

Office of Housing

Rick Hooper, Director

(206) 684-0721

<http://www.seattle.gov/housing/>

Department Overview

The mission of the Office of Housing (OH) is to invest in and promote the development and preservation of housing so that all Seattle residents have access to safe, decent, and affordable housing. To accomplish this mission, OH has four program areas:

- Multi-Family Production and Preservation;
- Homeownership and Sustainability;
- Policy and Program Development; and
- Administration and Management.

The **Multi-Family Production and Preservation** program area uses Housing Levy and other federal and local program funding to make long-term, low-interest loans to developers to develop or preserve affordable multifamily rental housing. OH monitors the housing portfolio to ensure the units remain affordable and serve the intended residents, and the buildings remain in good condition. The portfolio now includes 287 developments with more than 12,000 apartments, representing a nearly \$2 billion dollar investment of City and other funding in affordable housing over 30 years.

The **Homeownership and Sustainability** program area makes loans to first-time homebuyers and home repair loans to low-income homeowners to address health and safety code repairs. The Sustainability portion of the program area emphasizes energy efficiency improvements through weatherization retrofits to single and multifamily residences with income-eligible homeowners and tenants. In addition to awarding more than \$5 million in grant funding to projects each year, staff also provides energy audits and project management services to single family and multifamily properties.

The **Policy and Program Development** program area establishes long-term strategic plans; develops and implements policy-based tools, such as the property tax exemption and incentive zoning programs, to advance affordable housing goals; and addresses housing-related aspects of citywide land use and community development issues. The program area provides strategic policy review of affordable housing issues, develops changes needed to help OH administered programs reflect changing city needs and objectives, administers incentive programs, and coordinates disposition of vacant land for redevelopment purposes to increase housing opportunities for Seattle residents.

The **Administration and Management** program area provides centralized leadership, coordination, technology, contracting, and financial management services to OH programs and capital projects.

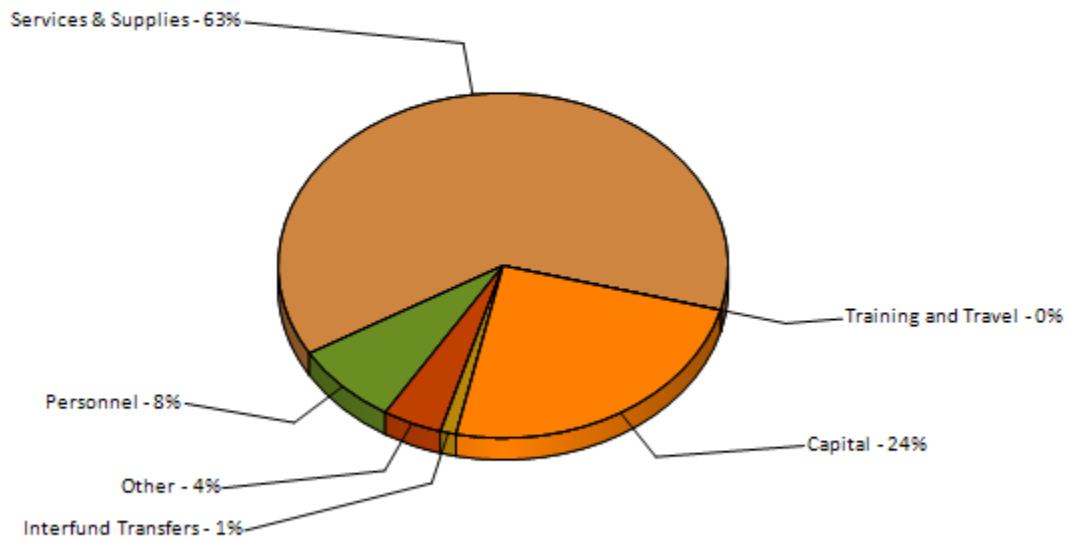
Office of Housing

Budget Snapshot

Department Support	2012 Actuals	2013 Adopted	2014 Endorsed	2014 Proposed
General Fund Support	\$85,934	\$0	\$0	\$0
Other Funding - Operating	\$42,674,659	\$49,736,219	\$49,953,082	\$49,686,332
Total Operations	\$42,760,593	\$49,736,219	\$49,953,082	\$49,686,332
Total Appropriations	\$42,760,593	\$49,736,219	\$49,953,082	\$49,686,332
Full-time Equivalent Total*	37.50	37.50	37.50	37.50

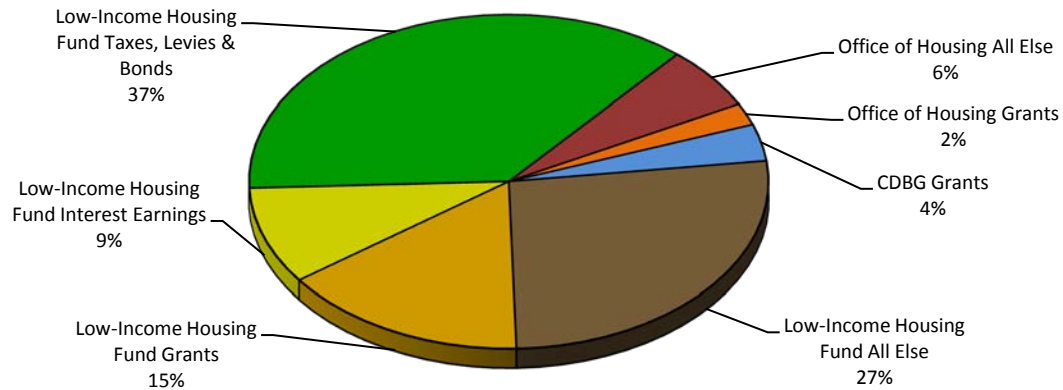
* FTE totals are provided for information purposes only. Changes in FTEs resulting from City Council or Personnel Director actions outside of the budget process may not be detailed here.

2014 Proposed Budget - Expenditure by Category



Office of Housing

2014 Proposed Budget - Revenue by Category



Budget Overview

Low-income housing activities are supported by the 2009 Housing Levy, federal grants, developer incentive program revenues, local and state weatherization grants, investment earnings, and loan repayment income. Through efficient management of these resources, the Office of Housing (OH) does not need General Fund resources in 2014 to administer its programs.

In 2010, OH began implementing the voter-approved 2009 Housing Levy, totaling \$145 million for 2010 through 2016. The 2014 Proposed Budget is consistent with the Administration and Financial Plan approved by the City Council in Ordinance 123281. The current Housing Levy provides a significant increase in funding to support the production and preservation of low-income housing each year compared to the previous levy. During its seven-year duration, the Housing Levy is expected to produce or preserve 1,850 affordable homes and assist 3,420 households.

Despite the increase in levy resources, the growth in the number of affordable housing units is slowed by a 60 percent decline in federal and state revenues since 2010. In 2013, new rental projects seeking funding from the City will not be eligible for State Housing Trust Fund resources, which are typically leveraged by levy funding to produce additional affordable housing units. This means City funding will not produce as many affordable units. Federal HOME funds have declined by 40 percent since 2010, further reducing City funding for new projects. The 2014 Proposed Budget reflects a projected HOME reduction of four percent from the 2014 Endorsed Budget, based on the 2013 actual award.

Office of Housing

Although the City projects a five percent decline in federal Community Development Block Grant (CDBG) funds to approximately \$8.8 million, OH has no reduction to its \$2 million share of CDBG funds. The 2014 Proposed Budget transfers the minor home repair program from OH to the Human Services Department (HSD) to maximize administrative efficiencies with existing HSD contracts. In addition, \$230,000 of CDBG program income will remain in OH to sustain the Home Repair Program, which assists low-income seniors with home repairs. The loan program is not sustainable unless repayments begin to revolve back to the program.

Incremental Budget Changes

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	2014	
	Budget	FTE
Total 2014 Endorsed Budget	\$ 49,953,082	37.50
Proposed Changes		
Redirect CDBG Program Income for Home Repair Loan Program	\$ 230,000	0.00
Move Minor Home Repair Contract from OH to HSD	-\$ 449,917	0.00
Decrease in Federal HOME Funds	-\$ 108,110	0.00
Proposed Technical Changes		
Citywide Adjustments for Standard Cost Changes	\$ 61,277	0.00
Total Incremental Changes	-\$ 266,750	0.00
2014 Proposed Budget	\$ 49,686,332	37.50

Descriptions of Incremental Budget Changes

Proposed Changes

Redirect CDBG Program Income for Home Repair Loan Program - \$230,000

This item recaptures Community Development Block Grant (CDBG) program income for the Home Repair Program (HRP) loan fund. The HRP provides low-interest loans to fund needed repairs to low income, mostly elderly single-family homeowners to preserve structural integrity and address threats to health and safety. The program has been primarily funded in recent years with prior CDBG and Housing Levy funds. Since 2007, program income from repayments to the HRP has been redirected to other CDBG eligible activities due to a large accrued fund balance.

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Further diversion of CDBG program income to other uses will erode the fund balance down to unsustainable levels. By returning \$230,000 of program income in 2014, the HRP will be able to maintain current activity of at least 35 loans per year.

Move Minor Home Repair Contract from OH to HSD - (\$449,917)

The Office of Housing (OH) identified an opportunity to improve efficiency by transferring the Minor Home Repair program to the Human Services Department (HSD) to leverage existing contract monitoring and oversight.

The Minor Home Repair program has been administered in recent years by OH under the assumption it would improve linkages with the Home Repair Loan and Weatherization programs. However, the types of improvements and services requested by program recipients are very distinct. The Minor Home Repair program typically funds projects such as a bathroom grab bar with an average materials cost of \$17 for more than 2,000 home repair jobs.

HSD's Aging and Disability Services Division will administer the contract using staff expertise and contract oversight procedures already in place for other existing contracts with the same provider.

Decrease in Federal HOME Funds - (\$108,110)

HUD reduced HOME funds for Seattle by \$108,110 in 2013. The 2014 Proposed Budget projects that the reduction will continue in 2014, reflecting a four percent decline from the 2014 Endorsed Budget. Ten percent of HOME funds are used for administration in the Office of Housing Fund 16600, while 90 percent of the funds are used in the Low-Income Housing Fund 16400. This change brings the total reduction in HOME funds to 40 percent since 2010. The loss of federal resources to construct and preserve affordable housing slows the ability of the City to respond to affordable housing needs.

Proposed Technical Changes

Citywide Adjustments for Standard Cost Changes - \$61,277

Citywide technical adjustments reflect changes due to inflation, central cost allocations, retirement, healthcare, workers' compensation, and unemployment costs. These adjustments typically reflect updates to preliminary cost assumptions established in the 2014 Endorsed Budget.

Office of Housing

Expenditure Overview

Appropriations	Summit Code	2012 Actuals	2013 Adopted	2014 Endorsed	2014 Proposed
CDBG - Office of Housing Budget Control					
Homeownership and Sustainability - CDBG		650,072	987,108	987,108	767,191
Multi-Family Production and Preservation - CDBG		541,100	871,433	871,433	871,433
Strategic Planning, Resource, and Program Development - CDBG		441,279	101,139	101,139	101,139
Total	6XZ10	1,632,451	1,959,680	1,959,680	1,739,763
Low-Income Housing Fund 16400 Budget Control					
Homeownership and Sustainability - 16400		12,622,552	10,114,537	10,163,428	10,066,129
Multi-Family Production and Preservation - 16400		23,850,855	32,929,361	32,929,361	32,929,361
Total	XZ-R1	36,473,407	43,043,898	43,092,789	42,995,490
Office of Housing Operating Fund 16600 Budget Control					
Administration and Management - 16600		1,352,161	1,591,281	1,647,222	1,664,787
Community Development - 16600		670,607	543,813	563,325	567,877
Homeownership and Sustainability - 16600		1,456,696	1,340,874	1,387,158	1,414,788
Multi-Family Production and Preservation - 16600		1,175,270	1,256,673	1,302,909	1,303,628
Total	XZ600	4,654,734	4,732,641	4,900,613	4,951,079
Department Total		42,760,593	49,736,219	49,953,082	49,686,332
Department Full-time Equivalent Total*		37.50	37.50	37.50	37.50

** FTE totals are provided for information purposes only. Changes in FTEs resulting from City Council or Personnel Director actions outside of the budget process may not be detailed here.*

Office of Housing

Revenue Overview

2014 Estimated Revenues

Summit Code	Source	2012 Actuals	2013 Adopted	2014 Endorsed	2014 Proposed
433010	Community Development Block Grant	1,632,451	1,959,680	1,959,680	1,739,763
	Total CDBG Grants	1,632,451	1,959,680	1,959,680	1,739,763
469930	Program Income	3,938,276	11,244,000	11,244,000	11,244,000
541490	Local Grants-Weatherization	1,789,692	1,629,723	1,678,614	1,678,614
	Total Low-Income Housing Fund All Else	5,727,968	12,873,723	12,922,614	12,922,614
445800	MFTE Application Fees	-3,000	0	0	0
	Total Low-Income Housing Fund Developer App. Fees	-3,000	0	0	0
587001	General Subfund Support	46,462	0	0	0
	Total Low-Income Housing Fund General Fund Support	46,462	0	0	0
433010	Federal Grants - Weatherization	2,870,550	4,000,000	4,000,000	4,000,000
434010	State Grants - Weatherization	927,144	1,250,000	1,250,000	1,250,000
471010	Federal Grants-HOME Program	1,517,919	2,349,258	2,349,258	2,251,959
	Total Low-Income Housing Fund Grants	5,315,613	7,599,258	7,599,258	7,501,959
461110	Investment Earnings	624,579	4,601,500	4,601,500	4,601,500
	Total Low-Income Housing Fund Interest Earnings	624,579	4,601,500	4,601,500	4,601,500
411100	Property Tax Levy	18,039,028	17,969,417	17,969,417	17,969,417
	Total Low-Income Housing Fund Taxes, Levies & Bonds	18,039,028	17,969,417	17,969,417	17,969,417
411100	Levy Administration	1,465,188	1,809,704	1,809,704	1,809,704
439090	Grants and Other	273,491	0	0	0
445800	MFTE application fees	137,000	80,000	80,000	80,000
461110	Contingent Bonus/TDR Administration	635,268	278,476	0	0
462900	Other Rents and Use Charges	27,082	27,000	27,000	27,000
471010	Challenge Grant	172,433	65,788	65,788	65,788
471010	HOME Administration	477,171	261,028	261,028	250,217
541490	City Light Administration	729,753	710,647	731,967	731,967
	Total Office of Housing All Else	3,917,386	3,232,643	2,975,487	2,964,676
587001	General Subfund Support	39,472	0	0	0
	Total Office of Housing General Fund Support	39,472	0	0	0
433010	Federal Grants-Weatherization	618,192	817,410	823,286	823,286
434010	State Grants-Weatherization	307,842	210,000	210,424	210,424
	Total Office of Housing Grants	926,034	1,027,410	1,033,710	1,033,710

Office of Housing

Total Revenues		36,265,993	49,263,631	49,061,666	48,733,639
379100	Use of (Contribution To) Fund Balance	6,722,758	0	0	0
Total Low-Income Housing Fund Use of Fund Balance		6,722,758	0	0	0
379100	Use of (Contribution To) Fund Balance	-228,158	472,588	891,416	952,693
Total Office of Housing Use of Fund Balance		-228,158	472,588	891,416	952,693
Total Resources		42,760,593	49,736,219	49,953,082	49,686,332

Office of Housing

Appropriations By Budget Control Level (BCL) and Program

CDBG - Office of Housing Budget Control Level

The purpose of the Community Development Block Grant (CDBG) - Office of Housing Budget Control Level is to provide opportunities for residents to thrive by investing in and promoting the development and preservation of affordable housing.

Program Expenditures	2012 Actuals	2013 Adopted	2014 Endorsed	2014 Proposed
Homeownership and Sustainability - CDBG	650,072	987,108	987,108	767,191
Multi-Family Production and Preservation - CDBG	541,100	871,433	871,433	871,433
Strategic Planning, Resource, and Program Development - CDBG	441,279	101,139	101,139	101,139
Total	1,632,451	1,959,680	1,959,680	1,739,763

The following information summarizes the programs in CDBG - Office of Housing Budget Control Level:

Homeownership and Sustainability - CDBG Program

The purpose of the Homeownership and Sustainability - CDBG Program is to provide resources for low- and moderate-income Seattle residents, including seniors, to become homeowners and/or to preserve and improve their current homes. CDBG funds support home rehabilitation revolving loans to low-income households, technical assistance for program clients and administrative costs for the City of Seattle's Office of Housing.

Expenditures	2012 Actuals	2013 Adopted	2014 Endorsed	2014 Proposed
Homeownership and Sustainability - CDBG	650,072	987,108	987,108	767,191

Multi-Family Production and Preservation - CDBG Program

The purpose of the Multi-Family Production and Preservation - CDBG Program is to acquire, develop, rehabilitate, and maintain affordable multifamily rental housing so the supply of housing for Seattle residents increases and affordability remains sustainable.

Expenditures	2012 Actuals	2013 Adopted	2014 Endorsed	2014 Proposed
Multi-Family Production and Preservation - CDBG	541,100	871,433	871,433	871,433

Strategic Planning, Resource, and Program Development - CDBG Program

The purpose of the Strategic Planning, Resource, and Program Development - CDBG Program is to provide policy review/revisions, new and revised housing programs, and vacant land redevelopment services to increase housing opportunities for Seattle residents.

Expenditures	2012 Actuals	2013 Adopted	2014 Endorsed	2014 Proposed
Strategic Planning, Resource, and Program Development - CDBG	441,279	101,139	101,139	101,139

Office of Housing

Low-Income Housing Fund 16400 Budget Control Level

The purpose of the Low-Income Housing Fund 16400 Budget Control Level is to fund multifamily housing production, and to support homeownership and sustainability.

Program Expenditures	2012 Actuals	2013 Adopted	2014 Endorsed	2014 Proposed
Homeownership and Sustainability - 16400	12,622,552	10,114,537	10,163,428	10,066,129
Multi-Family Production and Preservation - 16400	23,850,855	32,929,361	32,929,361	32,929,361
Total	36,473,407	43,043,898	43,092,789	42,995,490

The following information summarizes the programs in Low-Income Housing Fund 16400 Budget Control Level:

Homeownership and Sustainability - 16400 Program

The purpose of the Homeownership and Sustainability - 16400 Program is to provide three types of loans and grants to low-income Seattle residents: loans for first-time home buyers, home repair loans to address health and safety and code repairs, and grants to make low-income housing more energy efficient.

Expenditures	2012 Actuals	2013 Adopted	2014 Endorsed	2014 Proposed
Homeownership and Sustainability - 16400	12,622,552	10,114,537	10,163,428	10,066,129

Multi-Family Production and Preservation - 16400 Program

The purpose of the Multi-Family Production and Preservation - 16400 Program is to invest in the community by making long-term, low-interest loans to developers to develop or preserve affordable multifamily rental housing. OH monitors the affordable housing portfolio to ensure the units remain affordable, serve the intended residents, and the buildings remain in good condition.

Expenditures	2012 Actuals	2013 Adopted	2014 Endorsed	2014 Proposed
Multi-Family Production and Preservation - 16400	23,850,855	32,929,361	32,929,361	32,929,361

Office of Housing

Office of Housing Operating Fund 16600 Budget Control Level

The purpose of the Office of Housing Operating Fund 16600 Budget Control Level is to fund the Department's administration activities.

Program Expenditures	2012 Actuals	2013 Adopted	2014 Endorsed	2014 Proposed
Administration and Management - 16600	1,352,161	1,591,281	1,647,222	1,664,787
Community Development - 16600	670,607	543,813	563,325	567,877
Homeownership and Sustainability - 16600	1,456,696	1,340,874	1,387,158	1,414,788
Multi-Family Production and Preservation - 16600	1,175,270	1,256,673	1,302,909	1,303,628
Total	4,654,734	4,732,641	4,900,613	4,951,079
Full-time Equivalents Total*	37.50	37.50	37.50	37.50

* FTE totals are provided for information purposes only. Changes in FTEs resulting from City Council or Personnel Director actions outside of the budget process may not be detailed here.

The following information summarizes the programs in Office of Housing Operating Fund 16600 Budget Control Level:

Administration and Management - 16600 Program

The purpose of the Administration and Management - 16600 Program is to provide centralized leadership, coordination, technology, contracting, and financial management support services to OH programs and capital projects to facilitate the production of affordable housing for Seattle residents.

Expenditures/FTE	2012 Actuals	2013 Adopted	2014 Endorsed	2014 Proposed
Administration and Management - 16600	1,352,161	1,591,281	1,647,222	1,664,787
Full-time Equivalents Total	11.00	11.00	11.00	11.00

Community Development - 16600 Program

The purpose of the Community Development -16600 Program is to provide strategic planning, program development, and vacant land redevelopment services to increase housing opportunities for Seattle residents.

Expenditures/FTE	2012 Actuals	2013 Adopted	2014 Endorsed	2014 Proposed
Community Development - 16600	670,607	543,813	563,325	567,877
Full-time Equivalents Total	4.00	4.00	4.00	4.00

Homeownership and Sustainability - 16600 Program

The Homeownership and Sustainability -16600 Program provides three types of loans and grants to low-income Seattle residents: loans for first-time home-buyers, home repair loans to address health and safety and code repairs, and grants to make low-income housing more energy efficient.

Expenditures/FTE	2012 Actuals	2013 Adopted	2014 Endorsed	2014 Proposed
Homeownership and Sustainability - 16600	1,456,696	1,340,874	1,387,158	1,414,788

Office of Housing

Full-time Equivalents Total	13.00	13.00	13.00	13.00
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Multi-Family Production and Preservation - 16600 Program

The Multi-Family Production and Preservation -16600 Program invests in the community by making long-term, low-interest loans to developers to develop or preserve affordable multifamily rental housing. OH monitors the affordable housing portfolio to ensure the units remain affordable and serve the intended residents, and the buildings remain in good condition.

Expenditures/FTE	2012 Actuals	2013 Adopted	2014 Endorsed	2014 Proposed
Multi-Family Production and Preservation - 16600	1,175,270	1,256,673	1,302,909	1,303,628
Full-time Equivalents Total	9.50	9.50	9.50	9.50

Office of Housing

Housing Fund Table

Low-Income Housing Fund (16400)

	2012 Actuals	2013 Adopted	2013 Revised	2014 Endorsed	2014 Proposed
Beginning Fund Balance	86,588,042	87,581,822	79,865,285	87,581,822	79,865,285
Accounting and Technical Adjustments	0	0	0	0	0
Plus: Actual and Estimated Revenues	29,750,650	43,043,898	42,946,599	43,092,789	42,995,490
Less: Actual and Budgeted Expenditures	36,473,407	43,043,898	42,946,599	43,092,789	42,995,490
Ending Fund Balance	79,865,285	87,581,822	79,865,285	87,581,822	79,865,285
Reserved Capital Fund Balance	80,700,000	86,549,823	86,550,000	83,350,931	89,152,000
Total Reserves	80,700,000	86,549,823	86,550,000	83,350,931	89,152,000
Ending Unreserved Fund Balance	-834,715	1,031,999	-6,684,715	4,230,891	-9,286,715

Office of Housing (16600)

	2012 Actuals	2013 Adopted	2013 Revised	2014 Endorsed	2014 Proposed
Beginning Fund Balance	1,702,715	1,760,145	1,930,873	1,287,557	1,447,474
Accounting and Technical Adjustments	0	0	0	0	0
Plus: Actual and Estimated Revenues	4,882,892	4,260,053	4,249,242	4,009,197	3,998,386
Less: Actual and Budgeted Expenditures	4,654,734	4,732,641	4,732,641	4,900,613	4,951,079
Ending Fund Balance	1,930,873	1,287,557	1,447,474	396,141	494,781
Housing Levy/Bonus Admin Reserve	1,629,873	1,159,557	1,245,000	385,364	334,000
Multi-Family Tax Exemption Admin Reserve	301,000				
Other Reserves		128,000	128,000		86,000
Total Reserves	1,930,873	1,287,557	1,373,000	385,364	420,000
Ending Unreserved Fund Balance	0	0	74,474	10,777	74,781