

Office of Housing

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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 three Budget Summary Levels:

- Multifamily Housing;
- Homeownership and Sustainability; and
- Leadership and Administration.

Multifamily Housing 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 16,800 units, representing a significant investment of City and other funding in affordable housing over 35 years.

Homeownership and Sustainability includes three programs to assist low-income households:

- The **Home Ownership 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 **Weatherization Program** provides grants to increase energy efficiency and lower utility costs for low-income residents in both single-family and multifamily properties.

Leadership and Administration provides centralized leadership, coordination, technology, contracting, and financial management services to OH programs and capital projects. This includes the Policy and Planning program that establishes long-term strategic plans, develops and implements policy-based tools, and addresses housing-related aspects of citywide land use and community development planning.

Budget Snapshot

	2018 Actuals	2019 Adopted	2020 Endorsed	2020 Adopted
Department Support				
General Fund Support	149,789	775,675	754,437	6,986,233
Other Funding - Operating	100,665,629	68,577,360	68,614,049	123,664,606
Total Operations	100,815,418	69,353,035	69,368,486	130,650,839
Total Appropriations	100,815,418	69,353,035	69,368,486	130,650,839
Full-Time Equivalent Total*	44.50	45.00	45.00	46.00

* FTE totals are provided for informational 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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Budget Overview

In summer 2019, Mayor Durkan presented her vision and actions for the City's approach to addressing Seattle's housing crisis. The plan, *Seattle Housing Now*, includes four key priorities:

- Increase opportunity and access to family-wage jobs and shared prosperity;
- Build more housing for low- and middle-income earners, and for people experiencing homelessness;
- Address displacement and prevent eviction so Seattle residents can stay in their current housing and community; and
- Secure new tools and resources for the City to address housing in new, innovative ways.

The Office of Housing's 2020 Adopted Budget furthers these priorities through affordable homeownership investments and strategies to address displacement using the Mercer Properties proceeds and increasing the supply of new affordable housing through the State local option bond and other funding sources. The Adopted Budget also includes new programming to make it easier for low-income families to heat their homes using sustainable energy and other operational and technical changes.

Transformational Investments with Proceeds from Mercer Properties Sale

In 2019, the Mayor announced the disposition of surplus City property, known as the Mercer Properties, that resulted in over \$130 million in net proceeds for the City. Of this amount, the 2020 Adopted Budget will use \$73 million for transformational investments in affordable housing.

Investing in new permanently affordable homeownership opportunities and helping existing low- and moderate-income homeowners build assets are some of the best ways to prevent displacement while building community resiliency, agency, and wealth. Moreover, homeownership is a powerful tool to advance racial equity by increasing the wealth generation of people of color through homeownership. Less than 40% of households of color own their own homes compared to over half of white households. This results in a significant wealth gap.

The 2020 Adopted Budget invests \$45.5 million to address displacement and create opportunities for equitable transit-oriented development. Of this amount, \$15 million in the Office of Planning and Community Development (OPCD) funded a revolving Equitable Development Initiative (EDI) site acquisition loan pool to help project partners acquire site control in rapidly changing real estate markets; and another \$30 million appropriated to Finance General and \$500,000 OPCD funded a strategic property acquisition investment fund to address displacement.

The 2020 Adopted Budget includes **\$12 million of Mercer sale proceeds to increase the supply of permanently affordable homes and support stewardship of those homes**. The budget sets aside at least \$9 million for capital investment for permanently affordable homes and up to \$3 million to be used to seed an employer-resourced program to support buyer-driven, permanently affordable homeownership for middle-income Seattle workers. The City is currently exploring a partnership with Sound Transit to acquire up to 12 sites for permanently affordable homeownership. City funds will be used to support on-going affordability by covering the start-up program operations performed by a stewardship entity, as well as potentially provide deeper subsidy to households below 80% AMI if needed. The stewardship entity will help to prepare potential buyers for homeownership, affirmatively market homebuying opportunities, facilitate re-sales and monitor and enforce compliance with a regulatory agreement that ensures the homes will remain affordable for generations to come. Families and employers benefit when workers can live near their jobs rather than commute long distances.

The 2020 Adopted Budget also dedicates **\$2.5 million of the Mercer proceeds to pilot a loan program to help low- and moderate-income families create affordable ADUs**, generating wealth for homeowners and increasing the supply of rent- and income-restricted housing options in single-family zones. In community conversations across Seattle in 2019, the Mayor's Office heard strong support for a City financing option that could help a wider range of homeowners be able to create ADUs. Seattle has allowed attached and detached ADUs since 1994 and 2010, respectively, but less than two percent of single-family lots have added an ADU. Not only does this create an opportunity for new, contextual, space-efficient housing on tens of thousands of lots across Seattle neighborhoods,

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but ADUs also offer homeowners a flexible way to earn income and provide efficient, relatively inexpensive housing options for renters. To that end, the City recently adopted legislation removing regulatory barriers to ADUs and increasing the viability of ADU development throughout Seattle. However, limited financing options generally restrict ADU development and the corresponding benefits to those with wealth, equity, and access to capital.

