

SUMMARY and FISCAL NOTE*

Department:	Contact Person/Phone:	Executive Contact/Phone:
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** 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: AN ORDINANCE relating to the sale of City real property for multifamily development; declaring the property located at 12705 30th Avenue Northeast, also known as former Fire Station 39, surplus to the City's needs and authorizing its sale to the Low Income Housing Institute or its designee; and authorizing the Director of Finance and Administrative Services to execute and deliver the contract for transfer of land, deed, and related documents.

Summary and background of the Legislation: Former Fire Station 39 (PMA 136) is excess to the needs of the Seattle Fire Department now that the new Fire Station 39 is operational. In 2012, the Mayor and the City Council asked City departments to evaluate the feasibility of redevelopment that would include, at a minimum, affordable housing for low-income individuals and/or families, that could also provide on-site related programs. Per City policies and procedures, information about this property was circulated to City departments, public agencies and the neighborhood to solicit other ideas, input concerning future reuse and/or disposition of the property. Following a review of opportunities and constraints, the Department of Finance and Administrative Services (FAS) recommends conveying this property to the Low Income Housing Institute (LIHI), which will develop the site to include a preschool on the ground floor and provide a minimum of 70 units of affordable workforce housing to service households with 60% area median income and below (\$48,420 for a family of three) on the upper levels. The housing units will be a mix of one, two and three bedroom and studio apartments. Parking to serve the preschool for drop-off and pick-up has been proposed for the ground floor commercial space.

In 1953, Ordinance 82426 authorized the City of Seattle's annexation of the area between First Avenue Northwest and Lake Washington, and from the City limits (Northeast 120th Street) to East (now Northeast) 145th Street. Two years later, Ordinance 83978 authorized the execution of a contract between the City of Seattle and King County Fire Protection District Number 5, providing for transfer to the City of all property of said District under agreement number 26830 dated May 5, 1955. A Quit Claim Deed for the property was accepted by Ordinance 89238 in 1955.

The 2003 Fire Facilities and Emergency Response Levy Program provided funding to upgrade, expand or replacement of 32 neighborhood fire stations. Station 39 was identified during the Levy planning process for replace, which was built in 1949, would have required significant work to meet current earthquake safety standards and accommodate today's modern equipment and firefighting operations. Because meeting code and operational requirements would require a complete overhaul of the station and the site was sufficiently large, it was more cost effective to build a new facility on the existing site. Improvements to the neighborhood fire stations are funded in part through a 2003 property tax levy. In the 2017 Adopted and 2018 Endorsed

Budget the Fire Facilities and Emergency Response Levy Program is fully funded to completion and the Program neither requires nor assumes any proceeds from the sale of this property.

In early 2013, the disposition process for the old station was put on hold as the City began an urban design framework process to plan for the long-term future of the Lake City neighborhood. After listening to the neighborhood groups, the City now recommends disposition. In March 2016 FAS sent out public notices to everyone within 1,000 feet of the property, as well as anyone that expressed interest in this property. As of December 1, 2016, FAS had not received any responses to the notification.

Funding for the housing portion of this project is expected to be awarded to LIHI in December 2016 as part of the Notice of Funding Available process in 2016. Funding for the preschool program is a mixture of Community Development Block Grant funding, General Fund and Seattle Preschool Program demonstration funds and is included in the 2017 Adopted and 2018 Endorsed Budget in various departments.

2. CAPITAL IMPROVEMENT PROGRAM

 This legislation creates, funds, or amends a CIP Project.

3. SUMMARY OF FINANCIAL IMPLICATIONS

 X This legislation does not have direct financial implications.

4. OTHER IMPLICATIONS

a) Does the legislation have indirect or long-term financial impacts to the City of Seattle that are not reflected in the above?

In exchange for monetary compensation, the City will transfer the property to LIHI which will allow for additional affordable housing units which may not have been possible otherwise. Additionally, the new project will include space for a preschool facility.

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

LIHI has submitted an application to the Office of Housing under their 2016 Notice of Final Action requesting \$9.1 million for a total residential development cost of \$20,134,300. OH is currently reviewing the application and is expected to make award decisions on December 8th 2016.

In addition, if this legislation is not implemented, funds set aside for the preschool development of this proposal will not be able to be used for this project as intended in the 2017 Adopted and 2018 Endorsed Budget

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

Yes, the Office of Housing is providing guidance and assistance in the disposition of this property to LIHI. The Department of Education and Early Learning is providing guidance and assistance in the new preschool facility that will be part of this project.

d) Is a public hearing required for this legislation?

Yes, a public hearing is required for this legislation.

e) Does this legislation require landlords or sellers of real property to provide information regarding the property to a buyer or tenant?

No

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

Yes, FAS will publish a notice in the Daily Journal of Commerce for this legislation.

g) Does this legislation affect a piece of property?

(If yes, and if a map or other visual representation of the property is not already included as an exhibit or attachment to the legislation

Yes, this legislation affects property located at 12705 30th Avenue NE, Seattle, Washington. King County Parcel Number 383450-0065. See Attachment A, Map of Area.

h) Please describe any perceived implication for the principles of the Race and Social Justice Initiative. Does this legislation impact vulnerable or historically disadvantaged communities?

The Seattle Preschool Program (SPP) is aimed at providing high-quality and affordable preschool for young children, especially those who are ethnic minorities or from low-income families. Providing SPP classrooms in Lake City would help meet growing demand in North Seattle, an area with a relatively higher proportion of ethnic minority and low-income families than the rest of Seattle.

The Lake City area, originally settled by Native Americans, grew to receive German immigrants in its first population growth, and also included many Japanese farming families prior to World War II, whose internment during that shameful phase of our nation's history, ended with the flood of returning military personnel and expansion of building in the north end of Seattle.

Lake City is a diverse community today, with a racial composition more representative of minority communities than the City as a whole. The Low Income Housing Institute is committed to ending race-based disparities in their housing communities, and the demographics in two current Lake City communities—Meadowbrook View and McDermott Place—show the organizations success in achieving these goals.

LIHI's goal in building affordable housing in Lake City is to further race and social equity in Seattle. They are committed to additional affordable workforce housing in Lake City to respond to displacement risks and provide opportunities for under-represented people in the community to remain and live affordably.

The location of the project is in a high opportunity area—rich in amenities, transportation, community services and community activism. Lake City is not a high poverty community, and locating affordable housing in this zip code provides access for low income people to the various amenities typical in higher income communities: good schools, active parent body in the schools, plenty of sports leagues and teams for people of all ages, outdoor recreation, a library, banks,

professional jobs, multiple bus transit options and frequency of service, entry level jobs as many take-outs, small businesses and stores exist to capture a growing market of consumers. Target populations and those less likely to hear about or apply for housing will be reached through LIHI's affirmative marketing efforts and broad community-wide publicity that usually begins 3 months prior to construction completion. They make a concerted effort to inform area schools, employers, service providers, medical facilities and community organizations so that knowledge about the units becoming available for lease is broadly shared and people are informed.

- i) If this legislation includes a new initiative or a major programmatic expansion:
What are the long-term and measurable goals of the program? Please describe how
this legislation would help achieve the program's desired goals.**

N/A

- j) Other Issues:**

N/A

List attachments/exhibits below:

Summary Attachment A – Map of Area

Attachment A

