



City Neighborhood Council

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DISTRICT COUNCILS:

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October 24, 2007

Seattle City Council
P.O. Box 34025
Seattle, WA 98124-4025

BUDGET AND LEGISLATION FOR NEIGHBORHOOD STREET FUND

Dear Councilmember:

The City Neighborhood Council supports the additional \$2 million that the Mayor's 2008 budget proposes for the Neighborhood Street Fund and Cumulative Reserve subfund. But based on SDOT's departure this year from past legislative intent, we suggest that the City Council condition its approval of these funds on resurrecting the annual, community-based process that the Council and voters thought was already required by Bridging the Gap Ordinance 122232.

Background. The Neighborhood Street Fund (NSF) was designed in 1997 in a partnership of the City Neighborhood Council with the Seattle Department of Transportation (SDOT), and was improved annually through close collaboration between CNC and SDOT. However, this year SDOT decided to make projects of less than \$100,000 ineligible for the levy-funded Neighborhood Street Fund, eliminate the district council ratings that formerly had been central to the process, and end the program as an annual process, with the funds committed three years beforehand. A June 11 SDOT news advisory (<http://www.seattle.gov/news/detail.asp?ID=7407&Dept=19>) states as follows: "This year's NSF/CRF application process closed in May. The city will select and construct Large Projects on a three-year cycle. Citizens can apply again for Large Projects in 2010." The \$1.5 million in additional general funds that the Mayor is proposing in the 2008 budget would also not be open to 2008 nominations by citizens, but also be kept for projects nominated as of May 2007. Without City Council intervention, Bridging the Gap voters who were told that the Neighborhood Street Fund was an annual program will not be able to apply again to it until 2010. For further background, see CNC's March 27 letter and the July 11 letter of the Pedestrian Master Plan Advisory Group, both of which are at <http://seattle.gov/neighborhoodcouncil>.

The Neighborhood Street Fund worked well for ten years, with the only drawback that (as you heard regularly from CNC) it was underfunded. CNC deeply appreciated last year the City Council's addition of section 6 to Ordinance 122232 dedicating \$13.5 million in levy funds to NSF, with the ordinance requiring that \$1.5 million each year be allocated through a community-based process specifically modeled after NSF as it was operating in 2006. The priority you gave to this action is reflected in the extraordinary ordinance language stating that no other levy spending can occur each year until this \$1.5 million has been appropriated to the Neighborhood Street Fund.

Existing ordinance language. Section 6 of Ordinance 122232 (available at <http://clerk.ci.seattle.wa.us/~public/CBOR1.htm>), which governs the spending of all Bridging the Gap levy funds, states: "For any year in which the City collects \$1.5 million or more in Levy Proceeds, not less than \$1.5 million of Levy Proceeds shall be appropriated for the Neighborhood Street Fund/Cumulative Reserve Fund (NSF/CRF) Neighborhood Program (project #TC365770) as described in the Seattle Department of Transportation's 2006-2011 Capital Improvement Program...." Ordinance 122232 requires that the NSF levy funds be appropriated as described in the City Council-passed 2006-2011 CIP Project #TC365770, whose exact language is: "This program implements improvements and repairs identified annually by the community and selected by the Department of Neighborhoods, Seattle Department of Transportation, and the Department of Parks and Recreation." (Source: <http://www.seattle.gov/financedepartment/0611adoptedcip/default.htm>, p. 307).

Stronger legislation needed. Since the City Council did not get the Neighborhood Street Fund that it expected and that it had promised the voters, there is a need for firmer legislation, a statement of legislative intent, or a budget proviso, to fulfill the following purposes.

(1) Do not allow SDOT to pre-commit the annual NSF appropriation for 2008, 2009, or future years. If SDOT wishes this year to pre-commit \$3 million above the \$1.5 million in levy funds legally available from the levy's Neighborhood Street Fund account, the City Council should direct SDOT not to touch future years of the levy's annual Neighborhood Street Fund account for this purpose, but to find the funds in some other part of the levy or elsewhere in the SDOT budget. In addition to the Neighborhood Street Fund's \$13.5 million (\$1.5 million/year for nine years) solely for "pedestrian mobility and safety," ordinance 122232 requires that another 18 percent of the levy--\$63.3 million—be spent for "bicycle, pedestrian and safety programs," thus giving ample funding for SDOT to augment the program without pre-committing NSF levy funds that were pledged for a future annual, community-based process.

(2) Require that some NSF levy funds be spent on projects under \$100,000, and ensure for 2008, 2009, and future years an annual, community-based process for allocating the \$1.5 million/year in NSF levy funds. Although most previous Neighborhood Street Fund projects had been under \$100,000, SDOT decided this year that the new Neighborhood Street Fund levy dollars could be spent only on projects over \$100,000. The City Council should require SDOT to make some NSF levy funds available for projects under \$100,000. Not to do so perversely rewards big spending, discouraging projects that cost less but deliver the same or better benefits, or bring in more private funds. Projects above \$100,000 should not get a free pass. Smaller projects deserve a level playing field on which to compete. This is, after all, the Neighborhood Street Fund, and Seattle has hundreds of neighborhoods.

