentation of any necessary land use approvals, permits, and licenses required by the jurisdiction in which the project is located.
7. Quarterly Status Reports. Contractor is required to provide SKHHP with quarterly status reports for projects funded through SKHHP's Housing Capital Fund during the project's development stage (from the time funds are awarded until the project's completion and occupancy). These quarterly reports must include at a minimum the status of funds expended and progress to date. SKHHP will rely on these quarterly reports to determine whether Contractor is making satisfactory progress on the project. Contractor shall submit a final budget to SKHHP upon project completion. If applicable, Contractor shall submit initial tenant information as required by SKHHP.
8. SKHHP will inspect the project site at least once during the project's construction.
9. Ongoing Monitoring. After occupancy, Contractor will submit annual reports to SKHHP summarizing the number of project beneficiaries, housing expenses for the target population, and the proportion of those beneficiaries that are low- and/or moderate-income and that meet other eligibility criteria established in the Contract. In addition, for projects with loan payments, Contractor must annually report financial information to SKHHP that it will use to assess contingent loan payments and project health. These annual reports will be required for the full duration of affordability. SKHHP will also periodically evaluate all projects for long term sustainability.
10. For rental projects, Contractor shall maintain the project in good and habitable condition for the duration of its affordability term.
11. SKHHP shall reimburse the Contractor for satisfactory completion of the requirements specified in the Contract and upon Contractor's submission to SKHHP of invoices and supporting documentation of eligible expenses.
12. A covenant is recorded ensuring affordability for at least **50 years**, with unit size, number of units, and affordability distribution established prior to executing Contract.

Special Conditions

1. SKHHP will provide project funds to the Contractor in the form of a **deferred, 1% interest, non-forgivable loan to the LIHTC partnership**. The form of the funds are subject to change, but shall be agreed upon prior to contract execution. Loan terms will

account for various factors, including loan terms from other fund sources and available cash flow. Final loan terms shall be determined prior to release of funds and must be approved by SKHHP staff. The loan will be secured by a deed of trust recorded against the development property to ensure that Contractor maintains the project's affordability and target population.

2. Timeframe for funding commitment. The funding commitment continues for **thirty-six (36) months** from the date of Council approval and shall expire thereafter if all conditions are not satisfied. An extension may be requested to SKHHP staff no later than sixty (60) days prior to the expiration date. At that time, the Agency will provide a status report on progress to date and expected schedule for start of construction and project completion. The SKHHP Executive Board will consider a twelve-month extension only on the basis of documented, meaningful progress in bringing the project to readiness or completion. At a minimum, the Contractor will demonstrate that all capital funding has been secured or is likely to be secured within a reasonable period of time.
3. At least 29 housing units of the total shall be for an eligible population defined in RCW 82.14.530 including households transitioning out of homelessness or are at-risk of homelessness or households with an I/DD and who also earn no more than 60% AMI.
4. SKHHP funds shall be used solely for new construction of the South Building, unless otherwise approved by SKHHP staff.

4. Multi-Service Center - Victorian Place II

Funding request: \$500,000

Executive Board recommendation: \$777,306 (grant)

Address: 24517 26th Place South, Des Moines, WA 98198

PROJECT SUMMARY

Victorian Place II is a multifamily, preservation 20-unit rental project in Des Moines. Since 1996, the nonprofit Multi-Service Center has owned the two adjacent buildings that comprise the project which includes five units for households earning up to 35% AMI, ten units for households up to 40% AMI, and five units for households up to 50% AMI. The 20 three bedroom/two bath affordable rental units are in active use and the target population is families with children.

The original request was for \$500,000 in the form of a grant. Initial estimates were based on a 2018 construction estimate. An updated cost estimate of the project received on October 25, 2023 totaled \$675,918. The Advisory Board recommended fully funding the project at the revised amount, however, after the recommendation was made, it was discovered that the revised estimate did not include contingency funding. The Executive Board recommend funding the project with a 15% contingency which totals \$777,306.

SKHHP funds are requested to support the rehabilitation of the two buildings including: landscape improvements, staircase repairs, installation of new railings, seal coating the parking lot, upgrading external lighting, recoating tenant decks, installation of new siding, replacing gutters and downspouts, replacing windows, replacing sliding glass doors, replacing unit entry doors, and replacing baseboard heating with energy-efficient heating systems.

PROJECT SCHEDULE

Activity	Date
Site Control	1/1/2000
Building Permit Issued	Mid-2024
Begin Rehabilitation and Renovation	Mid-late 2024
End Rehabilitation and Renovation	Mid-late 2025

FUNDING RATIONALE

The Advisory Board supports the intent of this application for the following reasons:

- There are limited funding sources available for preservation and rehabilitation. The focus for larger public funders has historically been on creating new units of affordable housing. Smaller preservation projects like this one are not as competitive against larger preservation projects competing for the same funds.
- The property is in need of rehabilitation to support the health and safety of residents which are families with children.
- Preservation of affordable housing is a high-priority for SKHHP.
- 75% of the households earn no more than 40% AMI.

