

SUMMARY and FISCAL NOTE*

Department:	Dept. Contact/Phone:	CBO Contact/Phone:
Office of Housing	Erika Malone 684-0247	Miguel Jimenez 684-5805

** 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

Legislation Title: relating to the Office of Housing (OH); authorizing the acceptance of a transfer of real property in Southeast Seattle for the purpose of development of affordable housing and other related uses, and for general municipal purposes; placing the property under the jurisdiction of OH; and ratifying and confirming certain prior acts.

Summary and background of the Legislation: In response to longstanding requests from the community for more affordable homeownership opportunities and the activation of vacant, surplus sites in the Rainier Valley, the City of Seattle Office of Housing (OH) has collaboratively worked with Sound Transit since 2017 to avail ten underutilized, surplus sites for the development of permanently affordable homes.

In the 2020 Adopted Budget, the City Council appropriated up to \$12 million to OH to invest in the development of permanently affordable homeownership opportunities in the Rainier Valley, on these sites specifically. This appropriation, funded through proceeds from the Mercer property sale, was subsequently carried forward into the 2021 budget. These funds will support the development of these parcels as well as pay for associated pre-development and holding-term costs such as taxes, fees and property maintenance. Development partners, when identified, will seek additional funding from state, federal and private resources necessary to develop permanently affordable homes.

On February 25, 2021, the Sound Transit Board voted to approve the transfer, at no cost, of the surplus sites to OH for permanently affordable homeownership development. Prior to the transfer of ownership, City Council must accept the parcels by Ordinance.

The redevelopment project, known as the Rainier Valley Homeownership Initiative, is envisioned to create:

- At least 100 permanently affordable homes, for sale to low-and-moderate income (LMI) residents, that are developed and/or stewarded by locally-led and accountable agencies in service to a collective community vision
- Asset-building opportunities for communities in the Rainier Valley through affordable homeownership today and in perpetuity for future homebuyers
- Increased capacity of Rainier Valley leaders and agencies to develop, own and/or steward property in Seattle and King County.

Redevelopment will follow and be guided by a community visioning process led by national leader, Grounded Solutions Network (GSN) and local coalition builder, Puget Sound Sage (Sage). GSN connects national and local expertise; bringing together the networks, knowledge

and support necessary to build inclusive communities. They promote housing solutions that will stay affordable for generations so communities can stabilize and strengthen their foundation, for good. Sage works to chart a path to a living economy in the South Salish Sea and Duwamish River Valley regions by developing community power to influence, lead and govern. Sage operates under the belief that development without displacement is possible through community self-determination and stewardship of land.

This community visioning work will include convening a community advisory board, conducting capacity assessments of organizations that wish to participate in the development and stewardship of community assets, identifying partners and partnership structure for initiative implementation, and provision of education and technical assistance.

2. CAPITAL IMPROVEMENT PROGRAM

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

3. SUMMARY OF FINANCIAL IMPLICATIONS

Does this legislation amend the Adopted Budget? Yes No

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

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

If this legislation is not implemented the City of Seattle will miss a rare opportunity to acquire land at no-cost for development of much needed and community requested affordable homeownership opportunities for residents facing immense displacement pressure in a neighborhood that is rapidly gentrifying.

4. OTHER IMPLICATIONS

- a. Does this legislation affect any departments besides the originating department?
No.
- b. Is a public hearing required for this legislation?
No
- c. Is publication of notice with *The Daily Journal of Commerce* and/or *The Seattle Times* required for this legislation?
No
- d. Does this legislation affect a piece of property?
Yes. It temporarily increases the number of properties owned by the City of Seattle by 10. OH will develop a community led process that will lead to the transfer of the properties to affordable housing developers as selected through a Request for Proposal (RFP) process.

Transfer to developers will occur once all permits and financing is secured and will require future City Council approval.

- e. Please describe any perceived implication for the principles of the Race and Social Justice Initiative. Does this legislation impact vulnerable or historically disadvantaged communities? What is the Language Access plan for any communications to the public?**
High housing costs and housing insecurity disproportionately affects people of color. This is especially acute for households of color who continue to be disproportionately excluded from homeownership opportunities. Implementation of this legislation supports RSJI principles as the initiative is in response to calls from primarily BIPOC organizations and individuals from Rainier Valley neighborhoods, for investment in more affordable homeownership opportunities. The RFP process will follow and be guided by the continuation of an equitable community engagement process.

f. Climate Change Implications

- 1. Emissions: Is this legislation likely to increase or decrease carbon emissions in a material way?**

While the outcomes of the initiative will result in more households living near public transit which should help reduce personal vehicle trips, this project is not likely to either increase or decrease carbon emissions in a material way.

- 2. Resiliency: Will the action(s) proposed by this legislation increase or decrease Seattle's resiliency (or ability to adapt) to climate change in a material way? If so, explain. If it is likely to decrease resiliency in a material way, describe what will or could be done to mitigate the effects.**

This project will neither increase or decrease Seattle's resiliency (or ability to adapt) to climate change in a material way.

- 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)?**

This legislation allows for a programmatic expansion of OH's affordable homeownership program in Southeast Seattle. The goals of this expansion are to increase homeownership rates in this part of Seattle, and to help address disproportionately low rates of homeownership among households of color. This legislation will facilitate the development of no fewer than 100 permanently affordable homes, and it is anticipated that the developers of the various sites may conduct special outreach to demographic groups least likely to apply, including through outreach in various languages.

List attachments/exhibits below:

Summary Attachment 1 - List of sites for acceptance

Summary Attachment 2 - Map of site locations