The City's ADU financing program aims to address this issue and provide access to capital with below market-rate terms to low- and moderate-income homeowners who otherwise would not benefit from new ADU policies.

This pilot program will allow the City to test this approach, demonstrate the feasibility of affordable ADU loans to spur the private lending market and learn how to scale future financial support for homeowners interested in developing an ADU. The financing pilot also complements and works together with a suite of other strategies the City is pursuing to accelerate and broaden access to ADU development, as described in [Executive Order 2019-04](#), including streamlined permitting with pre-approved ADU plans; educational opportunities; and new and improved ADU resources, including a tool for exploring the feasibility of creating an ADU on a property.

New Affordable Housing Through the State Local Option Housing Law and newly dedicated Real Estate Excise Tax (REET)

In 2019, the State of Washington passed a local option housing bill (HB 1406) that allows cities and counties to retain certain local taxes, like sales or use tax, for 20 years provided they spend it on building new or rehabilitating affordable housing units or providing operating and maintenance (O&M) subsidies for new units of affordable or supportive housing. Seattle was the first city in the state to take advantage of this new law, which will provide up to \$4.2 million per year for 20 years.

The 2020 Adopted Budget invests in 175 new units of Permanent Supportive Housing (PSH) – and the associated O&M subsidies needed – through a bond against part of the future revenue. PSH provides wraparound services for the most vulnerable people, those living at or below 30% of the Area Median Income, and ensures they remain housed.

Taking advantage of another state law change in 2019 (HB 1219), the Mayor is also making \$25 million total of REET available for additional capital investments for new affordable housing through 2025. The Council made an additional \$7 million total of REET available over 2021-26.

Low-Income Heating Oil Conversion

In 2019, the Mayor proposed a new tax on heating oil service providers to provide financial assistance necessary to help low-income families convert to sustainable heating supply like electric systems. Heating oil produces carbon pollution, so the City chose this as one of its strategies in its 2013 Seattle Climate Action Plan to achieve its goal of becoming a carbon-neutral city by 2050. Low-income households will be eligible for assistance, including households enrolled Seattle City Light's Utility Discount Program.

Operational Changes

The 2020 Adopted Budget includes two operational changes that result in the service delivery level remaining the same or improving. OH will now fund staff positions in the Department of Finance and Administrative Services that oversee OH-funded projects to guarantee compliance with local wage laws. Previously, these positions were funded by Finance General. The budget also makes a change to OH's current homebuyer education program provided by a local non-profit. This redesign aims to align the program with OH's broader work to help families purchase affordable homes and prevent displacement.

Technical Changes

OH requested various changes in its appropriation authority largely due to changes in revenue projections but also due to corrections. There is also a net-zero technical change to correct the budget location for the office's pooled and fringe benefits to align the budget with the location of the actual expenditures.

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City Council Changes to the Proposed Budget

The Council recognized an update to the projected local option sales tax revenue. The Council also made changes to the Proposed Budget by repurposing proceeds from the sale of the Mercer Properties, specifically by reducing funding for the Strategic Investment Fund, and from the Homeownership and ADU Financing programs. Some of these Mercer Property reductions provide funding for other Council priorities; however, the bulk of these reductions will fund a \$13 million increase in the resources available to increase affordable housing rental production and preservation via OH's 2019 Notice of Funding Availability (NOFA) process. For more information on the Strategic Investment Fund changes please see the Finance General section of the budget book. It should be noted that certain errors will be need to be corrected in early 2020 via legislation: the reductions to the Homeownership and ADU Financing programs and the increase in resources for the NOFA should have been made in the Low-Income Housing Fund instead of the General Fund.

The Council tapped OH fund balance for the Homebuyer Education Redesign and for the pre-development and planning costs of housing projects in the Central District and Little Saigon.

