

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 and healthy communities and to increase opportunities for people of all income levels to live in our city. OH manages investments from the Seattle Housing Levy and other funding sources to fund the production, preservation, acquisition, and long-term stewardship of affordable housing in Seattle. Additionally, OH supports affordable housing providers and low-income residents, provides home repair and weatherization assistance, funds permanently affordable homeownership opportunities, and leads Citywide planning and policy development on affordable housing issues.

Budget Snapshot

	2022 Actuals	2023 Adopted	2024 Endorsed	2024 Adopted
Department Support				
General Fund Support	420,589	2,591,835	2,291,095	50,906
Other Funding - Operating	279,651,292	250,402,800	251,250,469	339,284,068
Total Operations	280,071,881	252,994,635	253,541,564	339,334,974
Total Appropriations	280,071,881	252,994,635	253,541,564	339,334,974
Full-Time Equivalents Total*	63.50	63.50	63.50	66.00

* 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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Incremental Budget Changes

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	2024 Budget	FTE
Total 2024 Endorsed Budget	253,541,564	63.50
Baseline		
Ongoing Changes from 2023 Current Year Legislation	325,437	1.00
Citywide Adjustments for Standard Cost Changes	(562,916)	-
Central Cost Reconciliation	-	-
Fund Source Correction for Payroll Expense Tax-Funded Activities	(2,291,095)	-
Tracking for Community Self Determination Fund	-	-
Proposed Operating		
Appropriate Anticipated Revenues from the 2023 Seattle Housing Levy	88,147,419	-
Contracts Staffing Support	116,783	1.00
Community Self Determination Fund Staffing Support	77,728	0.50
Fund Source Correction for Workforce Stabilization Fund	-	-
Payroll Expense Tax Funded Resident Services	-	-
Recurring Grants and Funding Source Alignment	-	-
Transfer Funding to Human Services Department for Rosie's Village Relocation	(993,000)	-
Payroll Expense Tax Fund Reduction	(3,685,560)	-
Proposed Technical		
Fund Source Alignment for Staffing and Operational Support	-	-
Fund Balancing Adjustments	-	-
Council		
Errata Corrections to the Proposed Budget Adjustments and CIP	-	-
Restore Funding for Multifamily Housing and Homeownership Programs	4,678,560	-
SCERS Contribution Rate Change	(69,947)	-
Work Group to Study Sustainability Needs of Non-permanent Supportive Housing Providers	50,000	-
Total Incremental Changes	\$85,793,409	2.50
Total 2024 Adopted Budget	\$339,334,974	66.00

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Description of Incremental Budget Changes

Baseline

Ongoing Changes from 2023 Current Year Legislation

Expenditures	\$325,437
Position Allocation	1.00

This item includes ongoing budget and position changes resulting from current year legislation in 2023, including the 2023 Year-end Supplemental Budget Ordinance.

Citywide Adjustments for Standard Cost Changes

Expenditures	\$(562,916)
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Citywide technical adjustments made in the baseline phase reflect changes to internal services costs, including rates from the Department of Finance & Administrative Services, Seattle Information Technology Department, Seattle Department of Human Resources, and for healthcare, retirement, and industrial insurance charges for the department. These adjustments reflect initial assumptions about these costs and inflators early in the budget process.

Central Cost Reconciliation

Expenditures	-
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This item is a budget-neutral reconciliation and alignment of accounts related to Central Costs.

Fund Source Correction for Payroll Expense Tax-Funded Activities

Expenditures	\$(2,291,095)
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The City's 2024 Adopted Budget appropriates approximately \$330 million in JumpStart Payroll Expense Tax (payroll tax) proceeds, of which \$140 million is allocated to investments promoting housing and services.

This item shifts funding for certain labor costs associated with Payroll Expense Tax program from the General Fund to the Payroll Expense Tax Fund in accordance with fiscal management policies. As a result of this action, all Office of Housing appropriation in the Payroll Expense Tax Fund will be part of the Housing and Services program category. All Office of Housing work associated with payroll tax is to manage and support initiatives within this category.

Tracking for Community Self Determination Fund

Expenditures	-
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The City's 2024 Adopted Budget appropriates approximately \$330 million in JumpStart Payroll Expense Tax (payroll tax) proceeds, of which \$140 million is allocated to investments promoting housing and services.

This budget-neutral item corrects project coding for certain Payroll Expense Tax budget to improve the department's ability to track budget and expenditures related to the Community Self Determination Fund. The codified Payroll Expense Tax Fund spending plan requires that 13% of the Housing and Services category, equal to \$17.6m in 2024, is allocated for community focused acquisition and development of affordable housing, and to support affirmative marketing efforts and development and implementation of community preference plans. This portion of the Housing and Service category is generally referred to as the Community Self Determination Fund.

