

SUMMARY and FISCAL NOTE*

Department:	Dept. Contact/Phone:	CBO Contact/Phone:
Office of Housing	Emily Alvarado 4-3727	Waslala Miranda 3-5044

** 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: A RESOLUTION adopting and approving an application for surplus federal property at Fort Lawton, including a redevelopment plan, and authorizing the City of Seattle Office of Housing to forward an application to the United States Department of Defense and the United States Department of Housing and Urban Development in response to the closure of the Fort Lawton Army Reserve Center.

Summary and background of the Legislation: This resolution authorizes the Office of Housing to submit an application to the U.S. Department of Defense and U.S. Department of Housing and Urban Development for conveyance of Fort Lawton to the City of Seattle and partner agencies in accordance with the Defense Base Closure and Realignment Act of 1990, Public Law 101-510, as amended, and the 2005 Base Closure and Realignment Commission Report, as approved. The Fort Lawton Army Reserve Center was identified as surplus to the federal government in 2006 and decommissioned in 2012. In 2017, the City entered into a 5-year lease of Fort Lawton and assumed ongoing maintenance and upkeep costs to the City. This resolution includes the Fort Lawton Redevelopment Plan and Homeless Assistance Submission required for application by the City, the Local Redevelopment Authority designated by the Department of Defense, for disposition of Fort Lawton.

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?

Implementation of the plan will include the following federal property conveyances:

- Between 1.5- and 2-acres public conveyance at no cost to the City for development of homeless supportive housing via long-term lease with Catholic Community Services/United Indians of All Indians Foundation (All Indians).
- Approximately 4 acres public conveyance to Habitat for Humanity for development of self-help ownership housing for households with incomes up to 80% of AMI. Minimum of 75% discount from fair market value up to no cost acquisition.

- Negotiated sale with U.S. Army of approximately a 2-acre site to be developed by Catholic Community Services/United Indians for renter households with incomes up to 60% of AMI.
- Public benefit conveyance through the Department of Interior at no cost of up to 22 acres to the City for parks uses.

Implementation of the plan will include the following development costs:

- Total development cost for homeless supportive housing is projected to be \$28.3 million, of which City subsidy will represent a portion; Total development cost for affordable rental housing is projected to be \$40.2 million, of which City subsidy will represent a portion; Total development cost for homeownership housing is projected to be \$18.4 million, of which City subsidy is approximately \$90,000 per unit. A portion of infrastructure costs will be attributable to the housing developments.
- Two unlit, multi-purpose athletic fields will be provided in the central portion of the site and developed within the first few years. The total development cost is projected to be \$5.5-\$7 million depending upon design. Parking for 60 vehicles would add an additional \$500,000. Funding for the development is dependent on ownership; BEX V funding for Seattle Public Schools (SPS) ownership, or Seattle Park District funding for Seattle Parks and Recreation (SPR) ownership.
- Much of the passive recreation space will remain as it is (open grass). After the affordable housing development is complete, SPR will initiate an outreach process to determine what other recreation amenities are needed in the area.

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

Required elements of the Local Redevelopment Authority application, per Title 32 Part 176.30, include a copy of the redevelopment plan, a homeless assistance submission, and an overview of the citizen participation process, to include public review and comment on the draft application and at least one public hearing on the application prior to its submission to HUD.

Estimated caretaker costs for the site per terms of the standing lease of the site from the Army are \$485K annually. The lease expires December 31, 2021 if conveyances are not completed by that date. The City is working with the Veterans Administration (VA) for full reimbursement of \$91K annual sewer and water charges that are included in this cost. Those uses are wholly associated with the VA's 82,000 square foot office building located just west of the Fort Lawton site. According to terms of a pending agreement, Seattle Public Schools has promised to reimburse the City one-third of the caretaker costs, which totals an estimated \$164,165 to date (the agreement requires SPS payment of proportional costs starting on 12/1/17; the \$164K estimate is through 2/28/19).

The major risk of further delays on the Fort Lawton redevelopment project is the U.S. Army could determine the City is not in compliance with the lease and elects to dispose of Fort Lawton through the negotiated sale process to the private sector at fair market value rather than through BRAC public benefit conveyances. This would result in the lost opportunity to develop

approximately 238 units of affordable housing and acquire acres of land for parks and recreation and related uses.

4. OTHER IMPLICATIONS

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

Upon adoption of this resolution, an interdepartmental team, to include OH, SDOT, SPU, City Light, FAS, and OIR will be formed to begin planning for infrastructure improvements at Fort Lawton.

b. Is a public hearing required for this legislation?

The federal government requires that the City, as the Local Redevelopment Authority (LRA), hold at least one public hearing on the application prior to submission to the U.S. Department of Housing and Urban Development and the U.S. Army.

The Seattle City Council held two public hearings (August 21, 2008 and September 3, 2008) on the redevelopment plan adopted for Fort Lawton in 2008 and subsequently approved by the federal government. A lawsuit filed by several Magnolia residents delayed that plan, which included market-rate housing, homeless housing, six Habitat for Humanity homes, and parks space. The Court of Appeals upheld a King County Superior Court decision concluding that the redevelopment plan constituted a project action subject to SEPA. Soon after, the Great Recession's impact on Seattle's economy began to diminish the financial viability of the redevelopment plan, the market-rate housing component in particular.

A comprehensive environmental analysis for a modified version of the 2008 plan was done in 2017 and 2018. A public hearing was held on January 9, 2018.

The Final EIS includes full text of comments from the public from that hearing. The Seattle City Council Housing Committee plans to hold at least one public hearing on the application for Fort Lawton acquisition and redevelopment.

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, maps are included in the Fort Lawton Redevelopment Plan.

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?

The 2017 Assessment of Fair Housing commits the City to affirmatively further fair housing, by supporting housing development and choice across the City. OH's funding policies also emphasize affirmatively furthering fair housing by addressing housing choice, segregation and displacement. Redevelopment at Fort Lawton provides the City with a unique opportunity to further fair housing by providing for a range of affordable housing types in Magnolia, a community with access to high quality schools and open space, and with few existing housing choices affordable to low- and moderate-income households, which disproportionately includes households of color.

Provision of permanent supportive housing includes a partnership with United Indians of All Tribes Foundation—a historically rooted, culturally competent organization with expertise serving an Urban Native population. Provision of affordable homeownership has shown to help address, albeit modestly, the disproportionate homeownership rates for households of color, particularly Black/African American households, as compared to white households.

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

List attachments/exhibits below: None