

CITY OF SEATTLE
ORDINANCE _____
COUNCIL BILL _____

AN ORDINANCE relating to economic development; amending the policies of the Community Equity Fund component of the Central Area Capital Fund created in Ordinance 117729 and amended by Ordinance 119224; and approving expenditure of the balance of the Community Equity Fund for economic development and housing activities in the Central Area.

WHEREAS, City Council adopted the policies of the Community Equity Fund, a component of the Central Area Capital Fund Program, in Ordinance 117729 and amended those policies in Ordinance 119224; and

WHEREAS, the Community Equity Fund's policies provided that funds would be used to finance mixed use and affordable housing projects developed by (i) a Community Based Development Organization, as defined in HUD regulations, 24 CFR Section 570.204, with an area of operation that includes the Central Area or (ii) a Central Area Community Development Corporation; and

WHEREAS, the City has determined that the Community Equity Fund's policies should be expanded to also support economic development activities in the Central Area beyond real estate development; NOW, THEREFORE,

BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:

Section 1. The Director of the Office of Economic Development ("OED Director") is authorized, on behalf of The City of Seattle, to disburse up to \$100,000 from the Community Equity Fund ("Equity Fund") to support the Central Area History Project, a community based effort in the Central Area to highlight and strengthen the historic African-American culture in the neighborhood. The OED Director may award funds to community groups for activities such as identifying and designating cultural landmarks and historical sites, installing markers, signs or other materials to highlight cultural, artistic, and historical landmarks and sites, and supporting cultural events.

1 Section 2. The Director of the Office of Housing (“OH Director”) is authorized, on
2 behalf of The City of Seattle, to disburse up to \$400,000 from the Equity Fund for operational
3 support of affordable housing projects in the Central Area, known as Harvey Apartments, located
4 at 2615 E. Cherry Street, Union Apartments, located at 981 20th Avenue and James Apartments,
5 located at 2101 E. James Street.

6 Section 3. The OED Director is authorized, on behalf of The City of Seattle, to disburse
7 up to \$130,000 from the Equity Fund to support the development and implementation of a
8 commercial revitalization plan in the Central Area. As a result of the updated Central Area
9 neighborhood plan, as developed by the City’s Department of Planning and Development and
10 The 23rd Ave Advisory Core Team, the commercial revitalization plan has been identified as a
11 priority action for implementation. The funds will be distributed through and leveraged by
12 OED’s Only in Seattle program.

13 Section 4. Following the disbursements described in Sections 1-3 of this Ordinance, the
14 OED Director is authorized, on behalf of The City of Seattle, to disburse any remaining funds in
15 the Equity Fund to support economic development activities that are consistent with community
16 priorities identified through the work of City projects and programs in the Central Area whose
17 purposes are to create a culturally and ethnically diverse and economically strong community in
18 the Central Area.

19 Section 5. Section 4 of Part VI, PROGRAM POLICIES AND PROCEDURES, in the
20 program description and policies for the Central Area Capital Fund Program, as adopted in
21 Exhibit A of Ordinance 117729 and amended by Ordinance 119224, is amended by the addition
22 of a new paragraph at the end of Section 4 as follows:

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24 4. Community Equity Fund
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Section 6. This ordinance shall take effect and be in force 30 days after its approval by the Mayor, but if not approved and returned by the Mayor within ten days after presentation, it shall take effect as provided by Seattle Municipal Code Section 1.04.020.

Passed by the City Council the ____ day of _____, 2014, and signed by me in open session in authentication of its passage this ____ day of _____, 2014.

President _____ of the City Council

Approved by me this ____ day of _____, 2014.

Edward B. Murray, Mayor

Filed by me this ____ day of _____, 2014.

Monica Martinez Simmons, City Clerk

(Seal)

2015 BUDGET LEGISLATION FISCAL NOTE

Department:	Contact Person/Phone:	CBO Analyst/Phone:
Office of Economic Development	Ken Takahashi/684-8378	Tim Wolfe/684-0535

Legislation Title:

AN ORDINANCE relating to economic development; amending the policies of the Community Equity Fund component of the Central Area Capital Fund created in Ordinance 117729 and amended by Ordinance 119224; and approving expenditure of the balance of the Community Equity Fund for economic development and housing activities in the Central Area.

Summary of the Legislation:

This legislation amends the policies of the Community Equity Fund (also known as the Central Area Equity Fund), one of four components of the Central Area Capital Fund, as authorized in ordinance 117729 and later amended by ordinance 119224, to fund economic development activities in the Central Area neighborhood beyond real estate development. In particular, this legislation expands the authorization of the Community Equity Fund to also support: (i) activities of the Central Area History Project; (ii) operations of affordable housing projects known as Harvey Apartments, Union Apartments and James Apartments; (iii) development and implementation of a commercial revitalization plan in the Central Area; and (iv) other economic development activities consistent with community priorities identified through the work of City projects and programs in the Central Area to create a culturally and ethnically diverse and economically strong community in the Central Area.

