

**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 transfer of City property located at 525 North 85th Street; authorizing the conveyance of the property to the Phinney Neighborhood Association, a Washington non-profit corporation, consistent with the intent of Resolution 31856 and to provide for the continued delivery of social services; making findings of fact about the consideration for the transfer; superseding Resolution 31837 for the purposes of this ordinance; and authorizing the Director of Finance and Administrative Services or designee to execute and deliver documents necessary to carry out the conveyance of such property on the terms and conditions of this ordinance.

**Summary and background of the Legislation:**

For many years, the City has contemplated conveying title to certain senior centers/community centers, each to its non-profit operator, so long as the operator demonstrates the capacity to own and operate the property. The City is now prepared to move forward with the transfer of title on one such property to its non-profit operator, Phinney Neighborhood Association (PNA), pursuant to City Council Resolution 31856 for Mutual and Offsetting Benefit Properties.

In 1977, the City of Seattle (“City”) purchased a medical clinic on an approximately 22,000-square-foot site located at 525 North 85th Street for use as a neighborhood senior center (“Greenwood Senior Center”). The purchase money included funds from a community development block grant from the United States Department of Housing and Urban Development and from an award of Referendum 29 funds as administered by the State of Washington Department of Social and Health Services.

In 1987 the City entered into a long-term mutual and offsetting benefit lease (“GSC Lease”) with Senior Services of Seattle/King County and Greenwood Senior Center, Inc. (“GSC, Inc.”), both organizations being non-profit corporations and operating as joint tenants, pursuant to which the tenants paid no cash rent in exchange for a commitment to use the Greenwood Senior Center to provide off-setting public benefits in the form of senior services and which then converted to a month-to-month lease.

In 2006, the GSC, Inc. and the Phinney Neighborhood Association, a Washington non-profit corporation (“PNA”), merged, with the PNA acquiring all of the GSC, Inc.’s right, title, and interest in the GSC Lease (including the GSC Inc.’s standing as a month-to-month tenant).

Pursuant to those certain *Procedures for Evaluation of the Reuse and Disposal of the City's Real Property*, as first adopted by Resolution 29799 and amended by Resolutions 30862 and 31837 ("Disposition Procedures"), in May 2015 FAS declared the Greenwood Senior Center excess to its needs. In 2016 and 2017 pursuant to the Disposition Procedures, FAS conducted public outreach with respect to the proposed conveyance of the Greenwood Senior Center to the PNA. The outreach identified no opposition to the proposed conveyance.

Purchase money for the Greenwood Senior Center came in part from the Washington State Social and Health Services Facilities 1972 bonds ("1972 Bonds"). RCW 43.83.410 permits the transfer of property acquired with 1972 Bonds to non-profit agencies without consideration, so long as the transferee uses the property to furnish services benefitting the public.

As a month-to-month tenant under the GSC Lease, PNA continues to use the Greenwood Senior Center for purposes of furnishing social services to older, adult residents of the Greenwood neighborhood. Services furnished include classes, events, daily hot lunch program, and social activities.

Pursuant to City Council resolution 31856 as adopted in 2018, the City Council declared its intent to collaborate with the Executive in transferring properties subject to mutual and offsetting benefit ("MOB") leases. Each property would be transferred to its non-profit operator. Consideration would be in the form of a promise from the non-profit operator to use the property to provide social services benefitting the community.

The 2019 *Memorandum of Agreement Implementing Criteria for Initiating Transfer of Mutually Offsetting Facilities to Tenants*, by and amongst six, City of Seattle departments and offices, charged an interdepartmental team with determining whether a tenant under a MOB lease met the criteria for the conveyance of the leased premises. This team recently determined that the PNA met such criteria and is thus eligible to take title to the Greenwood Senior Center.

FAS and the PNA have agreed to the terms and conditions governing the City's conveyance of the Greenwood Senior Center to the PNA. The agreement remains subject to the City Council's approval.

## 2. CAPITAL IMPROVEMENT PROGRAM

Does this legislation create, fund, or amend a CIP Project?       Yes  No

## 3. SUMMARY OF FINANCIAL IMPLICATIONS

Does this legislation amend the Adopted Budget?       Yes  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?**  
Conveying title to the Greenwood Senior Center to its nonprofit operator the Phinney Neighborhood Association in exchange for a commitment to furnish needed social services

or a combination of social services and affordable housing means that the City will forego the monetary value of these properties in its citywide real estate holdings. In 2020, the King County Assessor assigned a value of \$4.9 million to the Greenwood Senior Center.

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

The financial impact of not conveying the property to the Phinney Neighborhood Association is that the City would continue to be responsible for the cost of maintenance. For example, for 2019 and 2020, the City spent \$11,600 and \$3,500, respectively, to maintain the Greenwood Senior Center. Conveying the Greenwood Senior Center to the Phinney Neighborhood Association would allow the City to avoid estimated maintenance costs of \$7,550 for each of 2021 and 2022.

**4. OTHER IMPLICATIONS**

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

Yes. Representatives from six departments and offices were participants on an interdepartmental team tasked with overseeing the disposition of properties subject to Mutual and Offsetting Benefit leases, such as the lease for the Greenwood Senior Center.

**b. Is a public hearing required for this legislation?**

No. While no public hearings are required or have been held to date, discussion of this legislation will be held before the City Council's Finance and Housing Committee and/or full City Council.

**c. Is publication of notice with *The Daily Journal of Commerce* and/or *The Seattle Times* required for this legislation?**

No. However, the disposition of the Greenwood Senior Center triggered a review under the State Environmental Policy Act pursuant to Washington Administrative Code section 197-11-800(5)(b). A notice of the determination of non-significance issued by FAS was published on July 31, 2017 in the Seattle Daily Journal of Commerce.

**d. Does this legislation affect a piece of property?**

Yes. See map attached to this 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?**

The impact of the legislation is limited to vesting the property's title in its non-profit operator, with no disruption to the ongoing delivery of social services.

However, an underlying principle of MOB property transfers is that it brings control of these properties closer to the communities and clients they serve. Greenwood Senior Center has historically served the vulnerable elder community in Greenwood. Transferring this property

is a community priority and this transfer is aligned with City priorities such as community wealth building and community ownership.

No language access plan was prepared as outreach for the disposition pre-dates the 2017 Executive Order requiring such a plan.

**f. Climate Change Implications**

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

No impact is expected.

**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.**

No impact is expected.

**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)?**

Not applicable.

**List attachments/exhibits below:**

Summary Attachment A – Depiction of the location of the Greenwood Senior Center