

SUMMARY and FISCAL NOTE*

Department:	Dept. Contact/Phone:	CBO Contact/Phone:
Legislative	Lish Whitson/(425) 390-2431	

** 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

Legislation Title:

AN ORDINANCE related to street vacations; amending Section 15.62.090 of the Seattle Municipal Code to exempt publicly funded affordable housing projects from compensating the City for vacations.

Summary and background of the Legislation:

This bill would amend Section 15.62.090 of the Seattle Municipal Code (SMC) to exempt affordable housing projects that receive street or alley vacations from requirements to pay the fair market value of the street or alley.

Under Washington State law, RCW 35.79.030, for most street or alley vacations, the City “may require the owners of the property abutting the street or alley to compensate the city or town in an amount that does not exceed the full appraised value of the area vacated.”

SMC 15.62.090 exempts City, State and federal agencies from making that compensation. The bill would also exempt projects that receive public funding or federal low-income housing tax credits and is subject to rent and income limits consistent with the City’s Housing Funding Policies. Such projects would still need to pay the for the costs of the City’s review of the vacation, currently \$6,500.

2. CAPITAL IMPROVEMENT PROGRAM

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

3. SUMMARY OF FINANCIAL IMPLICATIONS

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

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?

Yes, the bill would reduce the amount of funding the Seattle Department of Transportation (SDOT) receives to the Street Vacation Fund and decrease costs to the Office of Housing for the construction of affordable housing on sites that require a street or alley vacation. Given the low number of vacations that the City considers each year, it is difficult to estimate the fiscal impact of this change. However, the City has received two vacation requests for affordable housing projects that require a street or alley vacation over the last three years. The value of the right-of-way to be vacated on these sites, both in the Rainier Valley, is

estimated to be approximately \$500,000 each based on assessed land values near these properties. One of those projects is planned to be funded through Federal Low-Income Tax Credits and the other to be funded through City affordable housing funds. Consequently, the proposed legislation could reduce SDOT's by an average of \$333,333 a year and increase funding available for affordable housing projects financed by the Office of Housing by \$166,667 a year.

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

If not adopted, affordable housing projects would continue to compensate SDOT for the value of the right-of-way, increasing costs to develop those projects and maintaining SDOT's funding.

3.a. Appropriations

— This legislation adds, changes, or deletes appropriations.

Appropriations Notes:

Under State law, at least half of street vacation compensation is required to be used for transportation or parks and open space capital projects. The City's practice is to appropriate all of those funds to SDOT for transportation capital projects, except when the project involves a park project. Decisions regarding the timing of petitioners' compensation of the City for a street vacation is made by petitioners. Typically, the City receives compensation at the end of construction. Because of this uncertainty, street vacation compensation is not appropriated to SDOT until those funds are received.

3.b. Revenues/Reimbursements

— This legislation adds, changes, or deletes revenues or reimbursements.

Revenue/Reimbursement Notes:

As with appropriations, SDOT's street vacation revenue is not budgeted until compensation is received.

3.c. Positions

— This legislation adds, changes, or deletes positions.

4. OTHER IMPLICATIONS

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

This legislation affects SDOT and OH, both of which have been consulted in developing the legislation.

b. Is a public hearing required for this legislation?

No.

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

No.

d. Does this legislation affect a piece of property?

No.

e. Please describe any perceived implication for the principles of the Race and Social Justice Initiative. Does this legislation impact vulnerable or historically disadvantaged communities? What is the Language Access plan for any communications to the public?

The proposed bill will reduce the costs of developing some affordable housing projects, increasing the number of units that can be built overall and increasing access to housing in Seattle by low-income residents. Given significantly lower median incomes of Black and Indigenous households, the legislation would disproportionately support Black and Indigenous communities.

f. Climate Change Implications

1. Emissions: Is this legislation likely to increase or decrease carbon emissions in a material way?

No.

2. Resiliency: Will the action(s) proposed by this legislation increase or decrease Seattle's resiliency (or ability to adapt) to climate change in a material way? If so, explain. If it is likely to decrease resiliency in a material way, describe what will or could be done to mitigate the effects.

No.

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).

Not applicable.

List attachments/exhibits below:

None