Background:

In 1995, the City Council established the Central Area Capital Fund Program (CACF) in Ordinance 117729, creating a development fund to implement the housing and commercial development goals of the Central Area Action Plan. The overall goal of the CACF is to promote the coordinated redevelopment of the Central Area community through centralized delivery of technical assistance and financing for physical development projects. The revitalization efforts of the CACF were guided by the Central Area neighborhood plan. A copy of the Central Area neighborhood plan area is attached to this fiscal note (OED Central Area Cap Fund CA Neighborhood Plan FISC ATT A).

The Central Area Capital Fund included four major activity areas: 1) commercial façade improvement program; 2) project pre-development financing; 3) project construction financing; and 4) Community Equity Fund. The Community Equity Fund (“Equity Fund”) is the only activity area with remaining funds. The Equity Fund’s policies provided that funds would be used to finance mixed use and affordable housing projects developed by (i) a Community Based Development Organization (as defined in HUD regulations, 24 CFR Section 570.204) with an area of operation that includes the Central Area or (ii) a Central Area Community Development Corporation.

The City recognizes the need to support economic development activities in the Central Area beyond real estate development. As such, the City has determined that the Equity Fund's policies should be expanded to support the following economic development activities in the Central Area:

- Up to \$100,000 from the Equity Fund will support the Central Area History Project, a community based effort in the Central Area to highlight and strengthen the historic African-American culture in the neighborhood. Community groups will receive funding for activities such as identifying, designating, and installing signage/markers for cultural, artistic, and historical landmarks and sites, and supporting cultural events
- Up to \$400,000 from the Equity Fund will be provided for operational support of affordable housing projects in the Central Area, known as Harvey Apartments, located at 2615 E. Cherry, Union Apartments, located at 981 20th Avenue, and James Apartments, located at 2101 E. James Street
- Up to \$130,000 from the Equity Fund will support the development and implementation of a commercial revitalization plan in the Central Area. As a result of the updated Central Area neighborhood plan, as developed by the City's Department of Planning and Development and the 23rd Ave Advisory Core Team, the commercial revitalization plan has been identified as a priority action for implementation. The funds would will be distributed through and leveraged by OED's Only in Seattle program
- Following disbursement for the three purposes listed above, OED will cause the disbursement of any remaining funds in the Equity Fund to support economic development activities consistent with community priorities identified through the work of City projects and programs in the Central Area to create a culturally and ethnically diverse and economically strong community in the Central Area.

Because this legislation expands the uses of the Equity Fund to support broader economic development activities beyond real estate development, this legislation also recognizes eligible applicant organizations to include for profit and nonprofit entities to carry out the activities listed above.

Please check one of the following:

This legislation does not have any financial implications.

The funds associated with the CACF are currently budgeted within Fund 17830 and the appropriations within that fund are sufficient to cover the project amounts noted in this legislation. No additional budget authority will be necessary. All expenditures will be made directly out of this fund.

Summary of Changes to Revenue Generated Specifically from this Legislation:

	Revenue Source	2015 Proposed	2016 Proposed
Total Fees and Charges Resulting From Passage of This Ordinance		NA	NA

Revenue Change Notes: NA

Anticipated Total Revenue from Entire Program, Including Changes Resulting from this Legislation:

Fund Name and Number	Revenue Source	Total 2015 Revenue	Total 2016 Revenue
60220	GF	0	0
TOTAL		0	0

Total Revenue Notes:

Other Implications:

a) **Does the legislation have indirect financial implications, or long-term implications?**
 No.

b) **What is the financial cost of not implementing the legislation?**
 If this legislation is not enacted the funds in Fund 17830 will remain for future use according to the purposed outlined in the originating ordinance. The City has identified other economic development priorities that extend beyond real estate, and these other priorities will not be met unless funding is approved by this legislation.

c) **Does this legislation affect any departments besides the originating department?**
 The Office of Housing would be authorized to spend a portion of the balance of these funds through this legislation in order to support the operations of the Harvey, James and Union apartment buildings. It also impacts the Department of Planning and Development (DPD) in that this legislation allocates resources to implement aspects of the 23rd Avenue Action Plan developed by DPD.

d) **What are the possible alternatives to the legislation that could achieve the same or similar objectives?**
 There are no possible alternatives to this legislation that could achieve the same objectives.

e) Is a public hearing required for this legislation?