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Incremental Budget Changes

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	2020 Budget	FTE
Total 2020 Endorsed Budget	69,368,486	45.00
Baseline		
2020 Coalition and Non-Rep Annual Wage Increase Base Budget	393,842	-
2020 State Paid Family Medical Leave Increase Base Budget	5,841	-
Citywide Adjustments for Standard Cost Changes	78,130	-
Proposed Operating		
Accessory Dwelling Unit (ADU) Financing Program	5,838,470	-
Increasing Homeownership Opportunities	14,165,261	1.00
Implement Local Option to Use State Sales Tax for Affordable Housing	22,500,000	-
Low-Income Heating Oil Conversion Program	270,000	-
Wage Monitoring Staff	-	-
Homebuyer Education Redesign	(67,000)	-
Proposed Technical		
Correct Budget Locations for Pooled and Fringe Benefits	-	-
Increased Capital Spending from Program Income and Interest Earnings	11,730,000	-
Revising Projected Asset Management Expenditures	(1,353,066)	-
Weatherization Appropriation Change	1,103,875	-
Council		
Recognize the City Budget Office's November 2019 forecast update	-	-
Reduce Funding for Programming Backed by Mercer Property Sale Proceeds	(6,500,000)	-
Repurposing Mercer Proceeds for Affordable Housing Rental Production and Preservation	12,750,000	-
Increase Funding for Homebuyer Education Redesign	67,000	-
Affirmative Marketing and Community Preference Plans	50,000	-
Central District Affordable Housing Projects	150,000	-
Little Saigon Affordable Housing Project	100,000	-
Council Provisos		
Accessory Dwelling Unit (ADU) Financing Program Proviso	-	-
Total Incremental Changes	\$61,282,353	1.00
Total 2020 Adopted Budget	\$130,650,839	46.00

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Description of Incremental Budget Changes

Baseline

2020 Coalition and Non-Rep Annual Wage Increase Base Budget

Expenditures \$393,842

This centrally administered change adjusts appropriations to reflect the Annual Wage Increase, as outlined in the agreements between the City and the Coalition of Unions, for personnel costs included in this department's baseline budget. This includes increases to salary, FICA, Medicare, retirement, overtime and temporary labor.

2020 State Paid Family Medical Leave Increase Base Budget

Expenditures \$5,841

Starting in January 2020, Washington State will offer paid family and medical leave benefits to all workers in the State of Washington, including City of Seattle employees. In 2020, the agreements with the Coalition of Unions moves a portion of the cost responsibility to the employee in 2020, with the City paying the remainder. This item increases appropriations to account for the City's obligation for all employees.

Citywide Adjustments for Standard Cost Changes

Expenditures \$78,130

Citywide technical adjustments made in the baseline phase reflect changes to internal services costs, including the Department of Finance & Administrative Services rates, Information Technology rates and Human Resources rates, health care, retirement and industrial insurance charges for the department. This adjustment also includes a transfer of resources from the department to the Human Resources Investigations Unit (HRIU) as part of the City's efforts to improve investigative processes and practices across the City departments. While the internal service rates are final for 2020, some of the other adjustments reflect initial assumptions about these costs and inflators early in the budget process.

Proposed Operating

Accessory Dwelling Unit (ADU) Financing Program

Expenditures \$5,838,470

The Council altered this proposal in the adopted budget. Refer to the Council Changes section below. The proposed budget description follows:

This item provides \$6 million in funding, revenue from the sale of the Mercer Properties, in the Office of Housing (OH) to fund an Accessory Dwelling Unit (ADU) pilot finance program to increase the affordable rental housing supply and support low- and moderate-income homeowners. OH is working with the Office of Planning and Community Development to develop a pilot loan program to help these homeowners build ADUs to provide affordable rental housing. The pilot program will be administered by a third-party entity with expertise in residential lending. Funds will be used for program implementation, including capital and third-party program delivery and administrative costs. While homeowners up to 120% Area Median Income (AMI) will be eligible, homeowners below 80% AMI will receive more favorable loans terms, such as deferred repayment or lower interest rates, to make constructing an ADU more feasible for these households. The loan terms and conditions will be structured in such a way to help homeowners remain in their community and lower racial disparities in access to capital. All ADU units created through the program will be affordable to households at or below 80% AMI for 10 years. This investment will fund up to 75 loans over three years.

The staffing costs for a full-time Community Development Specialist and programming costs will be shared with other Mercer Property proposal, the Increasing Homeownership Opportunities program, for a total of \$697,000 to

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cover five years when adjusted for inflation or about \$139,000 annually. This position, which is recognized in the homeownership proposal, will be responsible for designing the ADU pilot loan program, managing the RFP and contracting process for an ADU loan administrator, and managing questions and inquiries from potential ADU program participants. In addition, the position will handle responsibilities related to the homeownership program, including managing the RFP process for surplus sites, handling the day-to-day logistics of maintenance on the homeownership properties OH will be holding for future development, and managing community outreach work related to homeownership projects funded with Mercer proceeds. Since this one-time funding is to provide support for five years, \$996,000 will be held in reserves to cover staffing, programming, and maintenance costs for both proposals. Please see the Increasing Homeownership Opportunities proposal for more information.