- The project's proximity to the future Kent Des Moines Link light rail station an asset (1.3 miles).
- Multi-Service Center is a well-established South King County-based nonprofit that owns and operates over 650 units of affordable housing.
- Multi-Service Center's housing programs have a history of serving BIPOC community members with 72% of clients self-identifying as BIPOC.
- The project strongly aligns with SKHHP Housing Capital Fund adopted priorities including: the project sponsor's community connection and engagement with the populations they intend to serve, advancing racial equity, addressing the needs of populations most disproportionately impacted by housing costs, advancing geographic equity of the Housing Capital Fund, and preservation.
- Of the two applications submitted by the project sponsor, this project is the higher of the two priorities as the larger housing units are more difficult for families in need to access, and the current safety concerns at the project site are more immediate.

PROPOSED CONDITIONS

Standard Conditions

1. Contractor shall provide SKHHP with development and operating budgets based upon actual funding commitments for approval by SKHHP staff. Contractor must notify SKHHP staff immediately if it is unable to adhere to these budgets, and must submit new budget(s) to SKHHP staff for approval. SKHHP staff shall not unreasonably withhold its approval of these budget(s), so long as they do not materially or adversely change the Project. This shall be a continuing obligation of the Contractor. Contractor's failure to adhere to budgets (either original or new/amended) may result in SKHHP's withdrawal of its funding commitment. Contractor must prepare and submit final budgets to SKHHP at the time it starts project rehabilitation and at the project's completion.
2. Contractor shall submit to SKHHP evidence of funding commitments from all proposed public and private funding sources. If Contractor cannot secure an identified commitment within an application's time frame, Contractor shall immediately notify SKHHP staff and describe its anticipated actions and time frame for securing alternative funding.
3. Contractor shall use SKHHP provided funds toward specific project costs as included in the funding agreement and consistent with RCW 82.14.540. Contractor may not use SKHHP funds for any other purpose unless SKHHP staff authorizes such alternate use in writing. If budget line items with unexpended balances exist after completion of the project, SKHHP shall approve adjustments to the project capital sources (including potential reductions in public fund loan balances).
4. Contractor shall evaluate and consider maximizing sustainability features for the Project (such as an efficient building envelope and heat pumps) and shall propose a plan to maximize the Project's sustainability.

5. If Contractor uses federal funds toward the Project, it must meet applicable federal guidelines, including but not limited to: contractor solicitation; bidding and selection; wage rates; and federal laws and regulations.
6. Contractor shall maintain documentation of any necessary land use approvals, permits, and licenses required by the jurisdiction in which the project is located.
7. Quarterly Status Reports. Contractor is required to provide SKHHP with quarterly status reports for projects funded through SKHHP's Housing Capital Fund during the project's development stage (from the time funds are awarded until the project's completion). These quarterly reports must include at a minimum the status of funds expended and progress to date. SKHHP will rely on these quarterly reports to determine whether Contractor is making satisfactory progress on the project. Contractor shall submit a final budget to SKHHP upon project completion. If applicable, Contractor shall submit initial tenant information as required by SKHHP.
8. SKHHP will inspect the project site at least once during the project's rehabilitation.
9. Ongoing Monitoring. After occupancy, Contractor will submit annual reports to SKHHP summarizing the number of project beneficiaries, housing expenses for the target population, and the proportion of those beneficiaries that are low- and/or moderate-income and that meet other eligibility criteria established in the Contract. In addition, for projects with loan payments, Contractor must annually report financial information to SKHHP that it will use to assess contingent loan payments and project health. These annual reports will be required for the full duration of affordability. SKHHP will also periodically evaluate all projects for long term sustainability.
10. For rental projects, Contractor shall maintain the project in good and habitable condition for the duration of its affordability term.
11. SKHHP shall reimburse the Contractor for satisfactory completion of the requirements specified in the Contract and upon Contractor's submission to SKHHP of invoices and supporting documentation of eligible expenses.
12. A covenant is recorded ensuring affordability for at least 50 years, with unit size, number of units, and affordability distribution established prior to executing Contract.

Special Conditions

1. SKHHP will provide project funds to the Contractor in the form of a **secured grant with no repayment**. Final Contract terms shall be determined prior to release of funds and must be approved by SKHHP staff. The grant will be secured by a deed of trust recorded against the property to ensure that Contractor maintains the project's affordability and target population. Contractor shall not be required to repay the grant so long as it maintains these project requirements.
2. Timeframe for funding commitment. The funding commitment continues for **thirty-six (36) months** from the date of Council approval and shall expire thereafter if all

conditions are not satisfied. An extension may be requested to SKHHP staff no later than sixty (60) days prior to the expiration date. At that time, the Agency will provide a status report on progress to date and expected schedule for start of construction and project completion. The SKHHP Executive Board will consider a twelve-month extension only on the basis of documented, meaningful progress in bringing the project to readiness or completion. At a minimum, the Contractor will demonstrate that all capital funding has been secured or is likely to be secured within a reasonable period of time.

