

Ordinance No. 121574

Council Bill No. 114988

The City of Seattle  
Council Bill/Ordinance

AN ORDINANCE amending Seattle Municipal Code 20.12.020 and 20.12.080 to clarify eligibility criteria for the deferral of assessment collections imposed by the City of Seattle.

Approved  
9-7-04 Passed

CF No. \_\_\_\_\_

Date Introduced: <u>AUG 16 2004</u>	
Date 1st Referred: <u>AUG 16 2004</u>	To: (committee) <u>Finance &amp; Budget</u>
Date Re - Referred:	To: (committee)
Date Re - Referred:	To: (committee)
Date of Final Passage: <u>9-7-04</u>	Full Council Vote: <u>9-0</u>
Date Presented to Mayor: <u>9-8-04</u>	Date Approved: <u>9/13/04</u>
Date Returned to City Clerk: <u>9/13/04</u>	Date Published: <u>3/1/05</u>
Date Vetoed by Mayor:	Date Veto Published:
Date Passed Over Veto:	Veto Sustained:

This file is complete and ready

**See Department**

Law Dept. Review



ORDINANCE 121574

AN ORDINANCE amending Seattle Municipal Code 20.12.020 and 20.12.080 to clarify eligibility criteria for the deferral of assessment collections imposed by the City of Seattle.

WHEREAS, the Director of Finance is currently authorized to annually determine income eligibility criteria for assessment collection deferrals; and

WHEREAS, the current criterion requiring a determination of what income is necessary to live "frugally, but adequately" is subjective and ambiguous; and

WHEREAS, the current criteria are difficult to administer; and

WHEREAS, a standard of 200% of the federal poverty level is a common determinative of eligibility for various social service and economic assistance programs used by the Human Services Department within the City of Seattle; NOW, THEREFORE,

**BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:**

**Section 1.** Subsection B of Seattle Municipal Code Section 20.12.020, which section was last amended by Ordinance 104953, is amended as follows:

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B. A person responsible for payment of an assessment may qualify as "economically disadvantaged" when ((: )) that person has annual income that when combined with the annual income of all adult household members does not exceed two hundred (200) percent of the poverty level for the number of individuals in the household as computed annually by the U.S. Government or the City and as determined by the Human Services Department.

~~((1. His or her current income does not exceed the income eligibility criteria scaled by family size prepared annually by the Budget Director from data supplied by the United States of America, Department of Labor to indicate an income necessary for such a person (and family) to~~

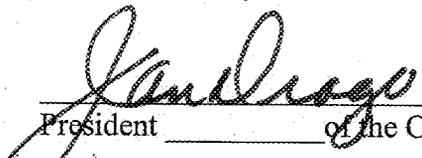


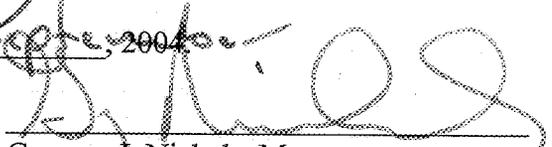


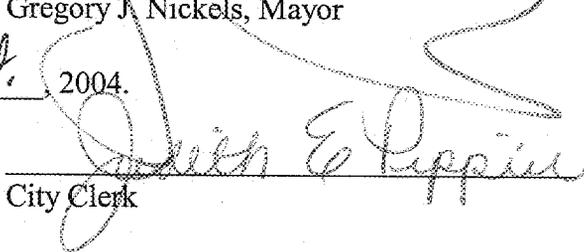
1 amount of payments made from the Local Improvement Guaranty Fund for assessments or  
2 installments deferred pursuant to this chapter and RCW 35.43.250, 35.50.050, and 35.50.100, as  
3 now existing or hereafter amended; the current balance in such fund and outstanding obligations  
4 guaranteed by such fund. If the Local Improvement Guaranty Fund is solvent at the time  
5 payment is ordered, the Director of Executive Administration may elect to make payment by  
6 check.

7  
8 **Section 3.** This ordinance shall take effect and be in force thirty (30) days from and after  
9 its approval by the Mayor, but if not approved and returned by the Mayor within ten (10) days  
10 after presentation, it shall take effect as provided by Municipal Code Section 1.04.020.

11  
12 Passed by the City Council the 7<sup>th</sup> day of September 2004, and signed by me in open  
13 session in authentication of its passage this 7<sup>th</sup> day of September 2004.

14  
15   
16 President \_\_\_\_\_ of the City Council

17 Approved by me this 13<sup>th</sup> day of September, 2004.  
18   
19 Gregory J. Nickels, Mayor

20 Filed by me this 13<sup>th</sup> day of Sept. 2004.  
21   
22 City Clerk

23 (Seal)



**FISCAL NOTE FOR NON-CAPITAL PROJECTS**

<b>Department:</b>	<b>Contact Person/Phone:</b>	<b>DOF Analyst/Phone:</b>
Finance	Elise Downer, 615-0751	Cameron Keyes, 684-8048

**Legislation Title:**

AN ORDINANCE amending Seattle Municipal Code 20.12.020 and 20.12.080 to clarify eligibility criteria for the deferral of assessment collections imposed by the City of Seattle.