The City Council must not allow SDOT to follow through with its intention to close the Neighborhood Street Fund to applications in 2008 or 2009. Simplest would be to restore to the so-called "Small Projects Fund" its original name of Neighborhood Street Fund, and to allow NSF levy funds to be spent annually through it. This program worked well again this year, and as in the past and this year, should continue also to receive some Cumulative Reserve Funds (real estate excise taxes). The current \$100,000 ceiling should be raised (say, to \$200,000 or \$300,000), so that projects of different sizes can compete with one another. The distinction between "large" and "small" projects that SDOT introduced this year is not meaningful for projects that are just above or below \$100,000, and has confused the public.

Projects under \$100,000 need to be eligible for the NSF levy funds because the CRF funds that are now being relied on are restricted to projects that are in neighborhood plan areas and that are major maintenance (not new projects). There are many worthy neighborhood street and sidewalk projects that are not in neighborhood planning areas or are not major maintenance projects. Also SDOT intends that the Mayor's \$500,000 in proposed 2008 funds will be available only for projects applied for in May 2007, so additional funds will be needed, to give a fair shake to those who apply for a project in 2008 or future years.

(3) Establish a separate Cumulative Reserve Fund subfund for parks or non-transportation projects. It is confusing to the public that the Neighborhood Street Fund/Cumulative Reserve Fund can fund non-transportation projects such as in parks. A separate Cumulative Reserve subfund should be established for parks or non-transportation projects. Parks and transportation are both legitimate uses, and separate CRF subfunds should be established for each.

Restoring NSF as an annual, collaborative program benefits neighborhoods and the program itself. The Neighborhood Street Fund's annual cycle helped it become known to the public and to improve with repetition. This first year of a levy-funded

Neighborhood Street Fund is hardly the time to end the annual process. While more applications were received than last year, the numbers were wildly uneven across the district councils. Many people with good ideas did not learn in time about the May deadline, or will in the next two years come up with worthy NSF projects but be denied the right to apply until 2010. SDOT's choice not to collaborate with CNC in design of this year's NSF led to suboptimal performance, and the City Council should insist on collaboration to clear up problems such as these:

- The application was not available in alternative languages, not provided in an electronic format that made translation easy, and could not be filed electronically.
- Apparently in part because SDOT did not instruct them to do so, the consultants did not contact the applicants for information or make full use of SDOT's own files on the projects.
- SDOT assigned project proposals to be considered in either the Small Project Fund or the Large Project Fund (that is, expected cost less than or more than \$100,000) based on assumptions that the applicants were not consulted about and in some cases did not share.
- SDOT did not publicly release its Small and Large projects lists until well into the process. As a result, the public was deprived of timely opportunity to comment on assignment of projects to the Small or Large category, on SDOT decisions in leaving it off both lists, or listing its subject or location incorrectly. SDOT disqualified project proposals without prior notice to the applicants, denying them the opportunity to comment or supply information to the contrary.
- At SDOT's encouragement, the consultant assumed broader scope for the projects and much higher cost estimates than the applicants wanted (had they been consulted). In some cases, this broader scope caused neighborhood controversy that would not have happened if the applicants' wishes had been respected.
- Despite urging from CNC and others, SDOT failed to contact most of the applicants for transportation projects in the Mayor's 2006 Capital Improvements Program, in order to encourage them to apply for NSF or CRF this year. SDOT staff contacted only those from 2006 whose projects in that year had been deemed eligible for the Neighborhood Street Fund, which in 2006 was for projects costing less than \$100,000. As most of the 2006 CIP applications were for transportation projects that cost more than \$100,000, SDOT this year failed to contact the very people whose projects would have

been most likely to meet its new requirement that the NSF levy funds go to projects over \$100,000.

Conclusion. If managed well, the Neighborhood Street Fund can be a rallying point for civic engagement, and for building each district council's trust in SDOT decisions for those occasions when SDOT finds that it cannot accept all of a district's priority projects. We are hopeful that the new NSF Large Projects Team will be consulted about mid-course corrections, and we request that both that Team and the CNC be consulted about design of the process for future years.

Please approve the Mayor's proposed additional \$2 million for NSF and CRF, but in doing so, please insist that SDOT find other funds in the Bridging the Gap levy to cover the \$3 million in additional levy funds that SDOT wishes to allocate to the Neighborhood Street Fund this year. Doing so will ensure that the \$1.5 million that the levy sets aside for the Neighborhood Street Fund is allocated this year and each of the succeeding years through the annual, community-based process required by Ordinance 122232. Not doing so will in effect eliminate the Neighborhood Street Fund for the next two years, leaving it inactive for the first time in a decade. This letter was authorized at the Sept. 24 meeting of the City Neighborhood Council.

Sincerely,

A handwritten signature in black ink that reads "Chris Leman". The signature is written in a cursive, flowing style.

Christopher K. Leman, Chair
cleman@oo.net (206) 322-5463

cc: Mayor Nickels, SDOT, District Councils