

**FISCAL NOTE FOR NON-CAPITAL PROJECTS**

<b>Department:</b>	<b>Contact Person/Phone:</b>	<b>CBO Analyst/Phone:</b>
Office of Housing	Tom Mack / 4-0339	Jeanette Blankenship / 5-0087

**Legislation Title:** AN ORDINANCE relating to the redevelopment of the Leschi House property at 1011 S. Weller St., which was developed with the proceeds of the City of Seattle’s bonds issued pursuant to Ordinance 110124; approving the long-term lease by the Seattle Housing Authority of the property and authorizing a fourth amendment to the Housing Cooperation Agreement made under Ordinance 110433, all in order to enable the financing with federal tax credits of the rehabilitation of existing housing and the construction of additional housing for low-income persons who are elderly or have disabilities; and ratifying and confirming prior acts.

**Summary of the Legislation:**

The Seattle Housing Authority (SHA) is proposing to transfer by long-term lease a property funded with the Seattle Senior Housing Program (SSHP) bond proceeds to a tax credit entity. The purpose of the transfer is to rehabilitate the existing building and add additional units to this property for use as low-income housing for seniors and people with disabilities.

The Council bill authorizes an amendment to the Housing Cooperation Agreement to allow the lease, for up to 100 years, of SSHP property to a limited liability limited partnership of which the Housing Authority is the general partner to facilitate its continued use of the property as low-income housing, and to allow mortgages and other encumbrances for financing the redevelopment. Upon transfer, the property will be subject to a regulatory agreement approved by the Office of Housing.

**Background:**

In March 1982, the City of Seattle and SHA executed a Housing Cooperation Agreement to govern the development and operation of housing funded with the 1981 Senior Housing bond proceeds. This program originally produced 993 units of housing for seniors and persons with disabilities in 23 buildings owned and operated by SHA as the Seattle Senior Housing Program (SSHP).

The bonds have been repaid; therefore, public ownership of these properties is no longer required. One of these buildings is Leschi House; a 34 unit building located at 1011 S. Weller St. SHA plans to construct 35 additional units on the property.

The Housing Cooperation Agreement has been amended three times by Ordinance:

- Ravenna School: City Council passed Ordinance 119424 in 1999 to amend the Housing

Cooperation Agreement, authorizing transferred long-term lease to a limited partnership with SHA as the managing partner. This transfer allowed SHA to use low-income housing tax credits for building rehabilitation. Ravenna School still operates as an SSHP building under the Housing Cooperation Agreement.

- Morrison Hotel: City Council passed Ordinance 120528 in 2001 to amend the Housing Cooperation Agreement, authorizing the transfer of ownership to Downtown Emergency Services Center (DESC). This property is no longer covered by the Housing Cooperation Agreement. DESC assumed the existing loan obligations and OH provided funding for substantial rehabilitation. OH has a regulatory agreement with DESC for the Morrison Hotel.
- Keystone Property: City Council passed Ordinance 123679 in 2011 to amend the Housing Cooperation Agreement to allow sale of SSHP property to Community Psychiatric Clinic (CPC). Along with the transfer of Keystone House, the Ordinance also authorized SHA to transfer the land associated with Albion Place and Coach House on the Keystone Campus to CPC. CPC continues to serve the current resident population. The Keystone property is now regulated by the Office of Housing and no longer is governed by the Cooperation Agreement.

Please check one of the following:

**This legislation does not have any financial implications.**

**This legislation has financial implications.**

**Appropriations:**

N/A

**Total Regular Positions Created, Modified, or Abrogated through this Legislation, Including FTE Impact:**

N/A

**Spending/Cash Flow:**

N/A

**Other Implications:**

**a) Does the legislation have indirect financial implications, or long-term implications?**

If this legislation is not enacted, the transfer by SHA to the LLLP will not take place and the Leschi House will not be rehabilitated and the new housing units will not be developed.

**b) What is the financial cost of not implementing the legislation?**

None. Office of Housing has reserved Housing Levy funds in the amount of \$1,625,000 of as part of the financing for the project.

**c) Does this legislation affect any departments besides the originating department?**

No.

**d) What are the possible alternatives to the legislation that could achieve the same or similar objectives?** None.

**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?**  
Yes. Map for illustrative or informational purposes only attached.

**h) Other Issues:**

**List attachments to the fiscal note below:**

1. Current Leschi House Site Map
2. Proposed Leschi House Site Map