Proposed Operating

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Appropriate Anticipated Revenues from the 2023 Seattle Housing Levy

Expenditures	\$88,147,419
Revenues	\$97,180,023

This item appropriates anticipated revenues from the 2023 Seattle Housing Levy, in accordance with the levy spending plan prepared by the 2023 Seattle Housing Levy Technical Advisory Committee. In 2024, levy revenues exceed expenditures in anticipation of increased labor costs in the outyears of the levy. Levy revenues also exceed expenditures because revenues intended for operating, maintenance, and services (OMS) subsidies are collected over the seven-year levy period, but are intended for OMS expenditures over a 20 year period. This item also makes several technical adjustments to align budget structure with the 2023 Levy.

Contracts Staffing Support

Expenditures	\$116,783
Position Allocation	1.00

The City's 2024 Adopted Budget appropriates approximately \$330 million in JumpStart Payroll Expense Tax (payroll tax) proceeds, of which \$140 million is allocated to investments promoting housing and services.

This item adds 1 FTE Grants and Contracts Specialist to support expanded contract management workload related to Payroll Expense Tax funded programs, and anticipated workload related to 2023 Seattle Housing Levy programs. This position is jointly supported by payroll tax and levy proceeds. This item builds upon mid-year supplemental changes made in 2022 that added position authority for 12.5 FTE to expand the Office of Housing's capacity.

Community Self Determination Fund Staffing Support

Expenditures	\$77,728
Position Allocation	0.50

The City's 2024 Adopted Budget appropriates approximately \$330 million in JumpStart Payroll Expense Tax (payroll tax) proceeds, of which \$140 million is allocated to investments promoting housing and services.

This item increases an existing 0.5 FTE Community Development Specialist, Senior to 1 FTE. This position, added in 2022, supports the Community Self Determination Fund, and other efforts to increase the participation of community-based organizations in both multifamily and homeownership development. The codified Payroll Expense Tax Fund spending plan requires that 13% of the Housing and Services category, equal to \$17.6m in 2024, is allocated for community focused acquisition and development of affordable housing, and to support affirmative marketing efforts and development and implementation of community preference plans. This portion of the Housing and Service category is generally referred to as the Community Self Determination Fund. This position is jointly supported by payroll tax and 2023 Housing Levy proceeds.

Fund Source Correction for Workforce Stabilization Fund

Expenditures	-
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The City's 2024 Adopted Budget appropriates approximately \$330 million in JumpStart Payroll Expense Tax (payroll tax) proceeds, of which \$140 million is allocated to investments promoting housing and services.

This budget-neutral item corrects fund sources to reflect that a portion of the Workforce Stabilization Fund (WSF) program will be supported by revenues from the 2023 Seattle Housing Levy. The WSF, added in the 2023 Adopted Budget, aims to support Permanent Supportive Housing (PSH) and PSH residents by investing in PSH service providers and employees. The WSF supports increased PSH worker wages, as well as other PSH operating, maintenance, and services needs. This change aligns with the Levy planning work of the Technical Advisory

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Committee.

Payroll Expense Tax Funded Resident Services

Expenditures -

The City's 2024 Adopted Budget appropriates approximately \$330 million in JumpStart Payroll Expense Tax (payroll tax) proceeds, of which \$140 million is allocated to investments promoting housing and services.

This budget neutral-item aligns budget to reflect that a portion of payroll tax funding supports resident services programming. Resident services contribute to the success and stability of residents living in affordable housing, and provide a variety of supports to residents (e.g., programming for food, employment, community events, social and emotional support, or health education). This change aligns with the Levy planning work of the Technical Advisory Committee.

Recurring Grants and Funding Source Alignment

Expenditures -

Revenues \$6,504,414

This item recognizes revenues from various grants that the Office of Housing anticipates receiving in 2024. These grants include: U.S. Department of Energy Bipartisan Infrastructure Law grant, U.S. Department of Housing and Urban Development Renewable Energy Home Heating Conversion grant, U.S. Department of Housing and Urban Development HOME Investment Partnership Program grant, U.S. Department of Housing and Urban Development Community Development Block grant, and Washington State Department of Commerce Weatherization Plus Health grant. This item makes several technical corrections to grants data in the Office of Housing baseline budget to accurately reflect new grants appropriated in 2024.

Transfer Funding to Human Services Department for Rosie's Village Relocation

Expenditures \$(993,000)

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

The City's 2023-2024 Proposed Mid-Biennial Budget Updates appropriate approximately \$301 million in JumpStart Payroll Expense Tax (payroll tax) proceeds, of which \$136.5 million is allocated to investments promoting housing and services.

This one-time item transfers payroll tax funding to the Human Services Department to support relocation of the Rosie's Village tiny home site, a pre-development cost for affordable housing that is anticipated to be created on the site.

Payroll Expense Tax Fund Reduction

Expenditures \$(3,685,560)

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

The City's 2023-2024 Proposed Mid-Biennial Budget Updates appropriate approximately \$301 million in JumpStart Payroll Expense Tax (payroll tax) proceeds, of which \$136.5 million is allocated to investments promoting housing and services.

