

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

- a. **Legislation Title:** AN ORDINANCE transferring jurisdiction over real property located at Mercer Street and Second Avenue from the Seattle Center Department to the Office of Housing.

- b. **Summary and background of the Legislation:** This legislation transfers jurisdiction for a parcel of City property from Seattle Center to the Office of Housing in order for the Office of Housing to facilitate development of an affordable housing project on the site. The property is located on the SW portion of the “K Block” bounded by Mercer and Roy Streets and 2nd and 3rd Avenues North, due west of the Seattle Center Mercer Street Parking Garage (see attached map). The block is called the “K Block” because the majority of the block was owned at one time by the Kreielsheimer Foundation. Today, the City owns approximately one-quarter of the K Block in two parcels, the smaller of which was a gift from the Kreielsheimer Foundation and the other purchased by the City with funds provided in part by the Kreielsheimer Foundation.

This legislation is a companion to Ordinance 125406, approved by City Council September 18, 2017, which authorized agreements for cooperative development of the “K Block” between the City and the private developer of a mixed-use housing project on the privately-owned portion of the block. Seattle Center and the Office of Housing will continue to collaborate on execution of these agreements, which encompass topics including pedestrian circulation throughout the block, building setbacks, and dedication of open space for public use. The Office of Housing plans to issue an RFP for an affordable housing developer in 2018, following a community engagement process. It is estimated that between 70-80 units can be constructed on the site, based on recent zoning changes approved as part of the broader Uptown rezone.

This legislation carries out one of the intents of Resolution 31772, passed by City Council October 2, 2017, which, among other things, requests Seattle Center to “proceed with an interjurisdictional transfer of property to Office of Housing of land located on Mercer Street between 2nd and 3rd Ave N for the development of affordable housing in the Uptown Urban Center.”

2. CAPITAL IMPROVEMENT PROGRAM

- a. **Does this legislation create, fund, or amend a CIP Project?** ___ Yes X No

3. SUMMARY OF FINANCIAL IMPLICATIONS

- a. Does this legislation amend the Adopted Budget? ___ Yes X No
- b. 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?

The legislation will have indirect financial impacts on the Office of Housing, which expects to invest capital funds and significant staffing resources to support the development of affordable housing on the property. OH resources will be dedicated to implementation of community outreach efforts, performance of site due diligence, RFP development and administration, and ultimate disposition, financing and long-term oversight of the project.

Prior to this legislation, Seattle Center has executed a Temporary Construction License for use of this property for staging during construction. Seattle Center and Office of Housing have executed a Memorandum of Understanding to the effect that payments related to this license will stay with Seattle Center after the property is transferred.

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

Transferring jurisdiction of this City-owned property to the Office of Housing communicates that the property will be dedicated for use as affordable housing, and enables an efficient, cost-effective, and timely disposition and financing of the property by the Office of Housing. Not implementing this legislation delays and potentially adds costs to achieving the City's goal for affordable housing at this site.

4. OTHER IMPLICATIONS

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

This legislation affects Seattle Center and the Office of Housing. As noted above, the Office of Housing will dedicate significant resources to development of affordable housing on the property once jurisdiction has been transferred.

- 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?

Yes.

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?

Yes. This legislation supports the future development of affordable housing for low-income people on City-owned property in the Uptown Urban Center.

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

h. Other Issues:

List attachments/exhibits below:

Attachment A – Map of Site