

July 17, 2018

MEMORANDUM

To: Members of the Housing, Health, Energy and Workers' Rights Committee
From: Tony Kilduff and Traci Ratzliff, Council Central Staff
Subject: Proposed Policies for Disposition of City Light-owned Excess Properties

On July 19, the Housing, Health, Energy and Workers' Rights Committee will consider [Resolution 31829](#) that modifies the disposition policies for City Light-owned Excess Properties. The proposed revisions to the disposition policies are shown in [Exhibit A](#) to the resolution.

Background

In January 2013, the Council adopted [Resolution 31424](#) establishing an orderly, transparent and inclusive process for disposing of properties owned by City Light deemed excess to the department's needs. These policies are separate from the disposition policies and procedures governing disposition of other non-utility owned City properties. Separate policies for City Light were established due to the size, number, and other factors that differentiated the City Light properties from other City properties.

During the 2018 Legislative Session, [Third Substitute House Bill \(3SHB\) 2382](#) was enacted by the Legislature and became law on June 7, 2018. This legislation authorizes state or local governments to transfer, lease, or dispose of surplus property for a "Public Benefit Purpose" on terms agreeable to the parties, including a no-cost transfer. "Public Benefit Purpose" is defined in 3SHB 2382 as affordable housing development or related facilities, for low-income households (households with incomes from fifty to eighty percent of area median income) and very-low income households (households with incomes at or below thirty percent of area median income). The legislative body of a municipality must enact rules to implement the provisions of 3SHB 2382. The proposed resolution adopts rules consistent with this new state law.

Proposed Resolution

The following provisions are included in the proposed disposition policies:

- 1) Prioritizes the disposition of City Light excess properties for affordable housing purposes over all other uses, to the extent practicable, and requires review of this prioritization in 2023.
- 2) Authorizes the sale or transfer of surplus property for affordable housing at a price and on other terms and conditions negotiated by City Light and approved by the City Council.

- 3) Permits City Light to hold disposition of property deemed appropriate for affordable housing for up to one year so that funding and a qualified development partner can be secured, likely by the Office of Housing.
- 4) Directs City Light to coordinate with the Department of Neighborhoods (DON) on its community outreach related to the disposition of surplus properties. City Light will meet with each community group recommended by DON. City Light will invite other relevant City Departments to such meetings to answer questions related to potential uses of surplus property for parks, housing, etc.

Please let us know if you have any questions about the information contained in this memo.

cc: Kirstan Arestad, Central Staff Director
Dan Eder, Central Staff Deputy Director