

SUMMARY and FISCAL NOTE*

Department:	Dept. Contact/Phone:	Executive Contact/Phone:
Legislative	Traci Ratzliff/4-8153	

** 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:

A RESOLUTION amending procedures for the Evaluation of the Reuse and Disposal of the City’s Real Property, to update certain portions of the procedures and expedite the disposition of properties for affordable housing development, consistent with the recommendations of the Housing Affordability and Livability Agenda (HALA) Advisory Committee adopted by the City Council in Resolution 31622.

b. Summary and background of the Legislation:

This Resolution modifies the City’s surplus property disposition policies known as the “Evaluation of the Reuse and Disposal of the City’s Real Property” to shorten the time it takes for City properties identified by the Office of Housing (OH) as suitable for development as affordable housing to move through the disposition process. The policies are modified to define such properties as “simple” disposition decisions versus “complex” decisions. According to FAS staff, a “complex” disposition can take from 12 to 18 months and a “simple” disposition can take about 12 months. Therefore, a “simple” disposition can take 90+ days less than a “complex” disposition. Generally, under current policies, properties identified by OH for affordable housing are defined as “complex” decisions.

The revised policies also add the Director of OH and the Chair of the City Council’s Budget Committee to the Real Estate Oversight Committee (REOC). The REOC must approve all dispositions of surplus property before such dispositions are forwarded to the City Council for approval. OH like other departments that participate in the REOC has an interest in the potential use of surplus City properties so therefore should be included on this committee. Councilmember participation in the REOC will allow for early Council input on disposition decisions and also provide a heads-up on dispositions that will be coming forward for approval.

The revised policies also increase from \$1 million to \$2 million the Fair Market Value (FMV) of an excess property that triggers a disposition being automatically defined as “complex”. The current disposition policies require that a property with a FMV in excess of \$1 million be automatically defined as a “complex” decision. It does not appear that this amount has been changed since the disposition policies were first adopted in 1998. This increase represents a modest adjustment given the increases in property values over the years. There are other factors that can result in a property being defined as a “complex” decision

that remain unchanged. The Process Review Determination Form is modified to incorporate this proposed change.

Finally, several technical changes are made to these policies that add clarity to the approval process and comports with current practices as it relates to required reports. These include the following:

- Clarifies that both “simple” and “complex” dispositions are approved by the REOC.
- Clarifies that the public involvement report (describing the public notification process undertaken, list of persons and entities notified, and summary of public comments received) can be included in the *Preliminary Recommendation Report on Reuse or Disposal of Excess Property* and/or the *Final Recommendation Report* and need not be a separate report. This is consistent with FAS’s current practice which is to incorporate the public involvement report information in these two reports.

2. CAPITAL IMPROVEMENT PROGRAM

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

If yes, please fill out the table below and attach a new (if creating a project) or marked-up (if amending) CIP Page to the Council Bill. Please include the spending plan as part of the attached CIP Page. If no, please delete the table.

Project Name:	Project I.D.:	Project Location:	Start Date:	End Date:	Total Project Cost Through 2022:

3. SUMMARY OF FINANCIAL IMPLICATIONS

a. Does this legislation amend the Adopted Budget? ___ Yes ___ **x** No

If there are no changes to appropriations, revenues, or positions, please delete the table below.

Budget program(s) affected:	General Fund \$		Other \$	
	2017	2018	2017	2018
Appropriation change (\$):				
Estimated Revenue change (\$):	Revenue to General Fund		Revenue to Other Funds	
	2017	2018	2017	2018
Positions affected:	No. of Positions		Total FTE Change	
	2017	2018	2017	2018

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?

If so, describe the nature of the impacts. This could include increased operating and maintenance costs, for example.

No

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

Requiring surplus properties identified as suitable for affordable housing to go through the “complex” decision disposition process delays these properties from moving forward for development. The Mayor, City Council, and the public have expressed ongoing interest in getting surplus city properties into the pipeline for development as affordable housing. The proposed changes will help accomplish this.

3.d. Appropriations

This legislation adds, changes, or deletes appropriations.

If this box is checked, please complete this section. If this box is not checked, please proceed to Revenues/Reimbursements.

Fund Name and number	Dept	Budget Control Level Name/##*	2017 Appropriation Change	2018 Estimated Appropriation Change
TOTAL				

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

This table should reflect appropriations that are a direct result of this legislation. In the event that the project/programs associated with this ordinance had, or will have, appropriations in other legislation please provide details in the Appropriation Notes section below. If the appropriation is not completely supported by revenue/reimbursements listed below, please identify the funding source (e.g. available fund balance) to cover this appropriation in the notes section. Also indicate if the legislation changes appropriations one-time, ongoing, or both.

Is this change one-time or ongoing?

Please explain any complicated scenarios – e.g. three-year funding agreement but not permanent ongoing.

Appropriations Notes:

3.e. Revenues/Reimbursements

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

If this box is checked, please complete this section. If this box is not checked, please proceed to Positions.

Anticipated Revenue/Reimbursement Resulting from this Legislation:

Fund Name and Number	Dept	Revenue Source	2017 Revenue	2018 Estimated Revenue
TOTAL				

This table should reflect revenues/reimbursements that are a direct result of this legislation. In the event that the issues/projects associated with this ordinance/resolution have revenues or reimbursements that were, or will be, received because of previous or future legislation or budget actions, please provide details in the Notes section below. Do the revenue sources have match requirements? If so, what are they?

Is this change one-time or ongoing?

Please explain any complicated scenarios – e.g. three-year funding agreement but not permanent ongoing.

Revenue/Reimbursement Notes:

3.f. Positions

_____ This legislation adds, changes, or deletes positions.

If this box is checked, please complete this section. If this box is not checked, please proceed to Other Implications.

Total Regular Positions Created, Modified, or Abrogated through this Legislation, Including FTE Impact:

Position # for Existing Positions	Position Title & Department*	Fund Name & #	Program & BCL	PT/FT	2017 Positions	2017 FTE	Does it sunset? (If yes, explain below in Position Notes)
TOTAL							

* List each position separately

This table should only reflect the actual number of positions created by this legislation. In the event that positions have been, or will be, created as a result of previous or future legislation or budget actions, please provide details in the Notes section below.

Position Notes:

4. OTHER IMPLICATIONS

- a. **Does this legislation affect any departments besides the originating department?**
 Finance and Administrative Services, Office of Housing
- 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?**
 No
- 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?**
 No

**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: