

Office of Housing

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

Department Overview

The mission of the Office of Housing (OH) is to build strong healthy communities and increase opportunities for people of all income levels to live in our city. 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** employs the Housing Levy and other federal and local funding to make 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 the units remain in good condition. The portfolio now includes over 300 buildings with more than 13,000 units, representing a significant investment of City and other funding in affordable housing over 35 years.

The **Homeownership and Sustainability Program** includes three sub-programs to assist low-income households:

- The **Homeownership Assistance Program** supports first-time homebuyers and existing low-income homeowners through down payment assistance loans, subsidies for permanently affordable homes, and foreclosure prevention loans.
- The **Home Repair Program** provides grants or no- to low-interest loans to assist with critical home repairs.
- The **HomeWise Weatherization Program** provides grants to increase energy efficiency and lower utility costs for low-income residents in both single-family and multifamily properties.

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

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

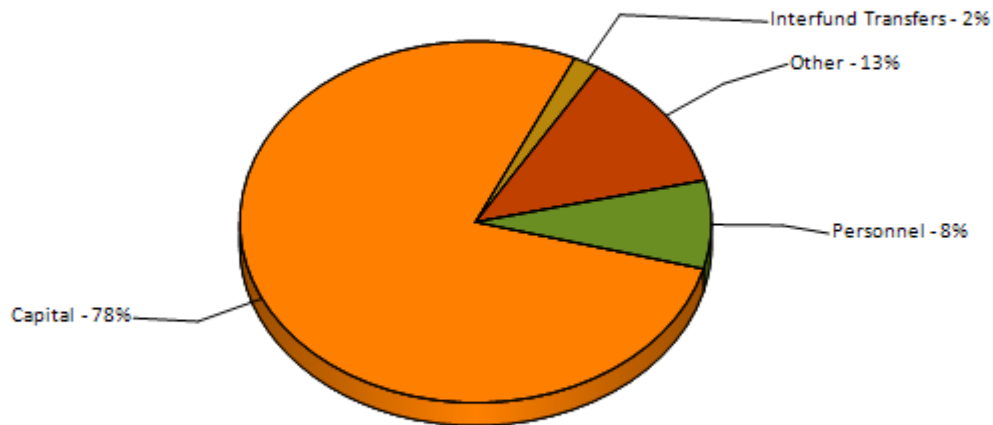
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Budget Snapshot

Department Support	2018 Adopted	2019 Adopted	2020 Endorsed
General Fund Support	\$468,740	\$775,675	\$754,437
Other Funding - Operating	\$68,579,511	\$68,577,360	\$68,614,049
Total Operations	\$69,048,251	\$69,353,035	\$69,368,486
Total Appropriations	\$69,048,251	\$69,353,035	\$69,368,486
Full-time Equivalent Total*	44.50	45.00	45.00

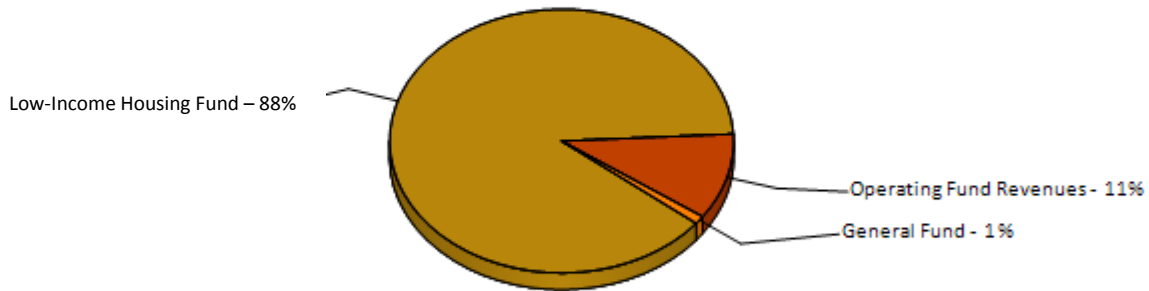
** FTE totals are provided for information purposes only. Changes in FTEs resulting from City Council or Personnel Director actions outside of the budget process may not be detailed here.*

2019 Adopted Budget - Expenditure by Category



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2019 Adopted Budget - Revenue by Category



Budget Overview

Mayor Durkan wants to create economic opportunity for all in Seattle and one way to achieve that goal is through affordable housing. The lack of housing affordability threatens to displace many underserved communities and makes it increasingly difficult for working families to continue to live and work here. It also contributes to homelessness. To address the affordable housing and homelessness crises, the Mayor has made her top priority the building of affordable housing for low- and middle-income families as quickly as possible.

The Office of Housing (OH) plays a central role in the Mayor's plans to improve accountability, effectiveness, and flexibility in tackling Seattle's affordable housing problem. In 2018, the City opened its books to external reviewers, including the office's portfolio of various housing investments to assess the efficacy of these investments. These include transitional housing that help people transition out of homelessness, permanent supportive housing that provides case-management services to those with physical or mental health needs, and long-term affordable housing for those whose incomes generally are at or below 60% of the area median income.

The office uses two main sources of revenue to support the City's affordable housing efforts: proceeds generated by the Mandatory Housing Affordability program and the Seattle Housing Levy. The Levy, the main source of OH funds, was passed in August 2016 at double the size of the previous levy. Voters approved a seven-year, \$290 million levy to provide affordable housing for seniors, people with disabilities, low-wage workers, and people experiencing homelessness. The levy also provides funding for homelessness prevention and home ownership assistance. The following programs are funded under the levy:

The 2019 Adopted and 2020 Endorsed Budget continues to improve affordable housing in Seattle while also being in alignment with the Mayor's vision to maximize effectiveness of public dollars. Largely, the changes in the adopted budget consists of technical or routine adjustments in the office's use of Community Development Block Grant (CDBG) funding and Housing Levy and Mandatory Housing Affordability administrative resources.

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Additionally, the adopted budget includes the use of existing resources for security and maintenance at Fort Lawton.

Fort Lawton Security and Maintenance Costs

In 2008, OH and the City Council approved the Fort Lawton Redevelopment Plan. This plan included market-rate housing, various types of affordable housing, the preservation of the existing wildlife habitat, and the creation of a new neighborhood park.

The City renewed its efforts in recent years and updated the previous redevelopment plan. The current proposal now includes:

- 85 units of supportive housing for formerly homeless seniors, including veterans;
- 100 units of affordable rental housing for low-wage workers and their families;
- 52 units of affordable homeownership; and
- over 21 acres for parks and recreation uses including active and passive park space, as well as repurposing of an existing structure for a park maintenance facility.

In 2017, OH and the Department of Parks and Recreation agreed to lease Fort Lawton and split the security and maintenance costs. In 2018, these costs significantly increased due to unforeseen circumstances requiring additional use of resources by both departments.

General Fund Target Reduction

The 2016 Adopted Budget used General Fund to add a position to the Office of Housing (OH) to support the implementation of the Housing Affordability and Livability Agenda recommendations. This position worked with the Office of Intergovernmental Relations (OIR) to lobby the State for new and expanded resources for affordable housing including enacting a Real Estate Excise Tax for affordable housing. The position also worked to create a preservation property tax exemption. To meet its General Fund reduction target, OH reduced the lobbying role of the position and added policy to the scope of work. This shift makes a portion of the position's costs eligible for funding by the Housing Levy or the Mandatory Housing Affordability administrative resources. OH does not anticipate that this minor shift will impact service delivery.

Operations and Miscellaneous Needs

The adopted budget also provides the Office of Housing with additional appropriation authority to spend existing resources to fund various items for its day-to-day operations and to improve outreach and engagement to underserved communities.

City Council Changes to the Proposed Budget

The Council reduced General Fund appropriations across City departments to fund other Council priorities. The Council also provided additional General Fund resources for the office to support the Home and Hope Program. This program helps transform underused publicly-owned sites into affordable housing and early childhood education centers for families in need. In the 2017 Adopted and 2018 Endorsed Budget, the City began funding this program, providing \$200,000 each year in 2017 and 2018. The Council also directed the office to use its operating fund balance to provide additional outreach and engagement to low-income households that could benefit from programming to keep such families in their homes.

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Incremental Budget Changes

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	2019		2020	
	Budget	FTE	Budget	FTE
2018 Adopted Budget	\$ 69,048,251	44.50	\$ 69,048,251	44.50
Baseline Changes				
Citywide Adjustments for Standard Cost Changes	\$ 723,431	0.00	\$ 731,427	0.00
Supplemental Budget Changes	\$ 0	0.50	\$ 0	0.50
Adjustment for One-Time Budget Additions	-\$ 893,253	0.00	-\$ 893,253	0.00
Proposed Changes				
Fort Lawton Security and Maintenance Costs	\$ 0	0.00	\$ 0	0.00
Recognizing Efficiencies Citywide	\$ 0	0.00	\$ 0	0.00
Operating and Miscellaneous Costs	\$ 255,000	0.00	\$ 262,650	0.00
Proposed Technical Changes				
Community Development Block Grant Reduction	\$ 0	0.00	\$ 0	0.00
Council Changes				
General Fund Appropriation Reduction	-\$ 393	0.00	-\$ 588	0.00
Home and Hope Program	\$ 200,000	0.00	\$ 200,000	0.00
Outreach and Engagement to Low-Income Homeowners	\$ 20,000	0.00	\$ 20,000	0.00
Total Incremental Changes	\$ 304,785	0.50	\$ 320,236	0.50
2019 Adopted/2020 Endorsed Budget	\$ 69,353,035	45.00	\$ 69,368,486	45.00

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Descriptions of Incremental Budget Changes

Baseline Changes

Citywide Adjustments for Standard Cost Changes - \$723,431

Citywide technical adjustments made in the baseline phase reflect changes to internal services costs, health care, and industrial insurance charges for the department. These adjustments reflect initial assumptions about these costs and inflators early in the budget process. This technical adjustment also transfers internal services costs for Human Resources, Finance and Administrative Services, and Information Technology from Finance General to the department. With this change, department budgets will better reflect support costs. Previously these costs were included in the Finance General budget. This incremental change incorrectly includes \$17,500 in non-General Fund resources for Duwamish weatherization and health improvements that should have been in the incremental change "Adjustment for One-Time Budget Additions." The total for this incremental change should be \$705,931.

Supplemental Budget Changes/.50 FTE

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. The 2017 4th Quarter Supplemental Budget Ordinance changed a 0.5 FTE part-time position to a 1.0 FTE full-time position to handle to scope of work in the Homeownership and Sustainability Program.

Adjustment for One-Time Budget Additions - (\$893,253)

This item includes budget reductions for one-time additions in the 2018 Adopted Budget: Duwamish weatherization and health improvements (\$32,500), which includes a net-zero transaction that shifts \$17,500 of costs from General Fund to the operating fund; technological assessments and improvements (\$208,386); transferring consulting funds from Finance General to the Office of Housing (OH) (\$125,000); a Community Ownership Housing Model (\$150,000); use of OH's operating fund balance to support a Home and Hope program (\$75,000); use of OH's operating fund balance to pay for the pre-development costs of a mixed-use project in Pioneer Square assisting American Indian and Alaskan Native people (\$100,000); and a Seattle-Department-Mandatory Housing Affordability systems update (\$184,867). This incremental change should have included \$17,500 in non-General Fund resources for Duwamish weatherization and health improvements. Instead, that amount is in the incremental change, "Citywide Adjustments for Standard Cost Changes." The total for this incremental change should be (\$875,753).

Proposed Changes

Fort Lawton Security and Maintenance Costs

This item uses existing funding, \$167,432 in 2019 and \$172,455 in 2020, for security and grounds maintenance services at Fort Lawton. The Office of Housing (OH) and Department of Parks and Recreation (DPR) jointly leased this property in 2017. OH plans to help finance the building of long-term affordable housing on the site. In 2018, the costs significantly increased from the initial estimate, requiring additional funding. OH and DPR agreed to split the costs. To read more about this incremental change please read the Department of Finance and Administrative Services and DPR sections in the budget.

