

Office of Housing

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<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 employs the 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 that the policy objectives of the City are achieved and that the units remain in good condition. The portfolio now includes 290 buildings with more than 11,000 units, representing a significant investment of City and other funding in affordable housing over 30 years.

The **Homeownership and Sustainability** program area includes three primary programs that together serve approximately 1,100 low-income households annually. These programs are:

- Homeownership Assistance- provides loans to first-time homebuyers to support homeownership opportunities for low-income families, offers \$2.3 million in loans annually.
- Home Repair Loan Program - provides \$250,000 no- or low-interest loans annually to assist with critical home repairs.
- HomeWise Weatherization Program - provides over \$5 million in grants annually, increasing energy efficiency and lowering costs.

The **Policy and Program Development** program area establishes long-term strategic plans, develops and implements policy-based tools, and addresses housing-related aspects of citywide land use and community development issues. Expanding resources for affordable housing and homelessness programs, creating incentive programs to advance housing affordability goals, and coordinating disposition of vacant land for redevelopment purposes to increase housing opportunities for Seattle residents are some key components of this program area.

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

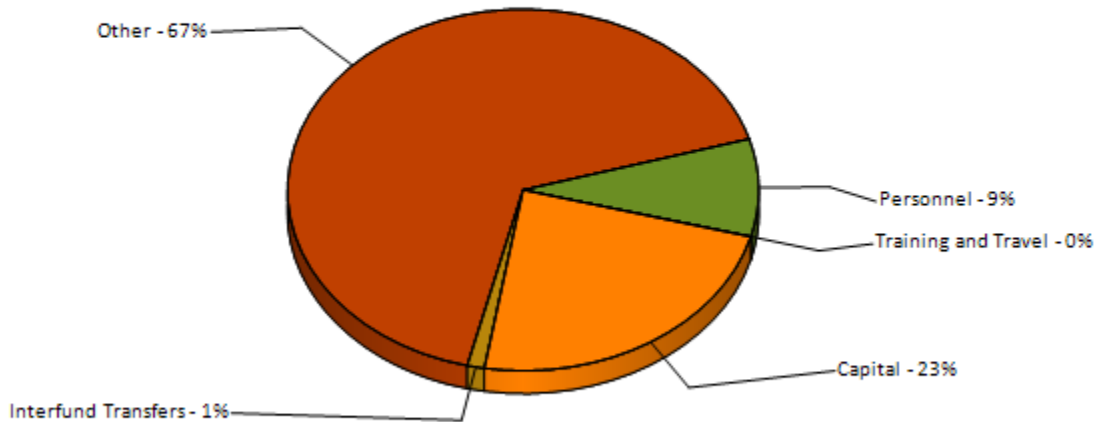
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Budget Snapshot

Department Support	2013 Actual	2014 Adopted	2015 Proposed	2016 Proposed
General Fund Support	\$0	\$0	\$314,000	\$272,000
Other Funding - Operating	\$36,903,569	\$49,981,330	\$50,916,287	\$51,519,633
Total Operations	\$36,903,569	\$49,981,330	\$51,230,287	\$51,791,633
Total Appropriations	\$36,903,569	\$49,981,330	\$51,230,287	\$51,791,633
Full-time Equivalent Total*	37.50	37.50	42.00	42.00

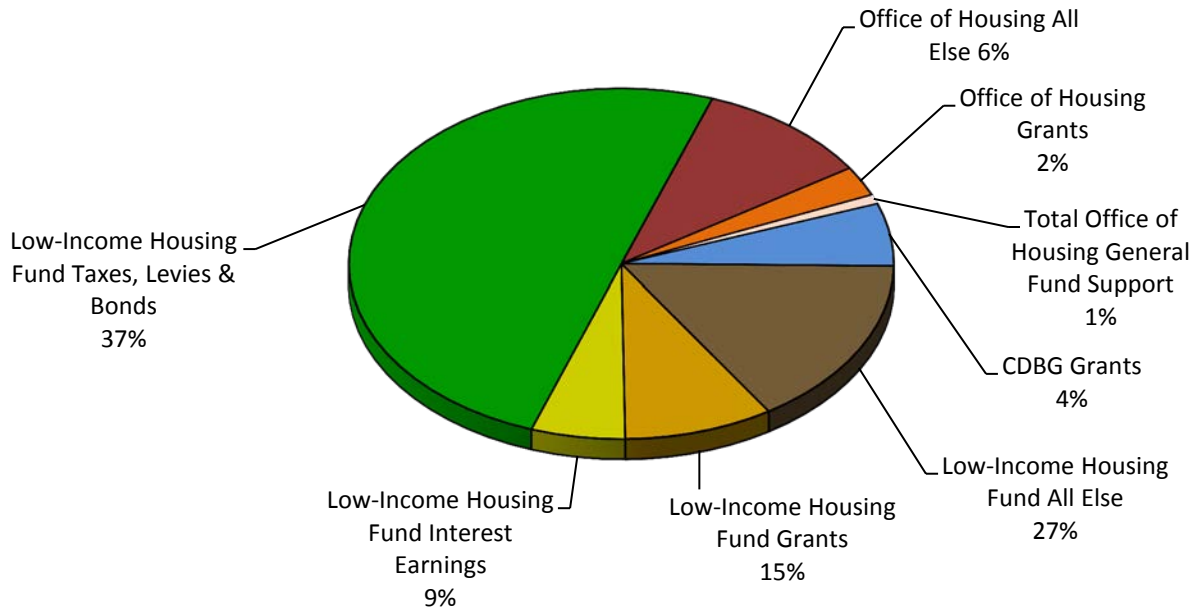
* FTE totals are provided for information purposes only. Changes in FTEs resulting from City Council or Human Resources Director actions outside of the budget process may not be detailed here.