Increasing Homeownership Opportunities

Expenditures	\$14,165,261
Position Allocation	1.00

The Council altered this proposal in the adopted budget. Refer to the Council Changes section below. The proposed budget description follows:

This proposal provides \$15 million in one-time revenue from the sale of the Mercer Properties to increase the supply of permanently affordable for sale homes through two approaches. Almost \$14 million will be used for capital investment to support the Mayor's goal of nearly doubling the City's portfolio of permanently affordable homes for households earning less than 80% of Area Median Income (AMI). The City is currently exploring a partnership with Sound Transit to secure up to 12 sites for permanently affordable homeownership for households at or below 80% AMI. Up to \$3 million would be used to seed an employer-resourced program to support buyer-driven, permanently affordable homeownership for middle-income Seattle workers. City funds would be used to support on-going affordability by covering the start-up program operations performed by the stewardship entity, as well as potentially provide deeper subsidy to households below 80% AMI if needed. The stewardship entity will help to prepare potential buyers for homeownership, affirmatively market homebuying opportunities, facilitate re-sales and monitor and enforce compliance with a regulatory agreement that ensures the homes will remain affordable for generations to come.

The proposal includes holding and maintenance costs, \$531,000 over 5 years when adjusted for inflation or about \$106,000 annually, to cover costs such as fence installation, maintenance, mowing, and snow removal. The staffing costs for a full-time Community Development Specialist and programming costs will be shared with other Mercer Property proposal, the Accessory Dwelling Unit Financing Program, for a total of \$697,000 to cover five years when adjusted for inflation or about \$139,000 annually. This position will handle responsibilities related to the homeownership program, including managing the RFP process for surplus sites, handling the day-to-day logistics of maintenance on the homeownership properties OH will be holding for future development, and managing community outreach work related to homeownership projects funded with Mercer proceeds. Although the position add is recognized in this program, the position will also be responsible for designing the ADU pilot loan program, managing the RFP and contracting process for an ADU loan administrator, and managing questions and inquiries from potential ADU program participants. Since this one-time funding is to provide support for five years, \$996,000 will be held in reserves to cover staffing, programming, and maintenance costs for both proposals. Please see the Accessory Dwelling Unit Financing Program proposal for more information.

Implement Local Option to Use State Sales Tax for Affordable Housing

Expenditures	\$22,500,000
Revenues	\$4,500,000

The Council altered this proposal in the adopted budget. Refer to the Council Changes section below. The proposed budget description follows:

In 2019, the State of Washington passed a law allowing cities like Seattle to retain local taxes, like sales tax, to

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maintain or provide new affordable housing. Under the law, the City will be allowed to retain \$4.5 million in local taxes per year for up to 20 years. This proposal allows the City to bond \$18 million, recognized in the 2020 LTGO Taxable Bond Fund (36710), and use about \$4 million in revenue from the first year, recognized in the Low-Income Housing Fund (16400), to build 175 units of Permanent Supportive Housing (PSH). Revenue in the subsequent years will pay down the debt and provide 20 years of operation and maintenance subsidies for these units. PSH units provide wraparound services for the most vulnerable of people, from social services to medical care. This strategy ensures all residents in the program stay housed. The Office of Housing's staff will absorb any administrative work for this proposal.

Low-Income Heating Oil Conversion Program

Expenditures	\$270,000
Revenues	\$270,000

This request is to use revenue from a potential new oil heat tax to help families convert to sustainable energy. There will be \$270,000 available in 2020 and then \$750,000 annually from 2021 through 2029. OH will receive this funding to administer the delivery of services to help low-income families convert away from using oil to heat their homes. The tax becomes effective in July 1, 2020.

Wage Monitoring Staff

Expenditures	-
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This proposal provides ongoing funding to maintain 1.5 FTE in the Department of Finance and Administrative Services (FAS) to ensure construction projects funded by the Office of Housing (OH) comply with wage labor laws. Previously, Finance General funded these positions, but when the City changed its accounting system in 2018 the use of Finance General was reevaluated, and it was determined that OH should be responsible for staff that focuses squarely on OH-funded projects. To help OH ease into this transition of funding responsibilities, the Mayor's Office agreed to have the General Fund finance these staff for 2019 with OH providing the ongoing funding starting in 2020. FAS and OH agree that any changes to staffing costs, beyond adjustments for inflation, will go through the formal budget process.

Homebuyer Education Redesign

Expenditures	\$(67,000)
Revenues	\$(217,000)

The Council altered this proposal in the adopted budget. Refer to the Council Changes section below. The proposed budget description follows:

This proposal swaps \$217,000 in ongoing Community Development Block Grant funding with \$150,000 in one-time General Fund to test a redesign of the homebuyer education program to better align it with the Office of Housing's (OH) work to help communities develop affordable options for homebuyers. This program will now be used to help potential homebuyers prepare to purchase a unit at the Othello Square Limited Equity Cooperative, the first City-funded housing cooperative that helps address displacement of both residents and businesses. This program redesign will allow OH to connect homebuyer education more directly to its community preference policy which supports homebuyers with local ties to neighborhoods purchase OH-funded homes. The program will be evaluated after a year to see whether the redesign should continue.

