

September 20, 2019

MEMORANDUM

To: Housing, Health, Energy and Workers' Rights Committee
From: Eric McConaghy, Analyst
Subject: Seattle City Light's Transfer of NW Seattle Properties – C.B. 119635

On September 24, 2019, the Housing, Health, Energy and Workers' Rights Committee (Committee) will receive a briefing, discuss and consider voting on [Council Bill \(C.B.\) 119635](#) that would declare Seattle City Light's (City Light's) former Loyal Heights Substation property and the former Phinney Substation property surplus to the City's electric utility needs and transfer the properties from the jurisdiction of City Light to the Office of Housing (OH). The transfer would be at no cost to the Office of Housing for the purpose of developing permanently affordable home ownership for low-income households at or below 80 percent of the median income. OH anticipates that there will be a 19-unit condominium project on the Phinney site and an 8-unit townhome project on the Loyal Heights site.

Description

[Third Substitute House Bill \(3SHB\) 2382](#) was enacted by the Washington State Legislature and became law in June 2018. This legislation authorizes state or local governments to transfer, lease, or dispose of surplus property for affordable housing for low- or very-low income households on terms agreeable to the parties, including a no-cost transfer.

In August 2018, the City adopted [Resolution 31829](#) establishing rules and policies consistent with this new state law, including a policy to prioritize the disposition of City Light excess properties for affordable housing purposes over all other uses, to the extent practicable. These proposed property transfers appear to be consistent with Resolution 31829.

These two properties were removed from active utility use and are excess to the needs of City Light. [Resolution 31424](#) requires specific community outreach steps for the disposition of excess City Light properties. These requirements were met in September through November of 2017, including a public hearing, and City Light has transmitted the report on outreach along with this legislation.

Before City Light can declare property surplus, [Revised Code of Washington \(RCW\) 35.94.040](#) requires a public hearing. The public hearing requirements of [RCW 35.94.040](#) were satisfied in November 2017, and there is no legal requirement for the Committee to hold a further public hearing on this matter.

Some basic statistics describing the properties are shown in Table 1:

Table 1: Statistics on Surplus Property of C.B. 119635

Property	Address	Area (sq ft)	Zoning
Loyal Heights	7750 28 th Ave NW	8,158	Lowrise (LR2 RC)
Phinney	6109 Phinney Ave N	6,000	Neighborhood Commercial (NC2P-55)

Next Steps

If the Committee recommends approval of C.B. 119635 on September 24, then Council could take final action on the legislation as soon as September 30.

cc: Kirstan Arestad, Exec Director
Dan Eder Deputy Director