

Neighborhoods and Development

Department of Housing and Economic Development

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Department Overview

The Department of Housing and Economic Development (HED) was established as a new department in the 2012 Proposed Budget as part of the Mayor's reorganization of City government to increase the efficiency of City operations and preserve direct services. The formation of HED would have combined the functions of the Office of Housing (OH), the Office of Economic Development (OED), and retained the Office of Film and Music as part of this new organizational structure. However, after evaluating this proposal, the City Council chose not to move forward with the merger and instead the 2012 Adopted Budget eliminates HED and retains OH and OED as separate Offices. This budget section describes the Proposed Budget for HED and the Council action to eliminate HED in the 2012 Adopted Budget. Subsequent changes made by Council in developing the 2012 Adopted Budget for OH and OED are described in the respective Adopted Budget sections for OH and OED.

As a single organization, HED was established to invest in and promote the development and preservation of safe and affordable housing, and to create a vibrant economy by promoting access to economic opportunities for all of Seattle's diverse communities. This consolidation provided an opportunity to bring together the City's investments in housing and economic development, both of which are key priority areas for the City and play an important role in the overall health of Seattle's economy. Among other things, the creation of HED was designed to foster greater collaboration on developing policy and programs promoting low-income housing and economic development in order to build strong communities and to support citizens towards self-sufficiency. Specific examples of past collaborative successes between these two departments include building a new transitional housing facility with 78 new beds to help the Compass Center in Pioneer Square recover from the Nisqually Earthquake and financing the Chubby and Tubby project in Southeast Seattle resulting in 68 units of new workforce housing and 5,000 square feet of new commercial space.

The new HED budget was proposed to be organized into the following five program areas to meet these objectives. These program areas are now reflected in the respective Adopted Budget sections for OED and OH:

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

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The **Homeownership and Sustainability Program** would have provided funding, including loans and grants, to low-income and low-to-moderate income Seattle residents. These include loans by OH to first-time homebuyers, home repair loans to address health and safety and code repairs, and grants to make low-income housing more energy efficient.

The **Community Development Program** would have provided strategic planning, program development, and disposition of vacant land for redevelopment purposes to increase housing opportunities for Seattle residents. In particular, this OH program is shifting focus in 2011-2012 to more sustainable community building strategies and partnership building activities. As part of the consolidation, this program was intended to provide a framework for the City's place-based community development work in key neighborhoods that will benefit from a coordinated, inter-departmental cooperation to achieve long-term development goals.

The **Business Services Program** would have provided direct services to businesses and supports a healthy business environment that empowers businesses to develop, grow, and succeed. The three key service areas include providing assistance by OED in navigating government services, facilitating access to capital and building management expertise, and investing in workforce development services focused on building skills that benefit individual job-seekers and support employers in key industry sectors.

The **Administration and Management Program** would have provided centralized leadership, coordination, technology, contracting, and financial management services to HED programs and capital projects.

The HED budget was to be supported in large part by non-General Subfund revenues, including the 2009 Housing Levy and Community Development Block Grant (CDBG). In 2010, OH began implementing the voter-approved 2009 Housing Levy, totaling \$145 million for 2010-2016. The 2012 Proposed Budget for HED was developed to be consistent with the Administration and Financial (A&F) Plan for the Housing Levy approved by the City Council in Ordinance 123281. The renewed Housing Levy is expected to produce or preserve 1,850 affordable homes and assist 3,420 households. The federal CDBG program also provides a major source of funding for housing and for community development programs affecting Seattle's low- and moderate-income households and neighborhoods. Policies and priorities for distributing CDBG funds to community-based organizations are set out in the City's 2009-2012 Consolidated Plan for Housing and Community Development, which is coordinated by the Human Services Department. These revenues, as well as other local, state and federal revenues, are now reflected within the respective budgets for OH and OED.