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Recognizing Efficiencies Citywide

This item shifts \$25,000 of the General Fund support of a lobbying position, a Strategic Advisor 1, to Office of Housing Fund. This lobbying position was added in the 2016 Adopted Budget to support the City's efforts to pursue new and expanded State resources for affordable housing. This shift in costs is necessary to meet Citywide targets to improve efficiencies and reduce use of General Fund. To be eligible for funding either by the Housing Levy of the Mandatory Housing Affordability administrative funding available in the operating fund, the position will have a reduced lobbying role and an increased share of policy work.

Operating and Miscellaneous Costs - \$255,000

This item increases additional appropriation authority, but not additional funding to help the office deliver on its capital investments. Administrative resources from the Housing Levy and Mandatory Housing Affordability will cover various items:

- \$120,000 for additional legal counsel to handle the increased volume and complexity of OH's financial transactions legal costs;
- \$20,000 for customized Seattle housing market data to inform the office's planning and policy analyses;
- \$20,000 to host four community events annually: two focused on housing-related policy issues such as affordable housing workshops for community-based organizations, and the other two focused on specific projects such as Fort Lawton outreach;
- \$20,000 to provide outreach and engagement efforts for the office's direct service programs, especially in underserved communities to better align with the City's Race and Social Justice Initiative (RSJI) and efforts to improve access to the City's services for those with limited English skills as stated in Executive Order 2017-10;
- \$10,000 for staff training with subject-matter experts on topics such as loan underwriting for affordable housing projects, and creating housing-specific learning opportunities for RSJI; and
- \$65,000 for position reclassifications and subsequent cost adjustments approved by the Seattle Department of Human Resources.

Proposed Technical Changes

Community Development Block Grant Reduction

This item is a technical adjustment to the Community Development Block Grant (CDBG) allocations in the department. The \$74,915 reduction in the CDBG administrative funding will be replaced with more than \$80,000 in additional HOME Investment Partnerships Program (HOME) administrative funding. In 2018, the department received an incremental increase of \$809,944 in total HOME funding from the previous year and it's expected to continue in 2019 and 2020. Ten percent of this amount is eligible for administrative funding.

Council Changes

General Fund Appropriation Reduction - (\$393)

The Council made an across-the-board reduction to all General Fund appropriation authority in order to support other priorities. The percentage reduction in 2019 is about 0.07% and in 2020 about 0.1%.

Home and Hope Program - \$200,000

The Council added \$200,000 in 2019 and 2020 to continue funding of the Home and Hope Program. This program

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identifies publicly and or privately-owned tax-exempt land that is appropriate for development of affordable housing and affordable childcare facilities.

Funding will be used for pre-development services to support future development of sites already identified for affordable housing, with such services including, but not limited to:

- Appraisal and related valuations
- Surveys
- Test-to-fit and preliminary design
- Geotechnical analysis
- Phase 1 and potentially Phase 2 environmental studies
- Environmental and related studies necessary to State Environmental Protection Act (SEPA) review
- Feasibility analysis for inclusion of childcare and preschool facilities
- Cost estimation
- Project-specific community convenings

The City provided a total of \$400,000 in funding for this program from 2017-2018. This funding is not ongoing.

Outreach and Engagement to Low-Income Homeowners - \$20,000

This item uses fund balance from the office's fund to provide additional outreach and engagement to low-income, under-served communities to help homeowners stay in their homes in 2019 and 2020. The office will contract with community-based organizations to better inform communities about its new and existing programs that help low-income homeowners. This funding is not ongoing.

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City Council Provisos

There are no Council provisos.

Expenditure Overview

Appropriations	2018 Adopted	2019 Adopted	2020 Endorsed
Leadership and Administration Budget Summary Level			
General Fund	418,740	775,675	754,437
Office of Housing Fund (16600)	5,376,549	5,339,898	5,373,214
Total for BSL: BO-HU-1000	5,795,289	6,115,573	6,127,651
Homeownership & Sustainability Budget Summary Level			
General Fund	50,000	0	0
Low-Income Housing Fund (16400)	5,226,234	5,226,234	5,226,234
Office of Housing Fund (16600)	1,206,882	1,241,382	1,243,328
Total for BSL: BO-HU-2000	6,483,116	6,467,616	6,469,562
Multifamily Housing Budget Summary Level			
Low-Income Housing Fund (16400)	55,419,060	55,419,060	55,419,060
Office of Housing Fund (16600)	1,350,786	1,350,786	1,352,213
Total for BSL: BO-HU-3000	56,769,846	56,769,846	56,771,273
Department Total	69,048,251	69,353,035	69,368,486
Department Full-time Equivalent Total*	44.50	45.00	45.00

* 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.