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Proposed Technical

Correct Budget Locations for Pooled and Fringe Benefits

Expenditures -

This is an ongoing net-zero transfer of appropriation authority in the amount of \$567,441 from the Leadership and Administration Budget Control Level (BCL) in the Office of Housing Fund (16600) to the Homeownership and Sustainability BCL in the same fund. This item also transfers appropriation authority in the amount of \$466,185 from the Leadership and Administration BCL in the Office of Housing Fund to the Multifamily Housing BCL in the same fund. Lastly, there is a minor transfer of appropriation authority in the amount of \$247 from the Leadership and Administration BCL in the General Fund (00100) to the Homeownership and Sustainability BCL in the same fund. These transactions are necessary to avoid a budget exception by moving the budget for fringe benefits, which includes FICA, Medicare, and retirement, and pooled benefits, which consists of health care, unemployment, worker's compensation, to the right locations. The transactions also include adding budget for pooled benefits billing.

Increased Capital Spending from Program Income and Interest Earnings

Expenditures \$11,730,000

This technical change adds authority for capital spending of interest earnings, which had previously been omitted in error, and program income. This item uses \$530,000 in fund balance. The remainder of the authority increase is supported by projected OH revenues recognized previously.

Revising Projected Asset Management Expenditures

Expenditures \$(1,353,066)

This technical change corrects the projected Operation and Maintenance expenditures in Asset Management, decreasing the subsidy amounts by \$1,353,066 to align budget with projected expenditures.

Weatherization Appropriation Change

Expenditures \$1,103,875

This technical proposal increases the appropriation authority by \$1,103,875 in the Weatherization grant program to reflect an increase in the projected revenues from the State of Washington and Federal Government by the same amount to that program in 2020.

Council

Recognize the City Budget Office's November 2019 forecast update

Revenues \$(271,638)

This budget action recognizes the results from the City Budget Office's November 2019 forecast update. Every August Council receives a General Fund revenue forecast followed by a fall update. The November 2019 update shows a net increase of \$1,216,427 in new revenue for 2020. This change reflects a 2020 error correction in the form of a \$1,322,000 one-time "transfer-in" from the Information Technology Fund (Transfer – ITD), partially offset by a combined \$105,573 decrease among the following revenue categories: Car Sharing Revenue, Parking Meters, Short Term Rental, and Heating Oil Tax.

Non-General Fund revenue changes include a \$589,362 increase in net Seattle Transportation Benefit District Funds (for transportation investments) in 2020; and \$271,638 less in Low-Income Housing Fund revenues in 2020. There were no changes to the Commercial Parking Tax, Sweetened Beverage Tax, or the Red Light Camera funds.

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Reduce Funding for Programming Backed by Mercer Property Sale Proceeds

Expenditures \$(6,500,000)

This item reduces \$18.2 million in one-time funding for programs supported by the proceeds from the sale of the Mercer Properties. The reductions broken out by programs are as follows: in Finance General, \$11.7 million from the \$41.7 million Strategic Investment Fund; and in the Office of Housing, \$3.5 million from the \$6 million Accessory Dwelling Unit Financing Program and \$3.0 million from the \$15 million for Increasing Homeownership Opportunities. These funding reductions will be used to support other Council priorities. To see the reductions to the Strategic Investment Fund please see the Finance General section of the budget book.

Repurposing Mercer Proceeds for Affordable Housing Rental Production and Preservation

Expenditures \$12,750,000

This item adds \$12.75 million in one-time funding to make financing commitments to affordable rental housing projects for those with incomes between 30 percent and 60 percent of Area Median Income. This funding will be available to projects that applied for the Office's 2019 Notice of Funding Availability (NOFA) process. This funding increase will be accomplished by reducing funding of several programs supported by proceeds from the sale of the Mercer Properties including the Strategic Investment Fund, Accessory Dwelling Unit Financing Program, and Increasing Homeownership Opportunities.

In addition, the Council intends to appropriate a total of \$7 million in additional REET II from 2021-2026. The \$7 million will be funded using REET II revenues received that are above the REET II forecasts reflected in the 2020-2025 Capital Improvement Program (CIP). If REET II revenues do not come in above forecast, up to \$5 million in REET II reserve funds will be used or REET II revenues currently programmed for the Seattle Parks and Recreation Major Maintenance Backlog and Asset Management CIP project (MC-PR-41001) will be redirected. Specific appropriations by source will be made in the 2021-22 Proposed Budget.

Increase Funding for Homebuyer Education Redesign

Expenditures \$67,000

Revenues \$67,000

This item adds \$67,000 in one-time use of fund balance from the Office's Operating Fund to the Homebuyer Education Redesign, listed in the Proposed Changes section. This program redesign is for first-time low-income homebuyers buy a unit at the Othello Square Limited Equity Cooperative. This funding brings the total one-time funding available for this program to \$217,000, the previous level of funding for the original homebuyer education program.

Affirmative Marketing and Community Preference Plans

Expenditures \$50,000

Revenues \$50,000

This item adds \$50,000 in one-time use of fund balance to support the implementation of Community Preference policies for levy-funded affordable housing projects in neighborhoods at high risk of displacement. Community preference seeks to help people to stay in or return to neighborhoods where they have long time social, cultural, faith and family ties. Funding will assist non-profit housing developers working with community partners to conduct outreach and affirmative marketing efforts that will lead to successful implementation of a community preference policy at specific levy-funded affordable housing projects.

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Central District Affordable Housing Projects

Expenditures \$150,000

This item adds \$150,000 in one-time funding for the pre-development and planning costs of affordable housing projects for low-income residents in the Central District. Pre-development and planning costs include, but not limited to preliminary plans, appraisals, environmental reports, and architectural designs. Housing developers typically use in-house resources or loans or grants from other organizations to fund such costs.

Little Saigon Affordable Housing Project

Expenditures \$100,000

This item adds \$100,000 in one-time funding for the pre-development and planning costs of a proposed housing project in Little Saigon to serve American Indian and Alaskan Native individuals and families. Pre-development and planning costs include, but are not limited to preliminary plans, appraisals, environmental reports, and architectural designs. Housing developers typically use in-house resources or loans or grants from other organizations to fund such costs.

Council Provisos

Accessory Dwelling Unit (ADU) Financing Program Proviso

"Of the appropriation in the 2020 budget for the Office of Housing, \$2,500,000 is appropriated solely for an Accessory Dwelling Unit Loan (ADU) Program and may be spent for no other purpose. Furthermore, none of the money so appropriated may be spent on the ADU Loan Program until authorized by future ordinance."

Expenditure Overview

	2018 Actuals	2019 Adopted	2020 Endorsed	2020 Adopted
Appropriations				
OH - BO-HU-1000 - Leadership and Administration				
00100 - General Fund	118,256	775,675	754,437	735,986
16600 - Office of Housing Fund	4,004,190	5,339,898	5,373,214	4,956,979
Total for BSL: BO-HU-1000	4,122,446	6,115,573	6,127,651	5,692,964
OH - BO-HU-2000 - Homeownership & Sustainability				
00100 - General Fund	31,533	-	-	(6,499,753)
16400 - Low Income Housing Fund	-	5,226,234	5,226,234	28,049,150
16403 - 2002 Levy Multipurpose Fund	187,100	-	-	-
16411 - 1995 Housing Levy Capital Fund	489,865	-	-	-
16413 - 1995 Levy Homebuyer Assist	119,050	-	-	-
16416 - 2009 Housing Levy Capital Fund	165,000	-	-	-
16418 - 2016 Housing Levy Capital Fund	228,674	-	-	-
16440 - Housing Program Support Fund	3,727,633	-	-	-
16600 - Office of Housing Fund	1,843,300	1,241,382	1,243,328	2,247,037
Total for BSL: BO-HU-2000	6,792,155	6,467,616	6,469,562	23,796,434
OH - BO-HU-3000 - Multifamily Housing				

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00100 - General Fund	-	-	-	12,750,000
16400 - Low Income Housing Fund	-	55,419,060	55,419,060	68,505,994
16402 - 2002 Levy Very LIH Fund	12,026	-	-	-
16404 - 2002 Levy O&M Fund	4,205,969	-	-	-
16410 - 1986 Housing Levy Capital Fund	490,808	-	-	-
16411 - 1995 Housing Levy Capital Fund	769,468	-	-	-
16412 - 1995 Levy O&M Fund	3,458,289	-	-	-
16416 - 2009 Housing Levy Capital Fund	16,652,592	-	-	-
16417 - 2009 Levy O&M Fund	2,451,548	-	-	-
16418 - 2016 Housing Levy Capital Fund	4,690,339	-	-	-
16419 - 2016 Levy O&M Fund	11,618,283	-	-	-
16420 - 1986 Levy O&M Fund	490,178	-	-	-
16430 - Housing Incentive Fund	21,691,981	-	-	-
16440 - Housing Program Support Fund	8,226,485	-	-	-
16600 - Office of Housing Fund	1,391,916	1,350,786	1,352,213	1,905,446
36510 - 2018 LTGO Taxable Bond Fund	13,750,936	-	-	-
36710 - 2020 LTGO Taxable Bond Fund	-	-	-	18,000,000
Total for BSL: BO-HU-3000	89,900,818	56,769,846	56,771,273	101,161,440
Department Total	100,815,418	69,353,035	69,368,486	130,650,839