2015 Proposed Budget - Expenditure by Category



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2015 Proposed Budget - Revenue by Category



Budget Overview

Low-income housing activities are primarily supported by the 2009 Housing Levy, federal grants, developer incentive program revenues, local and state weatherization grants, investment earnings, and loan repayment income. In recent years, the Office of Housing has had sufficient incentive program and state/federal revenue resources to support administration of its programs. In 2015-2016 a small amount of General Fund support is necessary to fund operations and to prepare for the 2016 Housing Levy.

In 2010 OH began the voter-approved 2009 Housing Levy, totaling \$145 million for 2010 through 2016. During its seven year duration, the Housing Levy is expected to produce or preserve 1,850 affordable homes and assist 3,420 households. Because the current Housing Levy ends in 2016, this budget includes funding to plan for the 2016 Housing Levy.

In 2015 and 2016, the City is anticipating federal CDBG entitlement levels to remain stable. The primary activities funded with OH's share of CDBG funds are home rehabilitation loans for low-income households, multifamily production and preservation, and policy and planning. In the 2015-2016 Proposed Budget \$125,000 in CDBG funds is added to support the development of the Mayor's Housing Affordability agenda. In addition, \$271,000 of CDBG funding in 2015 supports levy renewal planning and OH operating costs to backfill a loss of federal revenue.

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Incremental Budget Changes

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	2015		2016	
	Budget	FTE	Budget	FTE
Total 2014 Adopted Budget	\$ 49,981,330	37.50	\$ 49,981,330	37.50
Baseline Changes				
Citywide Adjustments for Standard Cost Changes	\$ 116,668	0.00	\$ 126,470	0.00
Adjustment for One-time Adds or Reductions	-\$ 295,000	0.00	-\$ 295,000	0.00
Supplemental Budget Changes	\$ 108,542	0.00	\$ 108,542	0.00
Proposed Changes				
Housing Affordability and Levy Renewal Planning	\$ 309,627	1.00	\$ 124,627	1.00
Operating Support and Technical Position Adjustments	\$ 394,937	3.50	\$ 336,828	3.50
Proposed Technical Changes				
Technical Adjustments	-\$ 175,679	0.00	-\$ 161,610	0.00
Final Citywide Adjustments for Standard Cost Changes	\$ 789,862	0.00	\$ 1,570,446	0.00
Total Incremental Changes	\$ 1,248,957	4.50	\$ 1,810,303	4.50
2015 - 2016 Proposed Budget	\$ 51,230,287	42.00	\$ 51,791,633	42.00

Descriptions of Incremental Budget Changes

Baseline Changes

Citywide Adjustments for Standard Cost Changes - \$116,668

Citywide technical adjustments made in the "Baseline Phase" reflect changes due to inflation, central cost allocations, retirement, healthcare, workers' compensation, and unemployment costs. These adjustments reflect initial assumptions about these costs and inflators early in the budget process.

Adjustment for One-time Adds or Reductions - (\$295,000)

This item includes budget reductions in the 2015-16 Biennium for one-time salaries, equipment or expenses added in the 2014 Adopted Budget. It also includes the addition of funding for one-time budget reductions taken in 2014.

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Supplemental Budget Changes - \$108,542

This adjustment reflects changes made through supplemental budget legislation since the last Adopted Budget. Supplemental budget legislation is developed by the Executive and adopted by the City Council four times a year to provide for corrections to the Adopted Budget, unforeseen changes in circumstance, new funding opportunities or new policy priorities. These changes may include additions or reductions in appropriations and FTEs.

