

Transfer of Two Properties from City Light to the Office of Housing

Housing, Health, Energy & Workers'
Rights Committee

September 24, 2019



City of Seattle

HOUSING SEATTLE NOW

Mayor Durkan's plan to address Seattle's housing makes a surge of new investments in housing for low- and middle-income families, including:

- Sale of underutilized City properties at Mercer Street, amounting to nearly \$300 million in public benefits.
- Investment of \$50 million in permanent supportive housing for people experiencing long-term homelessness
- Updates to City's tenant protections
- Legislation to renew and improve the Multi-Family Tax Exemption limiting rent increases so homes stay affordable



THE NW SUBSTATION PROPERTY DISPOSITION PROJECT

- Former 4000-volt substations
- City Light is recommending disposition of the Phinney and Loyal Heights properties
- City Light followed the disposition process set by City Council in Resolution 31424, in the autumn of 2017

PROCESS FOR THE DISPOSITION

- Department/agency review
- Office of Housing expressed an interest in acquiring 2 of the sites
- Parks & Recreation Dept declined to pursue acquisition of the sites (not in “service gaps”)
- No other department or agency interest
- Information on the properties was presented at interested community group meetings
- City Light hosted a community information meeting
- Parks, OH, and other departments attended
- Public hearing was held as required by RCW 35.94.040 on November 16, 2017

PROCESS FOR DISPOSITION CON'T

- Public hearing notice requirements
 - Posted the property disposition on City Light's website (1,448 unique page views)
 - Posted notice on the properties
 - Mailed notices to nearby owners and residents
 - Published legal notice
- Consideration and reconsideration by appropriate departments of any public uses that were recommended by the public
- Transmitted all accumulated public comments and City Light's recommendations to City Council, after notice to all commenters

PUBLIC COMMENTS

- Many comments – most recommending parks/open space use or affordable housing use
- Parks still declined to pursue acquisition of properties

SUBSEQUENT DEVELOPMENTS

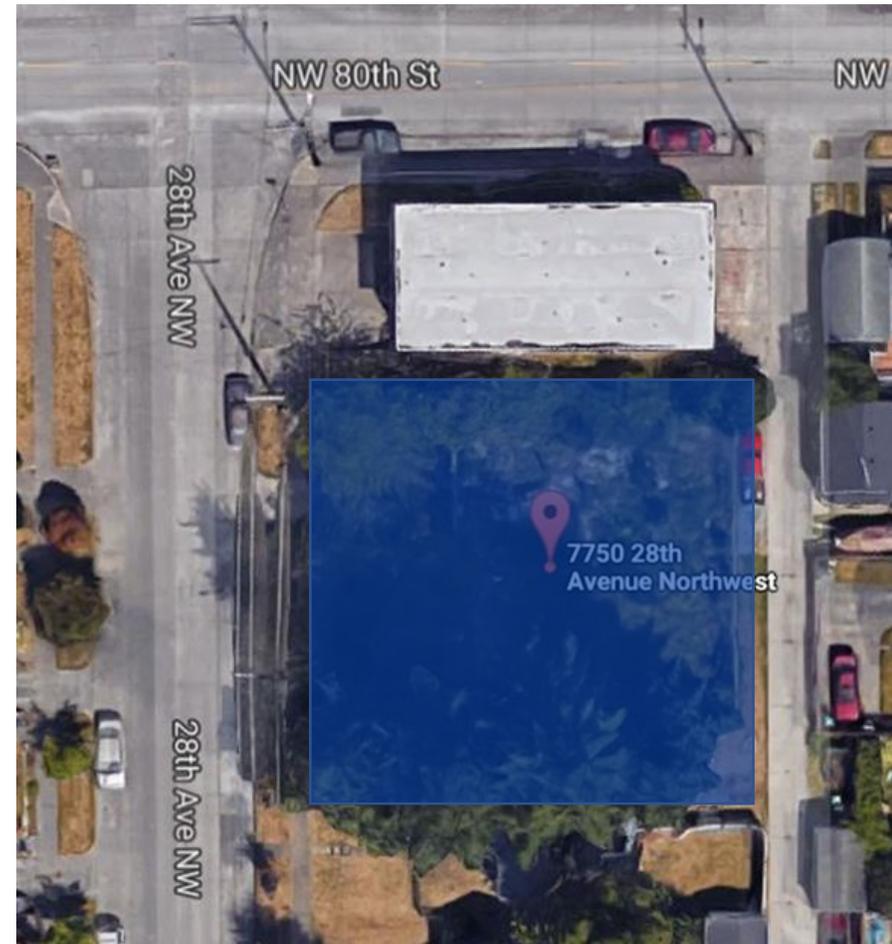
- 3SHB 2382 was adopted in 2018, allowing transfer of utility property for less than fair and full market value for the purpose of affordable housing
- City Resolution 31829 followed, implementing 3SHB 2382 and setting affordable housing as the priority use of surplus City Light property
- Any other use would continue to require fair and full market value compensation to City Light

RECOMMENDATION

- Declare both Loyal Heights and Phinney surplus for utility use and transfer them to the Office of Housing at no cost for the development of affordable housing

LOYAL HEIGHTS:

- 7750 28th Ave NW
- 8,158 SF
- Zoning: LR2 – RC
- On 28th Ave NW, south of NW 80th St
- 5 blocks from the 18x and the 40 Metro bus lines
- Near the business district at 24th Ave NW and NW 80th St, Golden Gardens Park, Loyal Heights Elementary and Community Center



PHINNEY RIDGE:

- 6109 Phinney Ave N
- 6,000 SF
- Zoning: NC2P-55
- On Phinney Ave N between N 61st St and N 62nd St.
- On the 5 and 5x bus line, 10-minute walk to the E Rapid Ride line
- Near grocery store, Woodland Park, Green Lake, Phinney Ridge Community Center



OFFICE OF HOUSING BACKGROUND

- Released a Request for Interest to determine feasibility of permanently affordable homeownership projects
- Based on responses, OH published a Request for Proposals in April 2019
 - Sought developer(s) to build permanently affordable homeownership units for sale to homebuyers with incomes at or below 80% AMI
 - Received a total of 5 responses for both sites

LOYAL HEIGHTS PREFERRED PROPOSAL



- Habitat for Humanity
- 8 three-bedroom townhomes
- Permanently affordable, family-sized housing in a high-opportunity neighborhood

PHINNEY PREFERRED PROPOSAL

- Homestead Community Land Trust and Edge Developers Inc.
- 19 Condominium Units
 - 9 three-bedroom homes
 - 5 two-bedroom homes
 - 5 one-bedroom homes
- Resale-restricted and permanently affordable