3. SKHHP funds shall be used solely for the rehabilitation of the property to include, but not be limited to, the following, unless otherwise approved by SKHHP staff:
 - a. landscape improvements
 - b. staircase repairs
 - c. installation of new railings
 - d. seal coating the parking lot
 - e. upgrading external lighting
 - f. recoating tenant decks
 - g. installation of new siding
 - h. applying exterior paint
 - i. replacing gutters and downspouts
 - j. replacing windows
 - k. replacing sliding glass doors
 - l. replacing unit entry doors
 - m. replacing baseboard heating with energy-efficient heating systems
4. SKHHP and Contractor shall agree to the specifics on what will be funded prior to executing a contract to ensure eligibility of expenses in alignment with RCW 82.14.540 and to mitigate cost-overruns.
5. Five housing units shall serve households earning up to 35% AMI, ten units for households up to 40% AMI, and five units for households up to 50% AMI for the duration of the term of affordability.
6. Should cost overruns occur that require funds above SKHHP's contribution, sponsor will work towards filling the funding need through their capital budget process or seeking funds through other sources.

ATTACHMENT 1: Economic Summaries of Recommended Projects

Project: Mercy Housing NW – Kent Multicultural Village

Proposed Funding Sources by Amounts and Status

Funding source	Proposed Amount	Status
SKHHP	\$1,000,000	Applied
4% LIHTC Equity	\$48,849,278	Applied
King County (2022)	\$5,000,000	Committed
GP Equity	\$1,000	Self-funded
Permanent Loan	\$23,500,000	Applied
State HTF	\$8,000,000	Awarded
Deferred Fee	\$4,850,000	Self-funded
Amazon Grant	\$2,000,000	Applied
Amazon Loan	\$11,369,574	Applied
Private: Non-Residential	\$7,841,869	Will Apply
State: Non-Residential	\$10,735,000	Will Apply
Federal: Non-Residential	\$2,552,000	Will Apply
County: Non-Residential	\$3,150,000	Will Apply
Debt: Non-Residential	\$5,474,735	Will Apply
TOTAL	\$134,323,456	

Proposed Use of Funds and Total Residential Cost Per Unit

Proposed use	Amount	Per Unit
Land acquisition	\$384,504	--
Construction costs	\$98,698,553	--
Soft costs	\$12,761,870	--
Development costs	\$8,372,636	--
Other development costs	\$4,002,261	--
Community facility	\$9,402,356	--
4% bond issuance	\$701,276	--
TOTAL	\$134,323,456	--
TOTAL NON-RESIDENTIAL	\$29,753,604	--
TOTAL RESIDENTIAL (Includes common areas)	\$104,569,852	\$525,476

Residential Cost Per Square Foot

Item	Amount
Residential square footage	246,019
Residential development cost	\$104,569,852
Cost per square foot	\$425.05

Residential Cost Per Unit Based on Unit Size

Unit Size	Number of Units	Unit Square Footage	Cost per Unit
Average Studio	54	392	\$166,619
Average 1-bedroom	40	484	\$205,724
Average 2-bedroom	65	710	\$301,785
Average 3-bedroom	40	982	\$417,399
Common area and other residential spaces, including parking	--	85,700	\$36,426,785

Project: LIHI – Skyway Affordable Housing and Early Learning Center

Proposed Funding Sources by Amounts and Status

Funding source	Proposed Amount	Status
SKHHP	\$2,800,000	Applied
State HTF	\$7,465,748	Will apply in fall 2024
King County 2023	\$2,500,000	Awarded \$2.1M
9% LIHTC	\$13,080,144	Will apply in fall 2024
King County 2022 (pre-development funds)	\$2,500,000	Received
Direct Appropriations-Federal	\$700,000	Received
Direct Appropriations-State	\$3,000,000	Received
Wyncote Foundation	\$1,000,000	Received
PSTAA	\$300,000	Received
TOTAL	\$36,295,892	

Proposed Use of Funds and Total Residential Cost Per Unit

Proposed use	Amount	Cost per Unit
Land acquisition	\$2,041,000	--
Construction costs	\$26,761,254	--
Soft costs	\$4,624,073	--
Development costs	\$1,737,565	--
Other development costs	\$1,132,000	--
TOTAL	\$36,295,892	--
TOTAL NON-RESIDENTIAL	\$3,250,000	--
TOTAL RESIDENTIAL (Includes common areas)	\$33,045,892	\$600,834