Proposed Changes

Housing Affordability and Levy Renewal Planning - \$309,627/1.00 FTE

This item utilizes CDBG funding and general funds to prepare for the renewal of the Housing Levy in 2016 and to develop a coordinated set of strategies that address critical affordable housing needs in Seattle. The work on developing a Housing Affordability Agenda and planning for the 2016 Housing Levy renewal is closely linked. OH will research new and expanded strategies to ensure that Seattle has housing that is affordable to diverse household types across a range of income levels. In 2015 and 2016, \$125,000 in funding is used to support the development of the Housing Affordability Agenda. In addition, in 2015, \$185,000 is used to support planning for renewal of the 2016 Housing Levy.

Operating Support and Technical Position Adjustments - \$394,937/3.50 FTE

This item includes short-term funding to close an operating budget gap, incorporates changes made in the 2013 Q4 and 2014 Q1 Supplemental Budgets, adds a 1.0 FTE quality inspector position for the HomeWise program, and eliminates a part-time IT support position.

Due to increasing operating costs, OH has a funding gap in core staffing expenses in 2015 and 2016. The 2015-2016 Proposed Budget includes \$242,243 in 2015 and \$198,203 in 2016 to support the operating gap. In 2017 it is anticipated that the 2016 Housing Levy will support these costs.

The 2014 Q1 Supplemental Budget ordinance added two positions to the Office of Housing: a Deputy Director and an Executive Assistant. The 2015-2016 Proposed Budget adds ongoing position authority.

This item also includes a new quality inspector position for the HomeWise program. HomeWise provides free weatherization services to low-income homeowners and tenants in Seattle. The major funder for the program, the Washington State Department of Commerce, has created new rules for the program which will require changes in how the program is administered by the Office of Housing. As a result, a new Building Inspector Senior position is added to the Office of Housing. This is a budget neutral change as authority is being transferred from the Low-Income Housing Fund to the Office of Housing Operating Fund.

As of January 1, 2015 the Office of Housing will become a Department of Information Technology (DOIT) supported department. This change allows OH to eliminate a part-time information technology support staff position as part of the 2015-2016 Proposed Budget.

Proposed Technical Changes

Technical Adjustments - (\$175,679)

Changes reflected in this category include: adjustments within or between Budget Control Levels that align funding with spending requirements, corrections to baseline adjustments made during Executive phase, and other

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technical changes to staffing and program funding requirements. These changes are considered technical in nature because they do not significantly affect approved department service delivery or require new or additional policy decisions.

Final Citywide Adjustments for Standard Cost Changes - \$789,862

Citywide technical adjustments made in the "Proposed Phase" reflect changes due to inflation, central cost allocation, retirement, healthcare, workers' compensation, and unemployment costs. These adjustments reflect updates to preliminary cost assumptions established in the "Baseline Phase."

Expenditure Overview

Appropriations	Summit Code	2013 Actual	2014 Adopted	2015 Proposed	2016 Proposed
CDBG - Office of Housing Budget Control					
Homeownership and Sustainability - CDBG		809,332	767,191	790,152	790,152
Multi-Family Production and Preservation - CDBG		0	871,433	911,012	911,012
Strategic Planning, Resource, and Program Development - CDBG		441,280	101,139	373,412	251,412
Total	6XZ10	1,250,612	1,739,763	2,074,576	1,952,576
Low-Income Housing Fund 16400 Budget Control					
Homeownership and Sustainability - 16400		8,166,230	10,066,129	10,095,692	10,253,562
Multi-Family Production and Preservation - 16400		22,464,510	32,929,361	33,437,860	34,006,484
Total	XZ-R1	30,630,740	42,995,490	43,533,552	44,260,046
Office of Housing Operating Fund 16600 Budget Control					
Administration and Management - 16600		1,285,888	1,664,786	2,029,810	1,930,843
Community Development - 16600		1,037,911	862,876	591,233	597,309
Homeownership and Sustainability - 16600		1,551,873	1,414,787	1,459,758	1,493,123
Multi-Family Production and Preservation - 16600		1,146,543	1,303,628	1,541,358	1,557,736
Total	XZ600	5,022,216	5,246,077	5,622,159	5,579,011
Department Total		36,903,569	49,981,330	51,230,287	51,791,633
Department Full-time Equivalent Total*		37.50	37.50	42.00	42.00

