

**BILL SUMMARY & FISCAL NOTE**

<b>Department:</b>	<b>Contact Person/Phone:</b>	<b>Executive Contact/Phone:</b>
Finance and Administrative Services (FAS)	Sabrina Buchanan/615-1713	Jennifer Devore/615-1328

**1. BILL SUMMARY**

Legislation Title: AN ORDINANCE declaring the Property at 339 22<sup>nd</sup> Avenue East (PMA 156) as surplus to the City’s needs; authorizing the Director of Finance and Administrative Services to sell two parcels through an open and competitive process; and designating the disposition of sales proceeds.

**Summary and background of the Legislation:**

This proposed legislation declares property at 339 22nd Avenue East, Seattle WA 98119 (PMA 156) as surplus to the needs of the City. The Director of FAS is authorized to sell the property using a competitive process and to carry out any necessary negotiations to complete the transaction.

Proceeds from the sale, estimated at \$775,000, will be used as follows: \$38,180 will be repaid to the federal government for grant funds that were received as part of the American Recovery and Reinvestment Act (ARRA) and were used for a sprinkler system at the now defunct residential facility for teenage parents located on one of the two properties; FAS will be reimbursed for the costs associated with the disposition of the property; and all remaining proceeds will be deposited into the Office of Housing (OH) Low Income Housing Fund 16400.

OH will use the proceeds to support the development of rental housing with half the proceeds used to develop housing serving households with incomes no greater than 30 percent of annual median family income and half of the proceeds used to develop housing serving households with incomes no greater than 60 percent of annual median income. “Median income” means annual median family income for the Seattle-Bellevue, WA HUD Metro FMR Area, as published from time to time by the U.S. Department of Housing and Urban Development (HUD) for the Section 8 or successor program, with adjustments according to household size in a manner determined by the Director. This ordinance is exempted from Ordinance 108527, which would otherwise require the remaining proceeds to be deposited in the Human Resources Operating Fund.

**2. CAPITAL IMPROVEMENT PROGRAM**

**This legislation creates, funds, or amends a CIP Project.**

(If box is checked, please 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.)

<b>Project Name:</b>	<b>Project I.D.:</b>	<b>Project Location:</b>	<b>Start Date:</b>	<b>End Date:</b>	<b>Total Cost:</b>

**3. SUMMARY OF FINANCIAL IMPLICATIONS**

Please check one:

**This legislation has direct financial implications.** (If the legislation has direct fiscal impacts)

(appropriations, revenue, positions), fill out the relevant sections below. If the financial implications are indirect or longer-term, describe them in narrative in the "Other Implications" section.)

**This legislation does not have direct financial implications.**

(Please skip to "Other Implications" section at the end of the document and answer questions a-i.)

<b>Budget program(s) affected:</b>				
<b>Estimated \$ Appropriation change:</b>	<b>General Fund \$</b>		<b>Other \$</b>	
	<b>2015</b>	<b>2016</b>	<b>2015</b>	<b>2016</b>
<b>Estimated \$ Revenue change:</b>	<b>Revenue to General Fund</b>		<b>Revenue to Other Funds</b>	
	<b>2015</b>	<b>2016</b>	<b>2015</b>	<b>2016</b>
			<b>Est. \$775,000</b>	
<b>Positions affected:</b>	<b>No. of Positions</b>		<b>Total FTE Change</b>	
	<b>2015</b>	<b>2016</b>	<b>2015</b>	<b>2016</b>
<b>Other departments affected:</b>				

**3.a. 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)

The purpose of the legislation is to sell City real property. No appropriation is required at this time.

Fund Name and number	Dept	Budget Control Level Name/#*	2015 Appropriation Change	2016 Estimated Appropriation Change
<b>TOTAL</b>				

\*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 complete 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.)

Appropriations Notes:

**3.b. 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	2015 Revenue	2016 Estimated Revenue
Low-Income Housing Fund 16400	Office of Housing	Net proceeds from sale of the property	\$775,000 (est)	
<b>TOTAL</b>				

(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?)