Budget Summary by Fund for Housing

	2018 Adopted	2019 Adopted	2020 Endorsed
00100 - General Fund	468,740	775,675	754,437
16400 - Low-Income Housing Fund (16400)	60,645,294	60,645,294	60,645,294
16600 - Office of Housing Fund (16600)	7,934,217	7,932,066	7,968,755
Budget Totals for OH	69,048,251	69,353,035	69,368,486

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Revenue Overview

2019 Estimated Revenues

Summit Code	Source	2018 Adopted	2019 Adopted	2020 Endorsed
411100	Property Tax Levy	37,862,143	37,862,143	37,862,143
433010	Federal grants - CDBG	1,057,278	1,057,278	1,057,278
433010	Federal Grants - Weatherization	632,734	1,000,000	1,000,000
434010	State Grants - Weatherization	975,000	600,000	600,000
445810	Bonus/MHA Capital	18,000,000	18,000,000	18,000,000
461110	Investment Earnings	2,000,000	2,000,000	2,000,000
469930	Program Income	4,000,000	4,000,000	4,000,000
471010	Federal Grants-HOME Program	2,262,246	2,968,574	2,968,574
569990	Local Grants-Weatherization	1,665,000	1,707,000	1,750,000
	Total Low-Income Housing Fund Revenues	68,454,401	69,194,995	69,237,995
587001	General Subfund	468,740	775,675	754,437
	Total General Fund	468,740	775,675	754,437
411100	Levy Administration	3,566,429	3,566,429	3,566,429
433010	Federal grants - CDBG	491,349	387,731	387,731
433010	Federal Grants-Weatherization	753,226	750,000	750,000
434010	State Grants-Weatherization	232,000	250,000	250,000
445800	MFTE application fees	160,000	200,000	200,000
445810	Bonus/MHA Administration	2,000,000	2,000,000	2,000,000
469990	Miscellaneous Revenue	0	0	0
471010	HOME Administration	226,224	329,842	329,842
541490	City Light Administration	775,000	795,000	815,000
	Total Operating Fund Revenues	8,204,228	8,279,002	8,299,002
	Total Revenues	77,127,369	78,249,672	78,291,434
379100	Use of (Contribution To) Fund Balance	-7,459,077	-8,549,701	-8,592,701
	Total Low-Income Housing Fund Revenues	-7,459,077	-8,549,701	-8,592,701
379100	Use of (Contribution To) Fund Balance	-620,041	-346,936	-330,247
	Total Operating Fund Revenues	-620,041	-346,936	-330,247
	Total Resources	69,048,251	69,353,035	69,368,486

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Appropriations By Budget Summary Level (BSL) and Program

Leadership and Administration Budget Summary Level

The purpose of the Leadership and Administration Budget Summary Level is to provide centralized leadership, strategic planning, program development, and financial management support services to the office.

Program Expenditures	2018 Adopted	2019 Adopted	2020 Endorsed
Citywide Indirect Costs	751,817	764,478	747,159
Departmental Indirect Costs	3,420,581	3,849,311	3,835,363
Policy & Planning	950,511	801,148	802,737
Pooled Benefits	672,380	700,636	742,392
Total	5,795,289	6,115,573	6,127,651
Full-time Equivalents Total*	17.50	17.50	17.50

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The following information summarizes the programs in Leadership and Administration Budget Summary Level:

Citywide Indirect Costs Program

The purpose of the Citywide Indirect Costs program is to fund internal services costs originating from outside of the department such as allocated costs from the Department of Finance and Administrative Services and Seattle Information Technology Department.

Expenditures	2018 Adopted	2019 Adopted	2020 Endorsed
Citywide Indirect Costs	751,817	764,478	747,159
Full-time Equivalents Total	0.00	0.00	0.00

Departmental Indirect Costs Program

The purpose of the Departmental Indirect Costs program is to fund costs associated with management of the department. This may include personnel costs related to department leadership and administration or other administrative costs such as external rent and operating supplies or services.