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

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Revenue Overview

2015 Estimated Revenues

Summit Code	Source	2013 Actual	2014 Adopted	2015 Proposed	2016 Proposed
433010	Community Development Block Grant	1,720,213	1,739,763	2,187,763	2,063,763
	Total CDBG Grants	1,720,213	1,739,763	2,187,763	2,063,763
469930	Program Income	2,555,630	11,244,000	4,000,000	4,000,000
541490	Local Grants-Weatherization	1,757,209	1,678,614	1,630,000	1,630,000
	Total Low-Income Housing Fund All Else	4,312,839	12,922,614	5,630,000	5,630,000
445800	MFTE Application Fees	0	0	0	0
	Total Low-Income Housing Fund Developer App. Fees	0	0	0	0
587001	General Subfund Support	0	0	0	0
	Total Low-Income Housing Fund General Fund Support	0	0	0	0
433010	Federal Grants - Weatherization	987,481	4,000,000	1,607,734	1,607,734
434010	State Grants - Weatherization	622,505	1,250,000	0	0
471010	Federal Grants-HOME Program	478,022	2,251,959	1,575,000	1,575,000
	Total Low-Income Housing Fund Grants	2,088,008	7,501,959	3,182,734	3,182,734
461110	Investment Earnings	237,892	4,601,500	2,000,000	2,000,000
	Total Low-Income Housing Fund Interest Earnings	237,892	4,601,500	2,000,000	2,000,000
411100	Property Tax Levy	17,952,125	17,969,417	17,969,417	17,969,417
	Total Low-Income Housing Fund Taxes, Levies & Bonds	17,952,125	17,969,417	17,969,417	17,969,417
469930	Bonus/TDR Capital	6,521,099	0	9,000,000	9,000,000
	Total Low-Income Housing Fund Use of Fund Balance	6,521,099	0	9,000,000	9,000,000
	Transfer of Bonus Admin Fund Balance from 16400	0	0	150,000	200,000
411100	Levy Administration	1,809,706	1,809,704	1,809,704	1,809,704
439090	Grants and Other	21,094	0	27,500	27,500
445800	MFTE application fees	130,600	80,000	80,000	80,000
461110	Bonus/TDR Administration	107,022	0	900,000	900,000
462900	Other Rents and Use Charges	27,082	27,000	27,000	27,000
471010	Challenge Grant	626,802	65,788	0	0
471010	HOME Administration	250,218	250,217	175,000	175,000
541490	City Light Administration	824,724	731,967	715,000	715,000
	Total Office of Housing All Else	3,797,248	2,964,676	3,884,204	3,934,204
587001	General Subfund Support	0	295,000	314,000	272,000
	Total Office of Housing General	0	295,000	314,000	272,000

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Fund Support					
433010	Federal Grants-Weatherization	498,157	823,286	985,226	985,226
434010	State Grants-Weatherization	373,513	210,424	0	0
Total Office of Housing Grants		871,670	1,033,710	985,226	985,226
Total Revenues		37,501,094	49,028,639	45,153,344	45,037,344
379100	Use of (Contribution To) Fund Balance	-481,223	0	5,638,214	6,366,708
Total Low-Income Housing Fund Use of Fund Balance		-481,223	0	5,638,214	6,366,708
379100	Use of (Contribution To) Fund Balance	-116,302	952,693	438,729	387,581
Total Office of Housing Use of Fund Balance		-116,302	952,693	438,729	387,581
Total Resources		36,903,569	49,981,332	51,230,287	51,791,633

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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.

	2013	2014	2015	2016
Program Expenditures	Actual	Adopted	Proposed	Proposed
Homeownership and Sustainability - CDBG	809,332	767,191	790,152	790,152
Multi-Family Production and Preservation - CDBG	0	871,433	911,012	911,012
Strategic Planning, Resource, and Program Development - CDBG	441,280	101,139	373,412	251,412
Total	1,250,612	1,739,763	2,074,576	1,952,576
Full-time Equivalents Total*	0.00	0.00	1.00	1.00

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

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.

	2013	2014	2015	2016
Expenditures	Actual	Adopted	Proposed	Proposed
Homeownership and Sustainability - CDBG	809,332	767,191	790,152	790,152

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.

	2013	2014	2015	2016
Expenditures	Actual	Adopted	Proposed	Proposed
Multi-Family Production and Preservation - CDBG	0	871,433	911,012	911,012

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.