No.

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

No.

g) Does this legislation affect a piece of property?

No.

h) Other Issues:

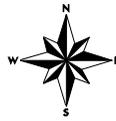
None.

List attachments to the fiscal note below:

Attachment A: Central Area Neighborhood Plan Area

OED Central Area Cap Fund FISC ATT A
Central Area
Neighborhood Plan Area

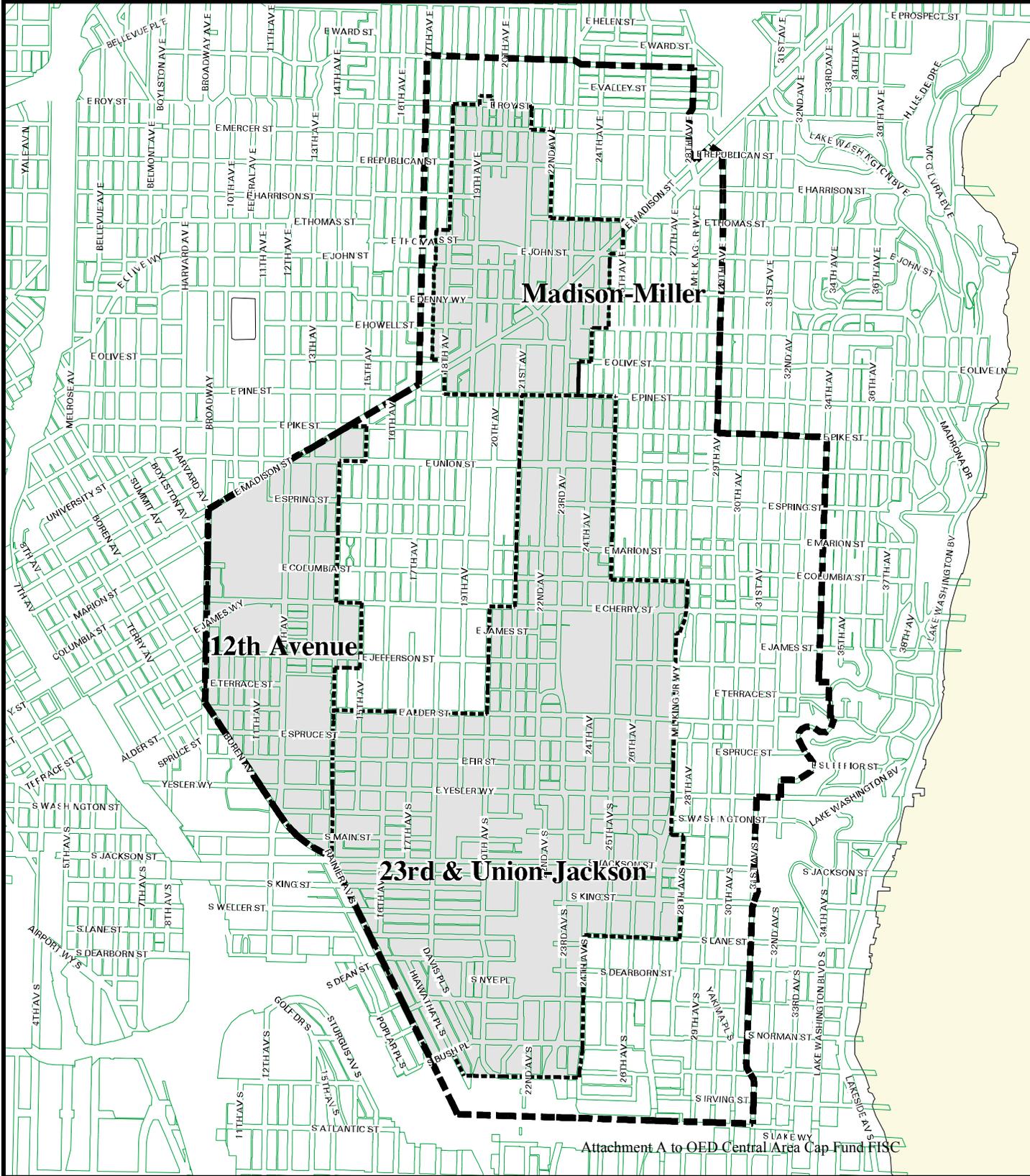
Prepared by:
Strategic Planning Office



-  **Planning Area Boundary**
-  **Urban Village/Center Boundary**
-  **Urban Village/Center**

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No warranties of any sort, including accuracy, fitness or merchantability, accompany this product.



Attachment A to OED Central Area Cap Fund FISC