

**SUMMARY and FISCAL NOTE\***

<b>Department:</b>	<b>Dept. Contact/Phone:</b>	<b>CBO Contact/Phone:</b>
Office of Housing	Laurie Olson 615-0995	Miguel Jimenez

*\* 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 property at Sand Point; authorizing the Director of Housing to execute an easement agreement for a sanitary sewer main line with the University of Washington; authorizing related agreements and actions to support the development of cottages for people experiencing homelessness on a parcel owned by the City and leased to SP Cottages LLC; and ratifying and confirming certain prior acts.

**Summary and background of the Legislation:** In 1997 and 1998, City Council adopted legislation that authorized acceptance of a deed from the United States to the City for land and buildings at the Sand Point Naval Station and the lease of land to the Sand Point Community Housing Association (SPCHA). A Ground Lease from the City to SPCHA was executed in April 1998 and that Ground Lease was assigned to and assumed by Sand Point Community Connections LLC (SPCC) in 2008.

The Ground Lease has been amended several times to remove parcels, create new Ground Leases between the City and other entities, and authorize deeds to buildings on those parcels for provision of affordable housing for extremely and very low-income households. In 2019, the City Council approved a lease of Parcel 9 between the City of Seattle and the Low Income Housing Institute (LIHI) or its affiliate, to support the development of up to 20-25 cottages for individuals who have experienced homelessness. The parcel was subsequently leased to LIHI's affiliate, SP Cottages, LLC, which is proceeding with the project.

SP Cottages, LLC's development of the cottages can be facilitated if the cottages can connect to the adjacent property owner's sanitary sewer main line. The University of Washington owns the property and has agreed in principle to providing an easement to allow this connection. Under this agreement SP Cottages, LLC would pay the University of Washington \$10,000 for the easement. The easement will require an agreement between the City of Seattle, via its Office of Housing, and the University of Washington. This ordinance provides City Council authorization for the Director of Housing to enter into the easement agreement.

**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?**  
SP Cottages, LLC will be responsible for all costs and will hold harmless the City and the University. In the event that SP Cottages, LLC is no longer the tenant or is not able to manage the project, the City will hold overall responsibility to meet the provisions of the easement.

**Is there financial cost or other impacts of *not* implementing the legislation?**  
In order to reduce development costs, SP Cottages LLC is proposing to connect to an existing sanitary sewer line on property owned by the University that is adjacent to the Sand Point Property. If this legislation is not implemented, costs to install a sewer line in a different location are estimated to increase by approximately \$300,000. This in turn could require a redesign of the project which may result in delays and a reduction of units that would be built on the site.

#### 4. OTHER IMPLICATIONS

- a. **Does this legislation affect any departments besides the originating department?**  
The project proposed by LIHI must be approved by SDCI and SPU under the standard permitting process.
- 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, see attached map.
- 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 housing costs and homelessness disproportionately affect people of color. The implementation of this legislation supports RSJI principles by facilitating the construction of cottages for people who would otherwise be homeless.
- f. **Climate Change Implications**
- 1. Emissions: Is this legislation likely to increase or decrease carbon emissions in a material way?**  
This project is not likely to either increase or decrease carbon emissions in a material way.

- 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.**

This project will neither increase or decrease Seattle’s resiliency (or ability to adapt) to climate change in a material way.

- 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

**List attachments/exhibits below:**

Summary Attachment A - Map of Property