

SUMMARY and FISCAL NOTE*

Department:	Dept. Contact/Phone:	Executive Contact/Phone:
Office of Housing	Maureen Kostyack/615-0986	Melissa Lawrie/684-5805

** Note that the Summary and Fiscal Note describes the version of the bill or resolution as introduced; final legislation including amendments may not be fully described.*

1. BILL SUMMARY

- a. **Legislation Title:** AN ORDINANCE relating to the redevelopment of Yesler Terrace by the Housing Authority of the City of Seattle; authorizing the Mayor to execute a second amendment to the Yesler Terrace Cooperative Agreement with the Housing Authority of the City of Seattle that was authorized by Ordinance 123961; and authorizing the directors of the Office of Housing and Department of Neighborhoods to implement the Cooperative Agreement as amended.
- b. **Summary and background of the Legislation:** In 2012 the City of Seattle and the Seattle Housing Authority signed the Yesler Terrace Cooperative Agreement outlining terms and conditions of the redevelopment of Yesler Terrace. In May 2016, the City and SHA amended the agreement to change the date and location of City funding for a housing development authorized in the original Agreement. This Second Amendment authorizes \$13 million in additional housing funds for three developments, amends requirements related to housing occupancy by returning Yesler Terrace residents and other low-income households, and amends allowable locations of P-Patch community gardens.

The City will contribute to Phase III of the Yesler Terrace project an amount not to exceed \$13 million for housing development. City funding will be used to support the development of at least 195 Replacement Housing units and 130 60% of AMI Housing units and will be made available on the schedule below.

- Up to \$6.0 million will be made available no sooner than 2018 to support development of an estimated 67 Replacement Housing units and 48 60% of AMI units.
- Up to \$3.5 million will be made available no sooner than 2019 to support development of an estimated 64 Replacement Housing units and 41 60% of AMI units.
- Up to \$3.5 million will be made available no sooner than 2020 to support development of an estimated 64 Replacement Housing units and 41 60% of AMI units.

2. CAPITAL IMPROVEMENT PROGRAM

- a. **Does this legislation create, fund, or amend a CIP Project?** ___ Yes ___ X No

3. SUMMARY OF FINANCIAL IMPLICATIONS

a. Does this legislation amend the Adopted Budget? ___ Yes ___ X No

b. Does the legislation have other financial impacts to the City of Seattle that are not reflected in the above, including direct or indirect, short-term or long-term costs?

The legislation authorizes OH to provide up to \$13 million, using existing OH fund sources, towards Phase III of the Yesler Terrace redevelopment. The City funding will be used to support development of at least 195 replacement housing units and 130 60% of AMI housing units in three projects funded over the next 3 to 6 years.

c. Is there financial cost or other impacts of *not* implementing the legislation?

As required by the Cooperative Agreement, SHA provided a financial summary and projections documenting the need for additional City funds to complete the Yesler Terrace redevelopment (a summary is attached as Exhibit B). At the time the redevelopment was approved, SHA had identified a funding gap of \$30 million to complete the overall project, and requested \$30 million in City funds. To date, the City has contributed a total of \$17.02 million: \$9.35 million for infrastructure and \$7.67 million for housing. This represents 27% of total infrastructure investment at Yesler Terrace and 4.4% of the low-income housing investment to date. Infrastructure work is now largely complete and the remaining capital costs are primarily for housing development. A funding gap remains and SHA is requesting housing funds to complete the required number of replacement housing and 60% of AMI housing units.

SHA's funding request represents an estimated 3% to 6% of OH's available housing funds over the next six years. SHA has not identified alternative fund sources if this City funding is not authorized. Most likely SHA would need to seek other public and philanthropic funds, which would delay replacement housing development and could compete with nonprofit fundraising. Alternatively, the City could contribute additional infrastructure funding rather than housing funding, which would reimburse SHA for infrastructure work already completed.

4. OTHER IMPLICATIONS

a. Does this legislation affect any departments besides the originating department?

The legislation also authorizes the Department of Neighborhoods to implement agreements for development of a total of 1 acre of P-Patch community gardens and urban farms, and to enter an MOU with SHA establishing a planning process and timelines.

b. Is a public hearing required for this legislation?

No.

c. Does this legislation require landlords or sellers of real property to provide information regarding the property to a buyer or tenant?

No.

d. Is publication of notice with *The Daily Journal of Commerce* and/or *The Seattle Times* required for this legislation?

No.

e. Does this legislation affect a piece of property?

Yes; the Site Plan for Yesler Terrace is attached.

f. Please describe any perceived implication for the principles of the Race and Social Justice Initiative. Does this legislation impact vulnerable or historically disadvantaged communities?

This legislation authorizes funding of replacement housing at Yesler Terrace. This will allow tenants of Yesler Terrace, who are disproportionately people of color, the opportunity to return to the redeveloped community. An extensive community planning process was conducted to develop principles for the redevelopment, including translation and interpretation in many languages. Relocation assistance is provided to residents who must relocate, and to move back to Yesler Terrace if they choose to return.

g. If this legislation includes a new initiative or a major programmatic expansion: What are the specific long-term and measurable goal(s) of the program? How will this legislation help achieve the program's desired goal(s).

N/A

h. Other Issues:

List attachments/exhibits below:

Summary Exhibit A – Map of Site

Summary Exhibit B – Yesler Financial Projections