Revenue/Reimbursement Notes:

The legislation authorizes FAS to utilize a competitive sales process. FAS anticipates hiring a real estate broker to market the property. An open and competitive process will allow enough time for potential buyers to consider the property and support the City getting the best available value for the property, while avoiding the risks associated with retaining vacant property in the City's portfolio. Any costs associated with the sale of the properties may be reimbursed from the proceeds of the sale.

A sprinkler system was installed in 2009 at the residential facility for teenage parents with \$38,180 in grant funds from the American Recovery and Reinvestment Act (ARRA). The terms of the grant require that the facility be used for the benefit of low or moderate income persons for a period of not less than five years. The five year condition was not met due to the group home operator ceasing operations at this location in 2012. The grant will be repaid from the proceeds of the sale.

**3.c. 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	2015 Positions	2015 FTE	Does it sunset? (If yes, explain below in Position Notes)
<b>TOTAL</b>							

\* 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 the legislation have indirect or long-term financial impacts to the City of Seattle that are not reflected in the above?**

(If yes, explain here.)

None

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

(Estimate the costs to the City of not implementing the legislation, including estimated costs to maintain or expand an existing facility or the cost avoidance due to replacement of an existing facility, potential conflicts with regulatory requirements, or other potential costs or consequences.)

The City would incur additional security, utility, and maintenance costs to maintain a vacant building if the legislation was not implemented and potentially face cleanup costs for graffiti and/or illegal dumping while hard to quantify, vacant buildings can be a detriment to the vitality of a neighborhood and potentially harm property values in the community.

**c) Does this legislation affect any departments besides the originating department?**

(If so, please list the affected department(s), the nature of the impact (financial, operational, etc), and indicate which staff members in the other department(s) are aware of the proposed legislation.)

FAS is originating this legislation and will facilitate the disposition of the property. Proceeds from the sale will be deposited into the Office of Housing's Low Income Housing Fund 16400. OH will use the proceeds to support the development of rental housing with half the proceeds used to develop housing serving households with incomes no greater than 30 percent of annual median family income and half of the proceeds used to develop housing serving households with incomes no greater than 60 percent of annual median income.

**d) Is a public hearing required for this legislation?**

(If yes, what public hearing(s) have been held to date, and/or what public hearing(s) are planned for the future?)

No

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

(For example, legislation related to sale of surplus property, condemnation, or certain capital projects with private partners may require publication of notice. If you aren't sure, please check with your lawyer. If publication of notice is required, describe any steps taken to comply with that requirement.)

No

**f) Does this legislation affect a piece of property?**

(If yes, and if a map or other visual representation of the property is not already included as an exhibit or attachment to the legislation itself, then you must include a map and/or other visual representation of the property and its location as an attachment to the fiscal note. Place a note on the map attached to the fiscal note that indicates the map is intended for illustrative or informational purposes only and is not intended to modify anything in the legislation.)

Yes, map is provided as Attachment B

**g) Please describe any perceived implication for the principles of the Race and Social Justice Initiative. Does this legislation impact vulnerable or historically disadvantaged communities?**

(If yes, please explain how this legislation may impact vulnerable or historically disadvantaged communities. Using the racial equity toolkit is one way to help determine the legislation's impact on certain communities.)

No

**h) If this legislation includes a new initiative or a major programmatic expansion: What are the long-term and measurable goals of the program? Please describe how this legislation would help achieve the program's desired goals.**

(This answer should highlight measureable outputs and outcomes.)

Traci Ratzliff  
FAS 339 22<sup>nd</sup> Ave E. SUM  
July 24, 2015  
#D5

Not applicable

**i) Other Issues:**

**List attachments below:**

Attachment A – Preliminary Report and Recommendation for the Disposition of PMA No. 156 Property at 339 22nd Ave East

Attachment B – PMA 156 – Capitol Hill Housing