

6/12/78

Introduced by: Ruby Chow

78-553

MOTION NO. 03554

A MOTION authorizing the execution of an agreement between King County and the Housing Authority of King County for Payments in Lieu of Taxes.

WHEREAS, the Housing Authority of the County of King wishes to make application to the Department of Housing and Urban Development to construct 100 units of family housing on sites scattered throughout King County, and

WHEREAS, RCW 35.83.030 authorizes King County to enter into an agreement with the Housing Authority governing provision of public services to such units by the County and Payments in Lieu of Taxes by the Housing Authority, and

WHEREAS, the construction of units to house 100 low and moderate income families benefits all of King County;

NOW THEREFORE, BE IT MOVED by the Council of King County:

1. The attached Cooperation Agreement between King County and the Housing Authority of the County of King is hereby approved.

2. The Executive is authorized to sign and execute the Cooperation Agreement on behalf of King County.

3. Public hearing having been held and public notice thereof having been posted in three public places, the requirements of RCW 35.83.060 have been met. Therefore, the Cooperation Agreement authorized herein shall take effect immediately, and need not be laid over or published or posted.

PASSED this 19th day of June, 1978.

KING COUNTY COUNCIL
KING COUNTY, WASHINGTON

Bernice Stern
Chairman

ATTEST:

[Signature]
Clerk of the Council

COOPERATION AGREEMENT

THIS AGREEMENT entered into this _____ day of _____, 19____, by and between THE HOUSING AUTHORITY OF THE COUNTY OF KING, WASHINGTON, (herein called the "Local Authority") and KING COUNTY, (herein called the "Municipality").

In consideration of the mutual covenants hereinafter set forth, the parties hereto do agree as follows:

1. Whenever used in this Agreement:

(a) The term "Project" shall mean any low-rent housing hereafter developed as an entity by the Local Authority with financial assistance of the Department of Housing & Urban Development (herein called the "Government"): excluding, however, any low rent housing project covered by any contract for loans and annual contributions entered into between the Local Authority and the Government, or its predecessor agencies, prior to the date of this Agreement.

(b) The term "Taxing Body" shall mean the State or any political subdivision or taxing unit thereof in which a Project is situated and which would have authority to assess or levy real or personal property taxes or to certify such taxes to a taxing body or public officer to be levied for its use and benefit with respect to a Project if it were not exempt from taxation.

(c) The term "Shelter Rent" shall mean the total of all charges to all tenants of a project for dwelling rents and non-dwelling rents (excluding all other income of such Project), less the cost to the Local Authority of all dwelling and non-dwelling utilities.

(d) The term "Slum" shall mean any area where dwellings predominate which, by reason of dilapidation, overcrowding, faulty arrangement or design, lack of ventilation, light or sanitation facilities, or any combination of these factors, are detrimental to safety, health, or morals.

2. The Local Authority shall endeavor (a) to secure a contract or contracts with the Government for loans and annual contributions covering one or more Projects comprising approximately _____ units of low-rent housing and (b) to develop and administer such Project or Projects, each of which shall be located within the corporate limits of the Municipality. The obligations of the parties hereto shall apply to each such Project.

3. (a) Under the constitution and statutes of the State of Washington, all Projects are exempt from all real and personal property taxes and special assessments levied or imposed by any Taxing Body. With respect to any Project, so long as either (i) such Project is owned by a public body or governmental agency and is used for low-rent housing purposes, or (ii) any contract between the Local Authority and the Government for loans or annual contributions, or both, in connection with such Project remains in force and effect, or (iii) any bonds issued in connection with such Project or any monies due to the Government in connection with such Project remain unpaid, whichever period is the longest, the Municipality agrees that it will not levy or impose any real or personal property taxes or special assessments upon such Project or upon the Local Authority with respect thereto. During such period, the Local Authority shall make annual payments (herein called "Payments in Lieu of Taxes") in lieu of such taxes and special assessments and in payment for the Public services and facilities furnished from time to time without other cost or charge for or with respect to such Project.

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(b) Each annual Payment in Lieu of Taxes shall be made after the end of the fiscal year established for such Project, and shall be in an amount equal to either (i) ten percent (10%) of the Shelter Rent charged by the Local Authority in respect to such Project during such fiscal year or (ii) the amount permitted to be paid by applicable State law in effect on the date such payment is made, whichever amount is lower.

(c) The Municipality shall distribute the payments in Lieu of Taxes among the taxing bodies in the proportion which the real property taxes which would have been paid to each taxing body for such year if the Project were not exempt from taxation bears to the total real property taxes which would have been paid to all of the taxing bodies for such year if the Project were not exempt from taxation; provided, however, that no payment for any year shall be made to any taxing body in excess of the amount of the real property taxes which would have been paid to such taxing body for such year if the Project were not exempt from taxation.

(d) Upon failure of the Local Authority to make any Payment in Lieu of Taxes, no lien against any Project assets of the Local Authority shall attach, nor shall any interest or penalties accrue or attach on account thereof.

4. During the period commencing with the date of the acquisition of any part of the site or sites of any Project and continuing so long as either (i) such Project is owned by a public body or governmental agency and is used for low-rent housing purposes, or (ii) any contract between the Local Authority and the Government for loans or annual contributions, or both, in connection with such development remains in force and effect, or (iii) any bonds issued in connection with such Project or any monies due to the Government in connection with such Project remain unpaid whichever period is the longest, the Municipality without cost or charge to the Local Authority or the tenants of such Project (other than the Payments in Lieu of Taxes) shall:

(a) Furnish or cause to be furnished to the Local Authority and the tenants or such Project public services and facilities of the same character and to the same extent as are furnished from time to time without cost or charge to other dwellings and inhabitants in the Municipality;

(b) Vacate such streets, roads, and alleys within the area of such Project as may be necessary in the development thereof, and convey without charge to the Local Authority such interest as the Municipality may have in such vacated areas; and in so far as it is lawfully able to do so without cost or expense to the Local Authority or to the Municipality, cause to be removed from such vacated areas, in so far as it may be necessary, all public or private utility lines and equipment;

(c) In so far as the Municipality may lawfully do so, (i) grant such deviations from the building code of the Municipality as are reasonable and necessary to promote economy and efficiency in the development and administration of such Project, and at the same time safeguard health and safety, and (ii) make such changes in any zoning of the site and surrounding territory of such Project as are reasonable and necessary for the development and protection of such Project and the surrounding territory;

(d) Accept grants of easements necessary for the development of such Project; and

(e) Cooperate with the Local Authority by such other lawful action or ways as the Municipality and the Local Authority may find necessary in connection with the development and administration of such Project.

5. In respect to any Project, the Municipality further agrees that within a reasonable time after receipt of a written request therefor from the Local Authority:

(a) It will accept the dedication of all interior streets, roads, alleys and adjacent sidewalks within the area of such Project, together with all storm and sanitary sewer mains in such dedicated areas, after the Local Authority, at its own expense, has completed the grading, improvement, and paving and installation thereof in accordance with specifications acceptable to the Municipality;

(b) It will accept necessary dedications of land for, and will grade, improve, pave, and provide sidewalks for, all streets bounding such Project or necessary to provide adequate access thereto (in consideration whereof the Local Authority shall pay to the Municipality such amount as would be assessed against the Project site for such work if such site were privately owned); and

(c) It will provide or cause to be provided, water mains, and storm and sanitary sewer mains, leading to such Project and serving the bounding streets thereof (in consideration whereof the Local Authority shall pay to the Municipality such amount as would be assessed against the Project site for such work if such site were privately owned).

6. If by reason of the Municipality's failure or refusal to furnish or cause to be furnished any public services or facilities which it has agreed hereunder to furnish or to cause to be furnished to the Local Authority or to the tenants of any Project, the Local Authority incurs any expense to obtain such services or facilities then the Local Authority may deduct the amount of such expense from any Payments in Lieu of Taxes due or to become due to the Municipality in respect to any Project or any other low-rent housing Projects owned or operated by the Local Authority.

7. No Cooperation Agreement heretofore entered into between the Municipality and the Local Authority shall be construed to apply to any Project covered by this Agreement.

8. No member of the governing body of the Municipality or any other public official of the Municipality who exercises any responsibilities or functions with respect to any Project during his tenure or for one year thereafter shall have any interest, direct or indirect, in any Project or any property included or planned to be included in any project, or any contracts in connection with such Projects or property. If any such governing body member or such other public official of the Municipality involuntarily acquires or had acquired prior to the beginning of his tenure any such interest he shall immediately disclose such interest to the Local Authority.

9. So long as any contract between the Local Authority and the Government for loans (including preliminary loans) or annual contributions, or both, in connection with any Project remains in force and effect, or so long as any bonds issued in connection with any Project or any monies due to the Government in connection with any Project remain unpaid, this Agreement shall not be abrogated, changed, or modified without the consent of the Government. The privileges and obligations of the Municipality hereunder shall remain in full force and effect with respect to each Project so long as the beneficial title to such Project is held by the Local Authority or by any other public body or governmental agency, including the Government, the provisions hereof shall inure to the benefit of and may be enforced by, such other public body or governmental agency, including the Government.

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IN WITNESS WHEREOF the Municipality and the Local Authority have respectively signed this Agreement and caused their seals to be affixed and attested as of the day and year first above written.

SEAL

KING COUNTY

Attest:

Executive

Date

THE HOUSING AUTHORITY OF THE
COUNTY OF KING, WASHINGTON

SEAL

Chairman

Attest:

Date