Department Full-Time Equivalents Total* **44.50** **45.00** **45.00** **46.00**

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Budget Summary by Fund Office of Housing

	2018 Actuals	2019 Adopted	2020 Endorsed	2020 Adopted
00100 - General Fund	149,789	775,675	754,437	6,986,233
16400 - Low Income Housing Fund	-	60,645,294	60,645,294	96,555,144
16402 - 2002 Levy Very LIH Fund	12,026	-	-	-
16403 - 2002 Levy Multipurpose Fund	187,100	-	-	-
16404 - 2002 Levy O&M Fund	4,205,969	-	-	-
16410 - 1986 Housing Levy Capital Fund	490,808	-	-	-
16411 - 1995 Housing Levy Capital Fund	1,259,333	-	-	-
16412 - 1995 Levy O&M Fund	3,458,289	-	-	-
16413 - 1995 Levy Homebuyer Assist	119,050	-	-	-
16416 - 2009 Housing Levy Capital Fund	16,817,592	-	-	-
16417 - 2009 Levy O&M Fund	2,451,548	-	-	-
16418 - 2016 Housing Levy Capital Fund	4,919,013	-	-	-
16419 - 2016 Levy O&M Fund	11,618,283	-	-	-
16420 - 1986 Levy O&M Fund	490,178	-	-	-

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16430 - Housing Incentive Fund	21,691,981	-	-	-
16440 - Housing Program Support Fund	11,954,118	-	-	-
16600 - Office of Housing Fund	7,239,406	7,932,066	7,968,755	9,109,462
36510 - 2018 LTGO Taxable Bond Fund	13,750,936	-	-	-
36710 - 2020 LTGO Taxable Bond Fund	-	-	-	18,000,000
Budget Totals for OH	100,815,418	69,353,035	69,368,486	130,650,839

Revenue Overview

2020 Estimated Revenues

Account Code	Account Name	2018 Actuals	2019 Adopted	2020 Endorsed	2020 Adopted
311010	Real & Personal Property Taxes	37,660,180	37,862,143	37,862,143	37,862,143
313010	Sales & Use Tax-Local Share	-	-	-	4,228,362
331110	Direct Fed Grants	614,882	1,000,000	1,000,000	2,105,573
333110	Ind Fed Grants	1,029,779	1,057,278	1,057,278	-
334090	State Grants-Passthr	251,309	600,000	600,000	600,000
337010	Interlocal Grants	171,552	1,707,000	1,750,000	2,588,580
337080	Other Private Contrib & Dons	53,467	-	-	-
341300	Administrative Fees & Charges	1,263,366	-	-	-
345020	Zoning & Subdivision Fees	69,447,957	18,000,000	18,000,000	25,200,000
360010	Investment Interest	-	2,000,000	2,000,000	2,000,000
360140	Loan Interest Pmts Per Terms	403,886	-	-	-
360150	Interest On Loan Payoffs	2,955,433	-	-	-
360400	Unclaimed Money/Property Sales	2,000,000	-	-	-
360590	Program Income	10,000	4,000,000	4,000,000	4,000,000
360600	Principal On Loan	10,286,715	-	-	-
360900	Miscellaneous Revs-Other Rev	240,080	-	-	-
374030	Capital Contr-Fed Dir Grants	4,035,121	2,968,574	2,968,574	2,968,574
395010	Sales Of Land & Buildings	-	-	-	19,772,532
397010	Operating Transfers In	-	-	-	225,000
Total Revenues for: 16400 - Low Income Housing Fund		130,423,726	69,194,995	69,237,995	101,550,764
400000	Use of/Contribution to Fund Balance	(7,459,077)	(8,549,701)	(8,592,701)	(4,995,620)
Total Resources for:16400 - Low Income Housing Fund		122,964,649	60,645,294	60,645,294	96,555,144
311010	Real & Personal Property Taxes	3,541,559	3,566,429	3,566,429	3,566,429
331110	Direct Fed Grants	530,416	1,079,842	1,079,842	819,842
333110	Ind Fed Grants	85,823	387,731	387,731	387,731
334090	State Grants-Passthr	7,106	250,000	250,000	250,000