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Expenditures/FTE	2013 Actual	2014 Adopted	2015 Proposed	2016 Proposed
Strategic Planning, Resource, and Program Development - CDBG	441,280	101,139	373,412	251,412
Full-time Equivalents Total	0.00	0.00	1.00	1.00

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	2013 Actual	2014 Adopted	2015 Proposed	2016 Proposed
Homeownership and Sustainability - 16400	8,166,230	10,066,129	10,095,692	10,253,562
Multi-Family Production and Preservation - 16400	22,464,510	32,929,361	33,437,860	34,006,484
Total	30,630,740	42,995,490	43,533,552	44,260,046

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	2013 Actual	2014 Adopted	2015 Proposed	2016 Proposed
Homeownership and Sustainability - 16400	8,166,230	10,066,129	10,095,692	10,253,562

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	2013 Actual	2014 Adopted	2015 Proposed	2016 Proposed
Multi-Family Production and Preservation - 16400	22,464,510	32,929,361	33,437,860	34,006,484

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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.

	2013	2014	2015	2016
Program Expenditures	Actual	Adopted	Proposed	Proposed
Administration and Management - 16600	1,285,888	1,664,786	2,029,810	1,930,843
Community Development - 16600	1,037,911	862,876	591,233	597,309
Homeownership and Sustainability - 16600	1,551,873	1,414,787	1,459,758	1,493,123
Multi-Family Production and Preservation - 16600	1,146,543	1,303,628	1,541,358	1,557,736
Total	5,022,216	5,246,077	5,622,159	5,579,011
Full-time Equivalents Total*	37.50	37.50	41.00	41.00

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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.

	2013	2014	2015	2016
Expenditures/FTE	Actual	Adopted	Proposed	Proposed
Administration and Management - 16600	1,285,888	1,664,786	2,029,810	1,930,843
Full-time Equivalents Total	11.00	11.00	12.50	12.50

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.

	2013	2014	2015	2016
Expenditures/FTE	Actual	Adopted	Proposed	Proposed
Community Development - 16600	1,037,911	862,876	591,233	597,309
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.

	2013	2014	2015	2016
Expenditures/FTE	Actual	Adopted	Proposed	Proposed

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Homeownership and Sustainability - 16600	1,551,873	1,414,787	1,459,758	1,493,123
Full-time Equivalents Total	13.00	13.00	14.00	14.00

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	2013 Actual	2014 Adopted	2015 Proposed	2016 Proposed
Multi-Family Production and Preservation - 16600	1,146,543	1,303,628	1,541,358	1,557,736
Full-time Equivalents Total	9.50	9.50	10.50	10.50

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Housing Fund Table

Low-Income Housing Fund (16400)

	2013 Actuals	2014 Adopted	2014 Revised	2015 Proposed	2016 Proposed
Beginning Fund Balance	81,464,000	79,865,000	81,945,223	81,019,252	75,267,851
Accounting and Technical Adjustments	0	0	0	0	0
Plus: Actual and Estimated Revenues	31,111,963	42,995,490	42,069,519	37,782,151	37,782,151
Less: Actual and Budgeted Expenditures	30,630,740	42,995,490	42,995,490	43,533,552	44,260,046
Ending Fund Balance	81,945,223	79,865,000	81,019,252	75,267,851	68,789,956
Bonus Program Fundings	8,100,000	8,100,000	7,800,000	0	0
Housing Levy	50,770,000	50,770,000	42,937,000	44,985,000	38,506,000
Levy O&M Trust Funds	26,395,000	26,395,000	26,395,000	26,395,000	26,395,000
Reach Trust Fund	927,000	927,000	927,000	927,000	927,000
South Lake Union Fund	2,960,000	2,960,000	2,960,000	2,960,000	2,960,000
Total Reserves	89,152,000	89,152,000	81,019,000	75,267,000	68,788,000
Ending Unreserved Fund Balance	-7,206,777	-9,287,000	252	851	1,956

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Office of Housing (16600)

	2013 Actuals	2014 Adopted	2014 Revised	2015 Proposed	2016 Proposed
Beginning Fund Balance	1,930,873	1,448,000	1,577,575	1,387,380	948,651
Accounting and Technical Adjustments	0	0	0	0	0
Plus: Actual and Estimated Revenues	4,668,918	4,293,386	5,055,884	5,183,430	5,191,430
Less: Actual and Budgeted Expenditures	5,022,216	5,246,077	5,246,079	5,622,159	5,579,011
Ending Fund Balance	1,577,575	495,309	1,387,380	948,651	561,070
planning reserve				95,000	306,000
Revenue Stabilization Reserve		86,000			
underexpended levy		334,000			
Total Reserves		420,000		95,000	306,000
Ending Unreserved Fund Balance	1,577,575	75,309	1,387,380	853,651	255,070