

CITY OF SEATTLE

RESOLUTION _____

..title

A RESOLUTION amending and adopting the Policies and Procedures that govern the Reuse and Disposal of real property owned by The City of Seattle not subject to the City Light Department jurisdiction; updating certain portions of the procedures related to property reuse and disposal for affordable housing; and adding provisions regarding the use of proceeds from surplus property disposal.

..body

WHEREAS, Resolution 29799, adopted in August 1998, established policies and procedures to govern the acquisition, reuse, or disposal of real property owned by the City not subject to the City Light Department (“City Light”) jurisdiction; and

WHEREAS, Resolution 31829, adopted in July 2018, revised the policies and procedures governing the acquisition, reuse, or disposal of City Light Department properties; and

WHEREAS, the procedures governing the acquisition, reuse, and disposal of real property owned by the City that is not under City Light’s jurisdiction (hereinafter “City Property”) were last modified in September 2017 by Resolution 31770; and

WHEREAS, the policies governing the reuse and disposition of City Property have not been updated since 1998; and

WHEREAS, there is significant need for affordable housing in the City for those households with incomes under 80 percent of Area Median Income (AMI) and, in particular, those with incomes from zero to 30 percent of AMI; and

WHEREAS, the use of City Property for development of affordable housing can help to address the need for such housing and result in retaining such properties for this important public purpose, effectively in perpetuity; and

WHEREAS, given the need for affordable housing, the City desires to prioritize the use of available City Property for this purpose and to provide the largest number of affordable

1 units, at or below 80 percent of AMI, especially for those with incomes from zero to 30
2 percent of AMI, that can be developed when using surplus City Property for affordable
3 housing and recognizes that such development will also result in the provision of living
4 wage jobs; and

5 WHEREAS, the City is interested in exploring new models for development that can increase the
6 number of affordable units at or below 80 percent of AMI, including models using
7 alternative construction methods and materials such as modular or cross-laminated timber
8 or where the City maintains ownership of the land but permits a community organization
9 to develop, own, and operate affordable housing on such land; and

10 WHEREAS, in the event a surplus property cannot be used for the development of affordable
11 housing, and is proposed for disposition for cash, the City intends that 80 percent of the
12 proceeds from such dispositions should be used to support the development of affordable
13 housing; and

14 WHEREAS, in 2019 the City will discuss amending the Housing Levy Administration and
15 Finance Plan, including updated policies related to site-specific Requests for Proposals,
16 and will seek to include language to request the Office of Housing to seek partnerships
17 with local non-profit, low-income housing organizations that are culturally relevant and
18 historically rooted in such neighborhoods to develop properties in neighborhoods deemed
19 at high risk for displacement. For the purposes of these partnerships, organization staff
20 and board composition should reflect the communities they purport to serve and meet
21 other guidelines as defined by the funding criteria for the Equitable Development
22 Initiative; and

1 WHEREAS, the City will continue to explore and/or implement a community-driven anti-
2 displacement program that may include clear priorities around labor standards for
3 construction of projects, including use of priority hire, apprenticeship utilization, area
4 standard wages and bona fide benefits, and community workforce agreements; and

5 WHEREAS, Seattle’s open and green spaces are a tangible asset essential to public health, urban
6 resilience, social cohesion, and environmental sustainability, and, when feasible, will be
7 integrated into development within this context, meeting the needs for communities
8 across the City; and

9 WHEREAS, the City desires to revise the policies and procedures governing the reuse and
10 disposition of City Property to reflect these desired changes; NOW, THEREFORE,

11 **BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SEATTLE, THE**
12 **MAYOR CONCURRING, THAT:**

13 Section 1. The Procedures for Evaluation of Reuse and Disposal of the City’s Real
14 Property, adopted by Resolution 29799 and last amended by Resolution 31770, are hereby
15 amended and revised to read as shown in Attachment A to this resolution.