• **Summary of the Legislation:**

This legislation amends SMC 20.12.020 and 20.12.080 to simplify the definition of “economically disadvantaged” for purposes of LID payment deferrals and water and wastewater connection charge deferrals to be 200% of the federal poverty level. The amendment to 20.12.080 (B) strikes language requiring the Budget Director to make an annual determination of the income eligibility criteria because it will now be an adjustable indexed standard.

• **Background:**

Both Local Improvement District (LID) assessments and water/wastewater connection charges may be deferred if the person or household applying for the deferral owns and occupies the property and is found to be “economically disadvantaged.” SMC 20.12.020 allows owner-occupants to meet the “economically disadvantaged” standard in one of two ways:

- By having income that does not meet a standard of “frugal but adequate” living within the City. The Director of Finance is authorized to make an annual determination of this level, OR
- By having net personal assets that do not exceed \$10,000.

Because the “frugal but adequate” standard is difficult to determine and the \$10,000 limit on personal assets has not kept pace with inflation (this section was last amended in 1975), the Department of Finance is proposing to replace this section of code with a widely-used index of economic disadvantage – 200% of the federal poverty level. This standard is used as a qualification for a number of social service programs, including Medicaid, Rate 27 (a low-income utility rate), and Working Connections Child Care. It is inflated annually and easier to administer than the current standard. Furthermore, the “self-sufficiency standard for Washington State” is an analysis that has been conducted to determine how much income is needed for a family of a given size and composition to adequately meet its basic needs without public or private assistance. Standards for Seattle families are reasonably consistent with 200% of poverty level. 200% of FPL is also consistent with the results of the Office of Economic



Development's Living Wage Study. This indicates that the proposed legislation will make the deferral criteria easier to administer, but will not change the defined population greatly.

Using this standard obviates the need for the Director of Finance to make an annual determination of income eligibility criteria, therefore, Subsection B of SMC 12.20.080 is deleted.

\_\_\_\_\_ This legislation does not have any financial implications.

X This legislation has financial implications.

*Notes: This legislation requires no new appropriation authority, creates no new positions, and should not have revenue impacts.*

• **What is the financial cost of not implementing the legislation?**

The cost to the City of not implementing this legislation is indeterminate. While the legislation may allow for more deferrals of LID assessments and water and wastewater connection charges under this slightly broader standard, thereby temporarily decreasing the revenues to the City for these services, it may also prevent impoverished individuals from blocking future LID projects. (Currently, LID proposals require support from 60% of affected property owners.) It should be noted, however, that these deferrals do not extinguish a property-owner's responsibility to pay for these services, rather they create a lien against the property that will be satisfied at the time the property is sold or changes hands. At present, the City has no LID projects underway, so this legislation has no impact on current LID operations of the City. Seattle Public Utilities also reports that they have received no applications for deferrals of water connection charges this year. Because those charges generally apply to new development or major renovations of existing property, which require access to cash or capital, few people who are assessed these charges would qualify for a deferral – even under the proposed revision.

• **What are the possible alternatives to the legislation that could achieve the same or similar objectives?**

Although the 200% FPL standard is widespread, it is not the only standard used to measure economic disadvantage. An alternative index of economic disadvantage would be equally easy to administer, but may expand or shrink the pool of eligible residents beyond what the deferral program currently covers.

• **Is the legislation subject to public hearing requirements: NO**





# City of Seattle

Gregory J. Nickels, Mayor

## Office of the Mayor

July 27, 2004

Honorable Jan Drago  
President  
Seattle City Council  
City Hall, 2<sup>nd</sup> Floor

Dear Council President Drago:

I am pleased to transmit the attached proposed Council Bill that amends the Seattle Municipal Code to clarify the criteria for individuals seeking to defer (1) assessments charged by City-administered Local Improvement Districts (LIDs) and (2) Seattle Public Utilities water and wastewater connection charges. Currently, the code requires the Director of Finance to make an annual determination of the income required to allow a household to live "frugally, but adequately" in the City of Seattle. Because many health and human services programs that provide economic assistance rely on an income standard of 200% of the federal poverty level (FPL), this legislation proposes to amend the Code to use this widely-recognized standard in determining eligibility for LID assessment and SPU connection charge deferrals.

Local Improvement Districts, which bring infrastructure improvements to neighborhoods, increase property values by adding amenities. Because property owners pay all or a portion of the costs of these improvements, a minimum of sixty percent of affected properties must approve the LID. In an effort to lessen the burden of these costs on homes owned by the elderly and others who own their own homes but rely on a limited, fixed income, the Code allows for property owners to apply to defer assessments until the property is transferred or sold. Creating an easily measurable and recognized standard will enable these populations to take advantage of the deferral option when necessary. The same is true for the deferral of water and wastewater connection charges, which are assessed by Seattle Public Utilities when projects that increase the burden to the water and wastewater delivery systems are completed. Granting deferrals allows for needed property improvements even when it might otherwise be economically infeasible for low-income property owners.