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This item reduces payroll tax funding from the Office of Housing in order to balance payroll tax budget with available resources.

Proposed Technical

Fund Source Alignment for Staffing and Operational Support

Expenditures -

This budget-neutral item aligns fund sources for staffing and operational costs with the Office of Housing (OH) administrative funding methodology. Generally, staffing and operational costs in OH are covered by each fund source in an amount that is proportional to their share of the total OH budget.

Fund Balancing Adjustments

Revenues \$(19,752,463)

This is a technical item to record a fund balancing entry for the Low Income Housing Fund (16400) and the Office of Housing Fund (Fund 16600), which are primarily managed by this department.

Council

Errata Corrections to the Proposed Budget Adjustments and CIP

Expenditures -

This Council Budget Action (CBA) corrects errors in appropriations and revenues for the 2024 Proposed Budget Adjustments. Also, this CBA adds three missing project pages to the 2024 – 2029 Proposed Capital Improvement Program (CIP). The City Budget Office and Central Staff identified these errata after transmittal to the City Council.

Central Staff reviewed the proposed corrections and finds that they do not represent policy choices and are appropriately addressed as a single budget action. Any conflicting effect of CBAs included in Council's final decision on the 2024 Budget or the 2024-2029 CIP would override changes included in this Errata CBA.

Restore Funding for Multifamily Housing and Homeownership Programs

Expenditures \$4,678,560

This Council Budget Action (CBA) adds approximately \$4.6 million JumpStart Fund to the Office of Housing (OH). Of the addition, \$4.4 million is for the Multifamily Housing Program and \$246,745 is for the Homeownership Program. The Mayor's 2024 Proposed Budget Adjustments reduced JumpStart funding for these programs. This restores funding in the JumpStart Fund Housing and Services category to the 2024 Endorsed Budget level.

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SCERS Contribution Rate Change

Expenditures \$(69,947)

The City’s employee retirement system, the Seattle City Employees Retirement System (SCERS), of which most non-uniformed City employees are members, is a defined benefit pension program funded by a combination of salary-based employer (i.e., the City) and employee contributions, and investment earnings.

The employer portion of the SCERS contribution is funded through the annual budget process as a percentage of salaries based on several factors including reports from the contracted actuary and the City’s long-range financial forecasts. The Mayor’s 2024 Proposed Mid-Biennial Budget included an employer contribution rate of 16.22%, which was determined prior to the actuary’s recommendation but provided for long-term “smoothing” given the City’s long-term financial challenges.

This item reduces the employer contribution rate from the proposed rate of 16.22% to the SCERS minimum actuarial required rate of 15.17%, which was determined to provide sufficient funding to the retirement system to achieve 100% funded status by 2042.

Work Group to Study Sustainability Needs of Non-permanent Supportive Housing Providers

Expenditures \$50,000

This Council Budget Action (CBA) adds \$50,000 GF (one-time) to the Office of Housing (OH) to fund a work group to study the operational sustainability needs of non-permanent supportive housing providers, with the goal of working with state, county and other funding partners on short- and long-term solutions to identified issues.

Non-permanent supportive housing providers indicate they continue to experience a variety of sustainability needs as a result of the pandemic. These providers own and develop housing that serves households with incomes at or below 60 percent of Area Median Income (AMI). Further information is needed to understand the nature of the housing providers needs and potential solutions identified by state, county, and other funding partners to address these needs.

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2023-24 Mid-Biennium Adopted Budget Updates - Expenses

Budget Summary Level	Fund	Budget Process Phase Endorsed	Adopted Changes	Grand Total
Homeownership & Sustainability	00100 - General Fund	128,836	-127,929	907
	14500 - Payroll Expense Tax	8,781,463	6,800	8,788,264
	16400 - Low Income Housing Fund	10,425,204	5,884,256	16,309,460
	16600 - Office of Housing Fund	2,564,097	-41,509	2,522,588
Homeownership & Sustainability Total		21,899,601	5,721,618	27,621,219
Leadership and Administration	00100 - General Fund	1,442,955	-1,392,955	50,000
	14500 - Payroll Expense Tax	123,122	2,890,566	3,013,687
	16600 - Office of Housing Fund	6,454,162	447,577	6,901,739
Leadership and Administration Total		8,020,238	1,945,188	9,965,426
Multifamily Housing	00100 - General Fund	719,305	-719,305	0
	14000 - Coronavirus Local Fiscal Recovery Fund	0	0	0
	14500 - Payroll Expense Tax	133,363,239	-3,051,039	130,312,200
	16400 - Low Income Housing Fund	87,111,325	81,991,430	169,102,755
	16600 - Office of Housing Fund	2,427,857	-94,483	2,333,374
	36710 - 2020 LTGO Taxable Bond Fund	0	0	0
Multifamily Housing Total		223,621,726	78,126,603	301,748,329
Grand Total		253,541,564	85,793,409	339,334,974