Residential Cost Per Square Foot

Item	Amount
Residential square footage	50,608
Residential development cost	\$33,045,892
Cost per square foot	\$652.97

Residential Cost Per Unit Based on Unit Size

Unit Size	Number of Units	Unit Square Footage	Cost per Unit
Average studio square footage	12	400	\$261,188
Average 1-bedroom square footage	19	516	\$336,932
Average 2-bedroom square footage	13	816	\$532,823
Average 3-bedroom square footage	11	900	587,673
Common area and other residential spaces, including parking	--	12,121	\$7,914,649

Project: TWG – Pandion at Star Lake

Proposed Funding Sources by Amounts and Status

Funding source	Proposed Amount	Status
SKHHP	\$2,856,000	Applied
LIHTC & Energy Credits	\$31,023,163	Applied
Amazon	\$22,000,000	Applied
Permanent Loan	\$15,340,000	Applied
State HTF	\$4,218,915	Applied-Not awarded in 2023
King County	\$4,500,000	Applied-Not awarded in 2023
Deferred Development Fee	\$2,355,370	Self-funded
Non-Residential Commercial	\$4,856,260	--
TOTAL	\$87,149,708	

Proposed Use of Funds and Total Residential Cost Per Unit

Proposed use	Amount	Per Unit
Land acquisition	\$3,435,523	--
Construction costs	\$63,626,629	--
Soft costs	\$9,689,519	--
Development costs	\$6,902,268	--
Other Development costs	\$3,154,594	--
4% Bond Issuance	\$341,175	--
TOTAL	\$87,149,708	--
TOTAL NON-RESIDENTIAL	\$4,856,260	--
TOTAL RESIDENTIAL (Includes common areas)	\$82,293,448	\$489,841

Residential Cost Per Square Foot

Item	Amount
Residential square footage	180,197
Residential development cost	\$82,293,448
Cost per square foot	\$456.68

Residential Cost Per Unit Based on Unit Size

Unit Size	Number of Units	Unit Square Footage	Cost per Unit
Average Studio	30	381	\$173,995
Average 1-bedroom	78	615	\$280,858
Average 2-bedroom	24	950	\$433,846
Average 3-bedroom	36	1,095	\$500,064
Common area and other residential spaces, including parking	--	59,772	\$27,296,676

Project: Multi-Service Center - Victorian Place II

Proposed Funding Sources by Amounts and Status

Funding source	Proposed Amount	Status
SKHHP	\$777,306	Applied
Multi-Service Center	\$7,819	Self-Funded
TOTAL	\$785,125	

Proposed Use of Funds and Total Residential Cost Per Unit

Proposed use	Amount	Per Unit
Title document recording fees	\$5,000	\$250
Rehabilitation costs	\$780,125	\$39,006
TOTAL	\$785,125	\$39,256

AGENDA ITEM

BUSINESS OF THE CITY COUNCIL
City of Des Moines, WA

SUBJECT: Patrol Vehicle Purchase

FOR AGENDA OF: February 8, 2024

ATTACHMENTS:

- 1. None

DEPT. OF ORIGIN: Police

DATE SUBMITTED: January 30, 2024

CLEARANCES:

- City Clerk _____
- Community Development _____
- Courts _____
- Emergency Management _____
- Finance *[Signature]*
- Human Resources _____
- Legal */s/MH*
- Marina _____
- Police *[Signature]*
- Parks, Recreation & Senior Services _____
- Public Works _____

APPROVED BY CITY MANAGER

FOR SUBMITTAL: *[Signature]*

Purpose and Recommendation

The purpose of this agenda item is to consider the purchase of a South King Fire & Rescue vehicle (2023 Ford Explorer) to be used by the Police Department. The following motion will appear on the Consent Calendar:

Suggested Motion

Motion:

“I move to approve the use of Police Department operating funds to purchase a 2023 Ford Explorer from South King Fire & Rescue and authorize the City Manager to execute the documents needed for the purchase.”

Background

South King Fire & Rescue has a lightly used 2023 Ford Explorer with Police Package and equipped with emergency equipment that they wish to surplus for approximately \$53,000. The Police Department fleet is aging and vehicle supply chains remain disrupted. This vehicle could be placed into service immediately with minimal modification.

Discussion

This purchase would allow disposal of a worn-out PD vehicle with more than 160,000 miles.

Alternatives

Not approve the purchase of the vehicle (not recommended).

Financial Impact

Funds from the Police Drug Seizure Fund would be used for the purchase of the vehicle. The City would realize savings by purchasing this slightly used vehicle that has already been upgraded as opposed to spending more on the purchase of a new vehicle.

Recommendation

Administration and the police department recommend approval of the motion as submitted.