

**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 amending Ordinance 126237, which adopted the 2021 Budget; changing appropriations to various departments and budget control levels, and from various funds in the Budget; and lifting a proviso; all by a 3/4 vote of the City Council.

**Summary and background of the Legislation:**

The 2021 Adopted Budget included a \$30 million allocation for the Strategic Investment Fund (SIF). The SIF is intended to support strategic land and real estate acquisitions in areas at high risk of displacement or in areas of low access to opportunity that present unique opportunities for transformational equitable development. The goal of the fund is to help groups acquire land and buildings to create opportunities for multiple community benefits, including affordable housing, affordable commercial spaces, cultural spaces, and childcare facilities.

The \$30 million appropriation was placed in Finance General along with a proviso which prohibited use of these funds until authorized by future ordinance and until the Executive submits a proposed spending plan for the SIF. This legislation lifts the proviso and allocates \$30 million from Finance General to the departments who will be responsible for contracting directly with SIF awardees.

In early 2020, the Office of Planning and Community Development (OPCD) and several other City departments, including the Department of Neighborhoods (DON), Office of Housing (OH), Arts and Culture (Arts), City Budget Office (CBO) and Office of Economic Development (OED), convened a Community Advisory Group (CAG) to establish priorities and principles to create a spending plan for the SIF. The CAG agreed that the SIF should be prioritized to fund land and real estate acquisitions by communities most impacted by displacement, where the acquisition would create opportunities for community wealth building, and where the awards could grow capacity of community organizations and institutions.

In order to fulfill Council’s request for a detailed spending plan, the Executive proceeded with a RFP process in close coordination with staff from the Mayor’s Office, City Council, the City Budget Office, directors from participating City departments, and the CAG, which reconvened to develop and publish an RFP on August 4, 2021.

City staff and CAG members then hosted three information sessions with over 80 attendees and had over 20 individual conversations with prospective applicants. After six weeks, OPCD received 100 applications totaling over \$300 million in proposals. The CAG reviewed and scored applications, meeting twice in August to recommend awardees.

**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?    \_\_\_ **X** Yes \_\_\_ No

Appropriation change (\$):	General Fund \$		Other \$	
	2021	2022	2021	2022
			\$0	
Estimated revenue change (\$):	Revenue to General Fund		Revenue to Other Funds	
	2021	2022	2021	2022
Positions affected:	No. of Positions		Total FTE Change	
	2021	2022	2021	2022

**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?**

This legislation lifts a proviso and moves existing appropriations from Finance General to OPCD and ARTS. This funding will contribute to the economic wellbeing of communities in Seattle in areas at high risk of displacement or low access to opportunity.

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

Not lifting the proviso would mean the City would be unable to implement the recommendations of the Community Advisory Group (CAG) and would be unable to carry out the intent of the Strategic Investment Fund.

**3.a. Appropriations**

  **x**   This legislation adds, changes, or deletes appropriations.

Item	Department	Fund	Budget Summary Level	Amount
2.1	Finance General	General Fund (00100)	General Purpose (00100-BO-FG-2QD00)	(\$30,000,000)
2.2	Executive (Office of Planning and Community Development)	General Fund (00100)	Equitable Development Initiative (00100-BO-PC-X2P40)	\$24,325,680

2.3	Executive (Office of Arts and Culture)	General Fund (00100)	Cultural Space (00100-BO-AR-VA170)	\$5,674,320
<b>Total</b>				<b>\$0</b>

\*See budget book to obtain the appropriate Budget Control Level for your department.

**Is this change one-time or ongoing?**

This is a one-time proviso lift and budget transfer from Finance General to Executive departments.

**Appropriations Notes:** This legislation utilizes \$30 million dollars of existing funds in the 2021 budget that were appropriated in Finance General based on the recommendations of the Community Advisory Group. It moves that \$30,000,000 to OPCD and ARTS within the General Fund; there is no net increase in total spending.

**3.b. Revenues/Reimbursements**

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

**4. OTHER IMPLICATIONS**

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

Yes, this legislation lifts a proviso in Finance General and allocates funding to OPCD and ARTS.

**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 SIF criteria prioritizes awarding funding to communities at high risk of displacement, including Black Indigenous and People of Color (BIPOC) communities and Queer and Trans BIPOC communities, and also prioritizes proposals that build community wealth and grow capacity for small organizations to own land and develop community-serving projects. Together, these priorities underscore a commitment to community self-determination, a core tenet of racial equity.

In addition to the funding priorities, the Community Advisory Group is comprised of primarily BIPOC community leaders and equitable development experts with deep ties to communities impacted by displacement.

**f. Climate Change Implications**

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

The legislation will decrease carbon emissions. It is well documented that displacement mitigation and prevention strategies reduce Vehicle Miles Traveled (VMT), since communities at highest risk of displacement are also likely to be transit dependent. SIF eligibility was dependent on proximity to recent or proposed public investments in parks and transit, increasing the likelihood of using transit and reducing VMT. Finally, the SIF prioritized co-location of multiple community benefits such as affordable housing, community centers, cultural space, affordable commercial space, and childcare which simultaneously decrease the need to drive.

**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.**

The legislation will increase resilience. Anti-displacement and community cohesion—both well documented community resiliency strategies in the face of climate change—are core priorities of the SIF. Displacement fractures communities who rely on each other in the face of a climate disaster and pushes people away from critical community services. As seen during the COVID-19 pandemic, culturally relevant community and cultural centers are vital to delivering life-saving services like meals, mask and cleaning supply distribution, vaccine information and administration, and access to subsidies and mutual aid.

**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). [paragraph]**

The City's growth, shaped by public and private investment, disinvestment, discrimination, public policy and more, has resulted in unequal displacement pressures across Seattle, falling heaviest for Black, Indigenous, People of color (BIPOC), Queer and Transgender BIPOC, people with disabilities, and low-income people. The SIF will help communities buy land to keep residents, businesses, and community institutions rooted in place.

The purpose of this funding is to secure land and real estate by communities at high risk of displacement, living in neighborhoods with low access to opportunity where current or future infrastructure projects threaten to undermine community stability.

Through the open application process, the City will spend \$30 million to help groups acquire land and buildings to be used for affordable housing and other community benefits such as affordable space for business, community centers, cultural spaces, childcare, and open space.

Other priority outcomes include:

- Respond to an immediate need to move such as inability to pay rent, increase in rent, end of lease, demolition, etc.
- Create community wealth, share resources, and strengthen relationships.
- Co-locate affordable housing with other community benefits such as affordable commercial spaces, public open spaces, cultural spaces, and childcare facilities.
- Fill gaps in existing funding for community-led development.
- Eligible applicants: Approximately \$30 million is available, with a maximum of \$5 million per award. Sites must be in neighborhoods with high displacement risk and near existing or planned transit and parks investments.

The SIF awards build on existing relationships and funding programs in the Office of Housing, Office of Arts and Culture, Office of Planning and Community Development, and Office of Economic Development. Through contracts with relevant departments, awardees must meet requirements that designate the public benefit and scope of work based on the priority outcomes. The benefit is legally bound through a covenant with a designated public benefit term. If the awardee is not able or no longer able to provide the public benefit on the site acquired through the SIF, the City retains the right to find another organization who can provide the public benefit, re-allocate the funds to a different site that does support the public benefit, or in a last resort sell the property and reallocate the funds for a similar purpose.

**List attachments/exhibits below:**