

Capital Facilities Bond Fund

In 1992, the City of Seattle responded to State restrictions on the use of Real Estate Excise Transfer (REET) tax revenues for low-income housing and other capital projects by authorizing the sale of \$35 million of Limited Tax General Obligation (LTGO) bonds. These bonds are secured by REET Tax revenues “to provide for the planning, acquisition, construction, improvement, and rehabilitation of housing, open space, parks and recreation facilities, and health facilities” (Ordinance Number 116105).

In 1993, the City appropriated \$2.5 million of the Capital Facility Bonds (CFB) proceeds for housing purposes and developed a process for the expenditure of the remaining funds. The majority of the proceeds from this bond issue were later appropriated in Ordinance Number 117110 with \$2.1 million for Parks, \$22 million for Low-Income Housing Development, \$1 million for a medical clinic at the International District Village Square, and \$650,000 for P-Patches.

An additional \$6.4 million was appropriated to Parks and Recreation in the 1994 and 1996 Budgets and subsequent ordinances (Ordinance Numbers 117560, 118177). Parks received a final appropriation of \$452,000 in 1997.

These appropriations were changed in 1994 and 1995 when the City took advantage of the opportunity to use these funds to bolster economic development in the downtown area through funding of a recreational facility. These changes resulted in \$20.2 million of CFB funding being reprogrammed to Benaroya Hall. The CFB funding for various housing projects was replaced with Housing Development Fund (HDF) money and future revenues from the concert hall bond issue (Ordinance Numbers 117341, 117352, 117814, 117898). In late 1996, in order to leverage other funding sources for Sand Point and Citywide projects, CFB funding was again replaced with HDF funding which holds fewer restrictions on its spending.

In 1997, the City Council approved Resolution Number 29579 affirming the City’s intent to contribute \$6.3 million to the Holly Park Redevelopment Project Phase I. The finance plan contained in the resolution committed \$1.2 million of funding to the project in 1998. The CFB portion of the funds (\$76,000) will provide for development of very low-income housing.

The chart on the following page shows projects for which Capital Facilities Bonds have been used. The City expects to expend all of the original bond proceeds and earned interest by the end of 2001. Note that CFB funding is used in conjunction with other funding resources, and in most projects, only provides a portion of the total funding required. This table only reflects the CFB funding.

Appendix B

CAPITAL FACILITIES BOND FUND EXPENDITURES BY PROJECT

Amounts are in thousands of dollars

	Actual Expenditures through September 1, 2000	Remaining Budget (includes encumbrances)	TOTAL
PARKS			
Miller Community Center	4,687	17	4,704
Rainier Gym	1,100	-	1,100
Rainier Playfield	577	25	602
Garfield/Evers	403	-	403
Garfield Teen Center	114	-	114
Citywide - Greenhouse	541	10	551
Citywide - Webster School	169	-	169
Citywide - Holly Park	30	-	30
Holly Park	30	-	30
South Lake Union	868	-	868
Sand Point Redevelopment	205	295	500
Subtotal	\$9,071	\$347	\$9,071
HOUSING			
Holly Park Redevelopment Phase I	76	-	76
Citywide - Initial Projects	2,500	-	2,500
Citywide - Subsequent Projects	873	-	873
South Lake Union	1,166	-	1,166
Sand Point Redevelopment	1,200	-	1,200
International District - Housing	113	-	113
Subtotal	\$5,928	-	\$5,928
OTHER PROJECTS			
Concert Hall	21,053	-	21,053
Subtotal	\$21,053	-	\$21,053
TOTAL*	\$36,052	\$347	\$36,399

* Note that interest from \$35 million bond proceeds has been used to pay for additional projects and debt service expenses.