Expenditures/FTE	2018 Adopted	2019 Adopted	2020 Endorsed
Departmental Indirect Costs	3,420,581	3,849,311	3,835,363
Full-time Equivalents Total	9.50	9.50	9.50

Policy & Planning Program

The purpose of the Policy & Planning program is to provide strategic planning, program development, and vacant land redevelopment services to increase housing opportunities for Seattle residents.

Expenditures/FTE	2018 Adopted	2019 Adopted	2020 Endorsed
Policy & Planning	950,511	801,148	802,737

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Full-time Equivalents Total	8.00	8.00	8.00
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Pooled Benefits Program

The purpose of the Pooled Benefits program is to fund department costs associated with health and dental insurance, workers compensation, and unemployment insurance contributions.

Expenditures	2018 Adopted	2019 Adopted	2020 Endorsed
Pooled Benefits	672,380	700,636	742,392
Full-time Equivalents Total	0.00	0.00	0.00

Homeownership & Sustainability Budget Summary Level

The purpose of the Homeownership & Sustainability Budget Summary Level is to provide loans and grants to low-income Seattle residents to support first-time home-buyers, health and safety home repair needs, and energy efficiency improvements.

Program Expenditures	2018 Adopted	2019 Adopted	2020 Endorsed
Home Ownership	1,680,078	1,680,078	1,680,317
Home Repair	727,469	727,469	727,722
Weatherization	4,075,569	4,060,069	4,061,523
Total	6,483,116	6,467,616	6,469,562
Full-time Equivalents Total*	14.50	15.00	15.00

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The following information summarizes the programs in Homeownership & Sustainability Budget Summary Level:

Home Ownership Program

The purpose of the Home Ownership program is to support first-time homebuyers and existing low-income homeowners through down payment assistance loans, subsidies for permanently affordable homes, and foreclosure prevention loans.

Expenditures/FTE	2018 Adopted	2019 Adopted	2020 Endorsed
Home Ownership	1,680,078	1,680,078	1,680,317
Full-time Equivalents Total	1.50	1.50	1.50

Home Repair Program

The purpose of the Home Repair program is to provide grants or no- to low-interest loans to assist low-income homeowners with critical home repairs.

Expenditures/FTE	2018 Adopted	2019 Adopted	2020 Endorsed
Home Repair	727,469	727,469	727,722
Full-time Equivalents Total	2.00	2.00	2.00

Weatherization Program

The purpose of the Weatherization program is provide grants to increase energy efficiency and lower utility costs for low-income residents in both single-family and multifamily properties.

Expenditures/FTE	2018 Adopted	2019 Adopted	2020 Endorsed
Weatherization	4,075,569	4,060,069	4,061,523
Full-time Equivalents Total	11.00	11.50	11.50

Multifamily Housing Budget Summary Level

The purpose of the Multifamily Lending Budget Summary Level is to make long-term, low-interest loans to develop or preserve affordable multifamily rental housing; and to monitor the affordable housing portfolio.

Program Expenditures	2018 Adopted	2019 Adopted	2020 Endorsed
Asset Management	7,148,861	7,148,861	7,149,536
Multifamily Lending	49,620,985	49,620,985	49,621,737
Total	56,769,846	56,769,846	56,771,273
Full-time Equivalents Total*	12.50	12.50	12.50

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The following information summarizes the programs in Multifamily Housing Budget Summary Level:

Asset Management Program

The purpose of the Asset Management program is to monitor the housing portfolio to ensure that the policy objectives of the City are achieved and the units remain in good condition.

Expenditures/FTE	2018 Adopted	2019 Adopted	2020 Endorsed
Asset Management	7,148,861	7,148,861	7,149,536
Full-time Equivalents Total	6.50	6.50	6.50

Multifamily Lending Program

The purpose of the Multifamily Lending program is to employ the Housing Levy and other federal and local funding to make low-interest loans to developers to develop or preserve affordable multifamily rental housing.

Expenditures/FTE	2018 Adopted	2019 Adopted	2020 Endorsed
Multifamily Lending	49,620,985	49,620,985	49,621,737
Full-time Equivalents Total	6.00	6.00	6.00