

SUMMARY and FISCAL NOTE*

Department:	Dept. Contact:	CBO Contact:
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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 transfer of City real property for housing development; transferring properties collectively known as Sites 5–11 to selected developers or their designees; authorizing the Director of the Office of Housing or the Director’s designee to execute and deliver agreements for transfer of land, deeds, and related documents; and ratifying and confirming certain prior acts.

Summary and background of the Legislation: Supporting the development of affordable homeownership has long been a City strategy to promote social justice, economic stability, address displacement risks, and help reverse racial and wealth inequities caused by decades of discriminatory real estate and lending practices. However, affordable homeownership development has become increasingly difficult to implement as home prices and construction costs rise. To help address this difficulty, City of Seattle Resolution 31837 prioritizes the use of surplus City property for development of affordable housing.

Additionally, in May of 2022 the council passed ordinance 126331 authorizing the Director of the Office of Housing to enter into a transfer agreement and to accepting the transfer of 10 sites from the Central Puget Sound Transit Authority (“Sound Transit”) at no cost but in consideration for the purposes of developing affordable homeownership. The transfer agreement with Sound Transit anticipates that at least 100 units of affordable homes will be developed across the 10 sites, and the Office of Housing committed a minimum of \$10 million for affordable homeownership development. This ordinance authorizes the transfer of 7 of those 10 sites in accordance with the Sound Transit transfer agreement.

This legislation authorizes the Director of the Office of Housing, or her designee (Director) to make the Property available to Habitat for Humanity/African Community Housing & Development and Homestead Community Land Trust at no cost, in exchange for the development of permanently affordable homes.

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?

The City allocated no less than \$10 million to fund the development of affordable homeownership as part of the Rainier Valley Affordable Homeownership Initiative. Along with the transfer of property at no cost, OH will award an estimated \$8.44 million in development subsidy to effectuate the construction of permanently affordable homes.

Are there financial costs or other impacts of *not* implementing the legislation?

Not implementing the legislation at this time will result in delays to development of affordable housing which will likely increase the costs of development and will result in additional holding costs for the land.

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. 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?

Yes. A map of the properties identifying the properties by site number and surrounding area is provided as Attachment 1 to this Summary and Fiscal Note.

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?

High level objectives of the Rainier Valley Affordable Homeownership Initiative of which these awards are a part include the goals to “mitigate displacement of current Rainier Valley residents who are being priced out of this transit-rich area, and encourage opportunities for displaced Rainier Valley residents to return to the area and to conduct affirmative marketing to communities least likely to apply, including Black, Indigenous, and other households of color who historically have been systematically and disproportionately excluded from homeownership opportunities”. Additionally, the various Request for Proposals (RFP) articulated, in the evaluation criteria, that “Competitive proposals will have a strong affirmative marketing component and will consider whether to utilize community-preference to conduct outreach to income-eligible community members who have been displaced or are at risk of displacement from the neighborhood.”

Both selected developers, Habitat for Humanity, and Homestead CLT have a history of demonstrated success in this regard. They each have a very strong track-record of successfully conducting affirmative marketing, affirmatively furthering fair housing and

reducing barriers for households of color. Especially in partnership with African Community Housing & Development and Rainier Beach Action Coalition, respectively, we anticipate strong and successful affirmative outreach.

f. Climate Change Implications

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

Creating affordable housing in the City of Seattle, close to public transit, jobs, schools and services creates walkable communities that promotes human health while reducing transportation related emissions of air pollutants and carbon dioxide. Additionally, the energy usage of these new homes will be significantly less than that used by most of the existing housing stock.

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 proposed action is not anticipated to increase or decrease Seattle’s resiliency (or ability to adapt) to climate change in a material way on its own; however, locating affordable housing near transit and services should contribute to Seattle’s overall efforts to reduce transit-related emissions and create a more walkable community. The affordable housing that will result from this legislation will, however, significantly increase the resiliency of the low-income homebuyers who will benefit from homeownership here. These newly constructed homes will be built with highly efficient design and systems to create a comfortable and healthy indoor environment that will use much less energy than a typical home.

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)?

This legislation is needed to fulfill the goals of the Rainier Valley Affordable Homeownership Initiative. These sites will accommodate 79 of the required 100 homes as spelled out in the transfer agreement governing the transfer of these properties from Sound Transit to OH.

Summary Attachments:

Summary Attachment 1 - Maps of Property