

SUMMARY and FISCAL NOTE*

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** 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 relating to the financing of Equitable Development Implementation Plan projects; amending Ordinance 125462 to extend the term of an interfund loan.

Summary and background of the Legislation:

Over the past several years, the Mayor and Council have built on a commitment to equity and livability with a specific focus on supporting the City’s Equitable Development Initiative (EDI), which is designed to help create healthy, vibrant communities. The EDI includes investments, programs and policies that meet the needs of marginalized populations and achieve equitable outcomes these populations. The EDI Framework integrates people and place to create strong communities and people, as well as great places with equitable access.

OPCD’s [2016 Equitable Development Financial Investment Strategy](#) report identified five community-driven place based projects in various stages of implementation:

1. Rainier Beach Food Innovation District;
2. Multicultural Community Center;
3. South East Economic Opportunity Center;
4. William Grose Center for Cultural Innovation; and
5. Little Saigon Landmark Project.

These projects are identified as priorities for mitigating further displacement and increasing access to opportunity. They focus on meeting a variety of community needs, including the development of affordable housing, stabilization of small businesses, building on local cultural assets, and creation of education and economic opportunities. The projects will require partnership between community leaders, community-based organizations, public institutions, and philanthropic partners to leverage collective resources and bring the initiatives to fruition.

In 2016 the City announced the intention that the Equitable Development Initiative be funded by the \$16 million in proceeds from the sale of the Civic Square block to Bosa Development US LLC. These funds will go to support capital programs and projects that demonstrate benefits to communities that are at risk of social, economic and cultural displacement as Seattle grows. It will also be used to leverage other funding sources to further support EDI efforts.

As part of the 2017 Adopted Budget process, Council adopted Ordinance 125212 authorizing a loan of up to \$6,500,000 to be made from the Finance and Administrative Services Fund to the General Fund to support the implementation of a first round of EDI projects. Ordinance 125462 increased the interfund loan to \$16 million and shifted the lending fund to the Revenue

Stabilization Fund. The loan was to be repaid from the proceeds of the sale of surplus property known as the Civic Square Block.

Closing will occur when the Master Use Permit is issued by the Seattle Department of Construction and Inspections (SDCI), approximately 14-18 months from the date of application. At this date, although the sale of the surplus property has been finalized, the final closing date remains uncertain. On June 18, 2019 the project received Design Review approval, but must still complete at least three other aspects of its MUP review: Zoning, SEPA and Land Use “corrections.” Funds from the sale of the property might not be received by December 31, 2019. In an abundance of caution, this legislation extends the interfund loan for an additional year, to December 31, 2020.

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?
No.

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

Without extending the interfund loan, there is a possibility the EDI team will not have the cash available by December 31, 2019 to repay the interfund loan as it is currently structured.

4. OTHER IMPLICATIONS

- a. Does this legislation affect any departments besides the originating department?
No.
- 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?

No.

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? What is the Language Access plan for any communications to the public?

Displacement risk in the City of Seattle is linked to historical patterns of discrimination that particularly manifested in the dispossession and limits for people of color to own land and property within the city limits. The Equitable Development Implementation Plan provides a structure for both processes and outcomes designed to acknowledge these patterns of discrimination while empowering those most impacted to develop solutions to current challenges and create opportunities that best leverage the existing assets within their communities.

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).

The interfund loan is supporting an existing initiative.