

# Surplus City Light properties could be sold below market value for low-income housing

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**Seattle City Councilmember Teresa Mosqueda says her resolution adopted Monday lays the groundwork for City Light to help alleviate the city's affordable-housing shortage.**

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When Seattle City Light gets rid of surplus properties, the electric utility will be allowed to sell them for less than market value and will prioritize deals that lead to the development of low-income housing, under procedures revised Monday by the City Council.

Councilmember Teresa Mosqueda says [her resolution](#) lays the groundwork for one of the city's largest landowners to help alleviate an affordable-housing shortage. Seattle should use public land "for the public good," she said before a unanimous vote.

"What the community needs is affordable housing," Mosqueda said.

Her resolution could set the stage for a legal challenge, because the state Supreme Court has previously blocked City Light and Seattle Public Utilities from spending ratepayer money on nonutility items, such as streetlights and fire hydrants.

Partly because of those rulings, City Light has long sold surplus properties at their market values. Selling at below-market for housing might be thought of as losing ratepayer money.

But Seattle's high land prices have made low-income housing more expensive to develop, and Mosqueda's resolution builds off [a change in state law](#). Earlier this year, the Legislature gave utilities and other government agencies the express authority to sell surplus properties at any price for the purpose of creating low-income housing.

Before Monday's council vote, Beacon Hill resident Rachael Ludwick spoke in support of the resolution. Seattle needs more developments like

[Plaza Roberto Maestas](#), which combines housing with shops and services, she said.

Ludwick said she believes the city should make housing a priority for all departments with surplus properties — something that Mosqueda says she hopes to do soon.

City Light owned 176 properties as of May, including five surplus properties that totaled about 121,000 square feet. The utility owned an additional 10 excess properties not yet designated as surplus, totaling 73,000 square feet, according to an annual report.

Eight of City Light's excess properties were listed as both vacant and undeveloped, while the remaining two were substations no longer needed, according to the report.

The Legislature has directed cities to develop rules around disposing of surplus land for housing, which Mosqueda's resolution does for City Light. Each individual sale still must be cleared by the City Council, and despite the change by the Legislature, an attempt to sell a City Light property for less than market value could attract a lawsuit.

[In 2003](#), the state Supreme Court ruled that City Light couldn't charge ratepayers for streetlights, even though the Legislature had given the utility the statutory authority to do so. The court said streetlights were a general-government rather than a utility function and said City Light was imposing an illegal and unconstitutional tax on ratepayers.

The waters were muddied [in 2007](#), when City Light's buying of carbon offsets was challenged. Though the court determined the purchases were general-government rather than utility functions and ruled against them, its decision dealt principally with City Light's lack of statutory authority. The Legislature subsequently gave City Light the statutory authority to buy carbon offsets, and the utility has since then continued to buy them.

Will Patton, a retired former assistant city attorney who represented Seattle in those cases, said the City Light property issue could land the city in court yet again.

“It’s pretty likely the city will be sued,” and the outcome could depend on “the shifting experience of the state Supreme Court,” Patton said in an interview.

In a statement Monday, Mosqueda said: “We believe the resolution passed by the City Council is consistent with the authority granted by the Legislature.”

Any communications between council members and the City Attorney’s Office about the resolution “are privileged and cannot be disclosed,” she added.

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