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337010	Interlocal Grants	-	-	-	147,420
341300	Administrative Fees & Charges	426,123	795,000	815,000	815,000
345010	Design & Planning Fees	319,000	200,000	200,000	250,000
345020	Zoning & Subdivision Fees	9,360	2,000,000	2,000,000	2,800,000
360900	Miscellaneous Revs-Other Rev	6,145	-	-	-
395010	Sales Of Land & Buildings	-	-	-	1,227,468
397010	Operating Transfers In	-	-	-	45,000
Total Revenues for: 16600 - Office of Housing Fund		4,925,532	8,279,002	8,299,002	10,308,890
400000	Use of/Contribution to Fund Balance	(620,041)	(346,936)	(330,247)	(1,199,428)
Total Resources for:16600 - Office of Housing Fund		4,305,491	7,932,066	7,968,755	9,109,462
Total OH Resources		127,270,140	68,577,360	68,614,049	105,664,606

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Appropriations by Budget Summary Level and Program

OH - BO-HU-1000 - Leadership and Administration

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 Actuals	2019 Adopted	2020 Endorsed	2020 Adopted
Citywide Indirect Costs	941,286	1,221,106	1,185,387	1,192,440
Departmental Indirect Costs	2,219,250	2,858,623	2,863,075	2,973,952
Policy & Planning	968,629	1,101,248	1,103,808	1,492,710
Pooled Benefits	(6,719)	934,596	975,381	33,862
Total	4,122,446	6,115,573	6,127,651	5,692,964
Full-time Equivalents Total*	17.50	17.50	17.50	17.50

**FTE totals are provided for informational 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 Leadership and Administration Budget Summary Level:

Citywide Indirect Costs

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/FTE	2018 Actuals	2019 Adopted	2020 Endorsed	2020 Adopted
Citywide Indirect Costs	941,286	1,221,106	1,185,387	1,192,440

Departmental Indirect Costs

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 Actuals	2019 Adopted	2020 Endorsed	2020 Adopted
Departmental Indirect Costs	2,219,250	2,858,623	2,863,075	2,973,952
Full Time Equivalents Total	9.50	9.50	9.50	9.50

Policy & Planning

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 Actuals	2019 Adopted	2020 Endorsed	2020 Adopted
Policy & Planning	968,629	1,101,248	1,103,808	1,492,710
Full Time Equivalents Total	8.00	8.00	8.00	8.00

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Pooled Benefits

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/FTE	2018 Actuals	2019 Adopted	2020 Endorsed	2020 Adopted
Pooled Benefits	(6,719)	934,596	975,381	33,862

OH - BO-HU-2000 - Homeownership & Sustainability

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 Actuals	2019 Adopted	2020 Endorsed	2020 Adopted
Home Ownership	1,029,302	1,645,733	1,645,972	16,492,055
Home Repair	976,886	703,275	703,528	1,341,085
Weatherization	4,785,966	4,118,608	4,120,062	5,963,294
Total	6,792,155	6,467,616	6,469,562	23,796,434
Full-time Equivalents Total*	14.50	15.00	15.00	16.00

**FTE totals are provided for informational 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 Homeownership & Sustainability Budget Summary Level:

Home Ownership

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 Actuals	2019 Adopted	2020 Endorsed	2020 Adopted
Home Ownership	1,029,302	1,645,733	1,645,972	16,492,055
Full Time Equivalents Total	1.50	1.50	1.50	2.50

Home Repair

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 Actuals	2019 Adopted	2020 Endorsed	2020 Adopted
Home Repair	976,886	703,275	703,528	1,341,085
Full Time Equivalents Total	2.00	2.00	2.00	2.00

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Weatherization

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 Actuals	2019 Adopted	2020 Endorsed	2020 Adopted
Weatherization	4,785,966	4,118,608	4,120,062	5,963,294
Full Time Equivalents Total	11.00	11.50	11.50	11.50

OH - BO-HU-3000 - Multifamily Housing

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 Actuals	2019 Adopted	2020 Endorsed	2020 Adopted
Asset Management	2,634,704	4,133,282	4,133,957	3,044,025
Multifamily Lending	87,266,113	52,636,564	52,637,316	98,117,416
Total	89,900,818	56,769,846	56,771,273	101,161,440
Full-time Equivalents Total*	12.50	12.50	12.50	12.50

**FTE totals are provided for informational 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 Multifamily Housing Budget Summary Level:

Asset Management

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 Actuals	2019 Adopted	2020 Endorsed	2020 Adopted
Asset Management	2,634,704	4,133,282	4,133,957	3,044,025
Full Time Equivalents Total	6.50	6.50	6.50	6.50

Multifamily Lending

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 Actuals	2019 Adopted	2020 Endorsed	2020 Adopted
Multifamily Lending	87,266,113	52,636,564	52,637,316	98,117,416
Full Time Equivalents Total	6.00	6.00	6.00	6.00