

SUMMARY and FISCAL NOTE*

Department:	Dept. Contact/Phone:	Executive Contact/Phone:
CBO	Melissa Lawrie/4-5805	Melissa Lawrie/4-5805

** 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:** AN ORDINANCE amending Ordinance 125212, relating to the financing of Equitable Development Implementation Plan projects; changing the source of the interfund loan from the Finance and Administrative Services Fund to the Revenue Stabilization Fund; increasing the loan of funds from \$6,500,000 to \$16,000,000; and changing appropriations to various departments and budget control levels and from various funds in the 2017 Budget.

b. Summary and background of the Legislation:

Over the past year, the Mayor and Council have built on a commitment to equity and livability with a specific focus on supporting the City's Equitable Development Initiative (EDI), which is designed to help create healthy, vibrant communities. The EDI includes investments, programs and policies that meet the needs of marginalized populations and achieve equitable outcomes these populations. The EDI Framework integrates people and place to create strong communities and people, as well as great places with equitable access.

OPCD's 2016 Equitable Development Financial Investment Strategy (http://www.seattle.gov/dpd/cs/groups/pan/@pan/documents/web_informational/p2555173.pdf) report identified five community-driven place based projects in various stages of implementation:

1. Rainier Beach Food Innovation District;
2. Multicultural Community Center;
3. South East Economic Opportunity Center;
4. William Grose Center for Cultural Innovation; and
5. Little Saigon Landmark Project.

These projects are identified as priorities for mitigating further displacement and increasing access to opportunity. They focus on meeting a variety of community needs, including the development of affordable housing, stabilization of small businesses, building on local cultural assets, and creation of education and economic opportunities. The projects will require partnership between community leaders, community-based organizations, public institutions, and philanthropic partners to leverage collective resources and bring the initiatives to fruition.

In 2016 the City announced the Equitable Development Initiative will be funded with the \$16 million in proceeds from the sale of the Civic Square block to Bosa Development US LLC. These funds will go to support capital programs and projects that demonstrate benefits to communities that are at risk of social, economic and cultural displacement as Seattle grows. It will also be used to leverage other funding sources to further support EDI efforts.

With the 2017 Adopted Budget, Council adopted Ordinance 125212 authorizing a loan of up to \$6,500,000 to be made from the Finance and Administrative Services Fund to the General Fund to support the implementation of a first round of EDI projects. The loan was to be repaid from the proceeds of the sale of surplus property known as the Civic Square Block.

Now the sale of the surplus property has been finalized, the City has a timeline for when it can expect to receive the proceeds of the sale. Closing will occur when the Master Use Permit is issued by the Seattle Department of Construction and Inspections (SDCI), approximately 14-18 months from the date of application. Funds from the sale of the property are expected to be received by December 31, 2019. In anticipation of OPCD continuing EDI work in the interim period, CBO has drafted legislation amending Ordinance 125212, increasing the interfund loan to the full \$16 million of cash consideration that will be received from the sale of the surplus property and changing the interfund loan source to the Revenue Stabilization Fund. The cash consideration received before the end of 2019 will repay the interfund loan, including any interest incurred.

2. CAPITAL IMPROVEMENT PROGRAM

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

3. SUMMARY OF FINANCIAL IMPLICATIONS

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

Budget program(s) affected:	General Fund \$		Other \$	
	2018	2019	2018	2019
Appropriation change (\$):	\$9,500,000			
Estimated Revenue change (\$):	Revenue to General Fund		Revenue to Other Funds	
	2018	2019	2018	2019
	\$9,500,000			
Positions affected:	No. of Positions		Total FTE Change	
	2018	2019	2018	2019

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?
 No

- c. Is there financial cost or other impacts of *not* implementing the legislation?**
Not implementing the legislation means Equitable Development Initiative projects beyond the limit of the initial interfund loan could not be initiated until the City receives the revenues from the sale of the surplus property known as the Civic Square Block, expected at the end of 2019.

4. OTHER IMPLICATIONS

- a. Does this legislation affect any departments besides the originating department?**
The interfund loan will come from the Revenue Stabilization Fund. This does not affect any other departments.
- 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?**
This funding is specifically for the benefit of vulnerable or historically disadvantaged communities. The EDI includes investments, programs and policies that meet the needs of marginalized populations and achieve equitable outcomes these populations. The EDI Framework integrates people and place to create strong communities and people, as well as great places with equitable access.
- 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).**
The interfund loan is to support an existing program, the Equitable Development Initiative. The goals are to mitigate further displacement and increasing access to opportunity.
- h. Other Issues:** None
- i. Attachments:** Summary Att A – Interfund Loan Request Form