

## **BILL SUMMARY & FISCAL NOTE**

<b>Department:</b>	<b>Contact Person/Phone:</b>	<b>Executive Contact/Phone:</b>
Legislative Department	Traci Ratzliff 684-8153	Lisa Mueller 684-5339

### **1. BILL SUMMARY**

#### **Legislation Title:**

AN ORDINANCE requiring owners of certain low-income housing to notify the City of Seattle Office of Housing and the Seattle Housing Authority of the owner's proposed sale of that housing and adding a new chapter 22.906 to the Seattle Municipal Code.

#### **Summary and background of the Legislation:**

Owners of multifamily rental housing with five or more housing units with rents that are affordable to households at or below 80% of area median income are required to provide notice to the City's Office of Housing and the Seattle Housing Authority (SHA) of the owner's intent to sell the property. Notice must be given 15 days prior to a property being listed with a real estate listing service or advertised for sale either in a printed newspaper or on an internet site such as commercialmls.com. Notice must be in writing and include the owner's name, phone number and address of the rental housing building that will be listed for sell. Owners of a multifamily rental housing building having five or more housing units who are required by law or agreement to notify the City of Seattle Office of Housing of the owner's intent to sell or transfer the building and have provided such notice are exempt from the notice requirements included in this ordinance.

Currently, there are no notice requirements for an owner of affordable multifamily housing who desires to sell the multi-family housing building; however, some owners of affordable housing that have used City, State, or Federal funding to develop such housing may be required to provide notice to the City of the owner's intent to sell or transfer property.

Requiring owners of affordable rental housing to provide a notice to the City and SHA prior to an owner formally listing a property for sale, provides the City or SHA the opportunity to evaluate and potentially prepare a purchase and sale offer in an effort to preserve the affordable housing.

The ability of the City or SHA to make offers to purchase buildings will be limited due to funding constraints. The Housing Affordability and Livability Committee is considering possible new funding sources, as well as programmatic efforts to preserve existing affordable housing -- that could be used in concert with the notice requirement included in this legislation. Action on such recommendations and a fuller fleshing out of a preservation program and the full staffing implication of such a program is unlikely to occur until the third or fourth quarter of 2015. Therefore, funding for a potential staff person for the work associated with this legislation

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is included for 2016 and is a preliminary figure.

**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.)

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

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**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>\$51,120</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>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>.5</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)

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

**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?** City could have more opportunities to purchase affordable housing projects but there limited financial resources available to do so.
- 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.) N/A
- 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.)
- d) **Is a public hearing required for this legislation?** N/A  
(If yes, what public hearing(s) have been held to date, and/or what public hearing(s) are planned for the future?)
- e) **Is publication of notice with *The Daily Journal of Commerce* and/or *The Seattle Times* required for this legislation?** N/A  
(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.)
- f) **Does this legislation affect a piece of property?** N/A  
(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.)
- 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?**  
Only to the extent that vulnerable or historically disadvantaged individuals reside in affordable housing projects owned by private owners that could be preserved as a result of this notice requirement and the City's or SHA's ability to facilitate purchase of the buildings. It is unknown the income level or ethnicity/race of those living in these private market projects.
- 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.** Possible outcomes would include: # of housing projects with units at or below 80% of Area Median Income (AMI) purchased via this notice requirement; # of housing units affordable at or below 80% of AMI purchased and preserved via this notice requirement. All of this is contingent on availability of funding to facilitate purchases.

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(This answer should highlight measureable outputs and outcomes.)

**i) Other Issues:**

**List attachments below:**