16 Section 2. Section 1 of Resolution 29799 is superseded, and the following policies are
17 adopted to govern the reuse or disposal of real property owned by the City not under the
18 jurisdiction of the City Light Department (“City Property”):

19 **Reuse or Disposal of City Property.**

20 The Executive is to make its recommendations on the reuse or disposal of any property
21 that is not needed by a Department on a case-by-case basis, following the procedures found in
22 Attachment A to this resolution, and evaluating the options using the following guidelines:

1 A. Consistency. The Executive shall evaluate the proposed reuse or disposal for
2 consistency with any restrictions or limitations resulting from any of the following:

3 1. The purpose for which the property was originally acquired;
4 2. The funding sources used to acquire the property;
5 3. The title or deed conveying the property, including terms and conditions
6 of the original acquisition or any other contract or instrument by which the City is bound or to
7 which the property is subject;

8 4. City, state, or federal ordinances, statutes, and regulations, including but
9 not limited to the following:

- 10 • Bond, grant, or loan programs;
- 11 • The applicability of the Local Government Accounting Act, RCW
12 43.09.210, and Third Substitute House Bill 2382 as it relates to the
13 transfer or property for development of Affordable Housing, that includes
14 the possible transfer at less than fair market value;
- 15 • Zoning and land use matters such as the Land Use Code, landmarks
16 ordinance, historic preservation policies, and special review district
17 limitations;
- 18 • Other plans, policies, or regulations adopted or approved by the City
19 Council, including the City of Seattle Comprehensive Plan.

20 B. Other Factors. The Executive's recommendation should also consider:

21 1. Highest and best use of the property;
22 2. Compatibility of the proposed uses with the physical characteristics of the
23 property and surrounding uses;

1 3. Unique attributes that make the property hard to replace (e.g., size,
2 location);

3 4. Potential for consolidation with adjacent public property to accomplish
4 future goals and objectives of the City;

5 5. Conditions in the real estate market from the perspective of a property
6 seller;

7 6. Known environmental factors that may affect the value of the property.

8 C. Priorities for use of City-owned Properties. The Executive’s recommendation for
9 the reuse or disposal of property should reflect assessment of the potential use of the property
10 consistent with City priorities, including:

11 a. Affordable Housing

12 b. Park or Open Space

13 c. Child care and early learning facilities

14 d. Education

15 e. Sound Transit Link Light Rail station area development

16 f. Community and Economic Development

17 g. Other priorities reflected in adopted City policies or plans.

18 It is the intent of the City to prioritize use of available City Property for development of
19 Affordable Housing, including mixed-use development projects. This priority will be reviewed
20 in 2023. In determining if a property is suitable for development as Affordable Housing, the
21 following criteria will be used:

22 1. Current use;

23 2. Zoning or rezone opportunities;

3. Size and site configuration;
4. Topography;
5. Presence of contamination/hazardous materials;
6. Infrastructure;
7. Existing improvements and condition of existing improvements;
8. Location; alignment with City priorities;
9. Originating fund source/restrictions on use;
10. Ability to create mixed-use development.

The Office of Housing will assist in evaluating the use of City Property for Affordable Housing development.

Section 32. Use of Proceeds from Disposition of Surplus City Property. Unless otherwise directed by ordinance, 80 percent of the net proceeds from the disposition of every surplus City Property not intended for the development of Affordable Housing shall be deposited into the Low-Income Housing Fund (16400) to be used for the development of Affordable Housing that can include mixed-use developments, and/or the Equitable Development Initiative Fund to be used for costs directly related to the construction of an affordable housing project by a non-profit organization.

Section 43. Transition and Applicability. If adopted by Council and unless otherwise provided by applicable ordinance or other law, the revised procedures shown in Attachment A to this resolution apply to: real property that a department has formally determined it no longer needs for its current or future use (“Excess Properties”); Excess Properties currently going through disposal procedures; or future disposals of Excess Properties. However, Council does

1 not intend that each Excess Property must restart the process to comply with these revised
2 procedures.

3 Section 54. Annual Report on Development of Affordable Housing on Surplus City
4 Property. The Office of Housing will include in the Annual Investment Report information on
5 City surplus properties, if any, that were disposed of in the prior year for development as
6 affordable housing. Information to be included in this report includes but is not limited to: The
7 number of surplus properties disposed of for development of affordable housing; the number of
8 planned or developed units for each property; other facilities planned or developed along with
9 the affordable housing, such as child care or health care facilities, commercial spaces, etc., and
10 information that supports inclusion of such facilities to meet existing community needs; the
11 name of the organization selected to develop each property; and the population to be served by
12 each proposed project.

1 Adopted by the City Council the _____ day of _____, 2018,
2 and signed by me in open session in authentication of its adoption this _____ day of
3 _____, 2018.

4 _____
5 President _____ of the City Council

6 The Mayor concurred the _____ day of _____, 2018.

7 _____
8 Jenny A. Durkan, Mayor

9 Filed by me this _____ day of _____, 2018.

10 _____
11 Monica Martinez Simmons, City Clerk

12 (Seal)

13 Attachments:
14 Attachment A – Procedures for Evaluation of Reuse and Disposal of the City’s Real Property