The proposed change will simplify the granting of these deferrals to Seattle's economically disadvantaged property owners. Thank you for your consideration of this legislation. Should you have questions, please contact Elise Downer at 615-0751 or Cameron Keyes at 684-8048 in the Department of Finance.

Sincerely,

A handwritten signature in black ink, appearing to read "Greg Nickels", written over a circular stamp that partially overlaps the signature.

GREG NICKELS  
Mayor of Seattle

cc: Honorable Members of the Seattle City Council

600 Fourth Avenue, 7<sup>th</sup> Floor, P.O. Box 94749, Seattle, WA 98124-4749

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**STATE OF WASHINGTON – KING COUNTY**

--SS.

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177004  
CITY OF SEATTLE, CLERKS OFFICE

No. ORDINANCE TITLE ONLY

**Affidavit of Publication**

The undersigned, on oath states that he is an authorized representative of The Daily Journal of Commerce, a daily newspaper, which newspaper is a legal newspaper of general circulation and it is now and has been for more than six months prior to the date of publication hereinafter referred to, published in the English language continuously as a daily newspaper in Seattle, King County, Washington, and it is now and during all of said time was printed in an office maintained at the aforesaid place of publication of this newspaper. The Daily Journal of Commerce was on the 12<sup>th</sup> day of June, 1941, approved as a legal newspaper by the Superior Court of King County.

The notice in the exact form annexed, was published in regular issues of The Daily Journal of Commerce, which was regularly distributed to its subscribers during the below stated period. The annexed notice, a

CT:121570-121583 TITLES (121574)

was published on

9/21/2004

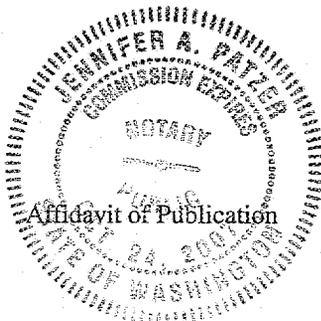
*Mel D*

Subscribed and sworn to before me on

9/21/2004

*Jennifer A. Patzer*

Notary public for the State of Washington,  
residing in Seattle



# State of Washington, King County

## City of Seattle

### TITLE-ONLY PUBLICATION

The full text of the following resolutions, passed by the City Council on September 7, 2004, and published here by title only, will be mailed upon request, or can be accessed electronically at <http://clerk.ci.seattle.wa.us>. For further information, contact the Seattle City Clerk at 684-8344.

#### ORDINANCE NO. 121577

AN ORDINANCE relating to the Department of Parks and Recreation, concerning Hiawatha Playfield, finding that an exchange of property between the City of Seattle and Seattle School District #1 is necessary, as required by Ordinance 118477, also known as Initiative 42, and authorizing the Superintendent of Parks and Recreation to sign as a co-petitioner in an application for a Lot Boundary Adjustment benefiting Seattle School District #1; and, if the Lot Boundary Adjustment is approved, authorizing the Superintendent to accept a deed from Seattle School District #1 for certain property along the northerly boundary of the District's West Seattle High School property and to execute and deliver a Quit Claim Deed to Seattle School District #1 for certain other equivalent property along the southerly boundary of Hiawatha Playfield; and authorizing the Superintendent to enter into an agreement with the District acknowledging the use, indemnifying the City, and defining responsibility for maintenance of improvements the District has constructed on City property and on District property along the proposed revised boundary line.

#### ORDINANCE NO. 121578

AN ORDINANCE relating to the Department of Neighborhoods, authorizing implementation of certain Neighborhood Matching Fund projects in 2004, and specifying that 2004 appropriations for the Neighborhood Matching Subfund shall carry forward automatically to future budget years.

#### ORDINANCE NO. 121575

AN ORDINANCE relating to the City Light Department declaring a portion of the Duwamish Substation Property surplus to the City's utility needs for a future south distribution site; approving its sale for \$1,800,000 to Delta Marine Industries, Inc.

#### ORDINANCE NO. 121574

AN ORDINANCE amending Seattle Municipal Code 20.12.020 and 20.12.080 to clarify eligibility criteria for the deferral of assessment collections imposed by the City of Seattle.

#### ORDINANCE NO. 121570

AN ORDINANCE authorizing the Mayor to execute an interlocal agreement to establish the terms that will govern the rights, duties and responsibilities of the cities in their dealings with each other relating to the interlocal agreements between Yakima County, King County and the cities for jail services.

#### ORDINANCE NO. 121573

AN ORDINANCE accepting a gift from Equity Office Properties Trust of a piano.

Publication ordered by JUDITH PIPPIN,  
City Clerk.

Date of publication in the Seattle Daily  
Journal of Commerce, September 21, 2004.  
921(177004)