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Budget Snapshot

Housing & Economic Development	2010 Actual	2011 Adopted	2012 Endorsed	2012 Adopted
General Fund	\$0	\$0	\$0	\$0
Other Revenues	\$0	\$0	\$0	\$0
Total Revenues	\$0	\$0	\$0	\$0
Use of (Contribution to) Fund Balance	\$0	\$0	\$0	\$0
Total Resources	\$0	\$0	\$0	\$0
Total Expenditures	\$0	\$0	\$0	\$0
Full-Time Equivalent * Total	-	-	-	-

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

Budget Overview

The City continues to face General Subfund pressures in 2012 and beyond, requiring a re-evaluation of the ways in which it is organized to deliver services. In 2011, the Mayor initiated a process to evaluate whether the City could increase effectiveness of service delivery and achieve internal efficiencies by changing or modifying the organizational structure of City departments. The departments involved in the review included the Department of Neighborhoods, the Office of Arts and Cultural Affairs, the Office of Housing, the Office of Economic Development, the Office of Sustainability and Environment, and the Department of Planning and Development. The goals of this review process included preserving and potentially expanding direct funding, including community grant awards; and streamlining service delivery and improving operational and management efficiency. The process included participation by the directors of the individual offices, as well as the City Budget Office, the Mayor's Office, and input by the City Council.

As one result of this review, the 2012 Proposed Budget reorganized the Office of Housing and the Office of Economic Development into a single department, the Department of Housing and Economic Development (HED). The HED 2012 Proposed Budget totaled approximately \$51 million, of which approximately \$6 million was funded by General Subfund, and approximately \$45 million was funded by other funds including proceeds from the Housing Levy, federal, state and local grant sources. Integrating these functions was intended to achieve a number of objectives, including:

- Aligning and integrating two functions that are critical to developing healthy communities, recognizing that the start of every vibrant community is access to affordable housing and centers of employment;
- Capitalizing on similarities between the two functions. Both offices are responsible for providing seed funding and financing tools to critical elements of a healthy community – housing and business development; and

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- Providing managerial and administrative savings that provide relief to the strained General Fund and allow for increased investments in housing programs.

However, following evaluation as part of the 2012 Adopted Budget process, the City Council decided not to implement this consolidation, and as a result, the Office of Housing and the Office of Economic Development are retained as two separate Offices in the 2012 Adopted Budget. The following describes the changes included in the 2012 Proposed Budget in developing HED.

The creation of HED generated \$338,000 in savings relating to the consolidation of OH and OED, of which \$310,000 accrued to the General Fund. Of this amount, \$210,000 was reinvested into direct housing program dollars to support the future development of 4-5 low-income rental units to mitigate the reduction of CDBG funding for this program area. These savings were identified by retaining the director of the Office of Housing as an advisor to HED for the first half of 2012 to facilitate a smooth transition of the housing-related programs into the new organizational structure. A vacant Executive 2 position in the former Office of Housing, previously filled as the deputy director position, was proposed to provide additional capacity in overseeing the implementation of housing-related programs, as well as to provide leadership to guide the City's investments in the 2009 Housing Levy. Further, proposed savings were realized by reducing one administrative staff position, one of the two communications positions among the two former offices, and through an unspecified General Subfund reduction of \$100,000 to be achieved during 2012 as a result of realizing additional efficiencies. As part of the Adopted Budget process, the Council identified alternative changes in OED and OH to maintain the same total level of investment into low-income housing production and preservation. These alternative changes are described in the Council changes section within the OED and OH budgets.

The 2012 Proposed Budget proposed moving the award administration for the *Only in Seattle* program from HED to the Department of Neighborhoods' Community Granting Division within the Neighborhood Matching Subfund (NMF) as part of a consolidation of the administration of citywide grants. The Proposed Budget included the transfer of one position from HED to the Community Granting Division in NMF with the intent to increase overall efficiency in the grant administration process and preserve direct grant funds. While the City Council decided not to centralize the City's community granting programs in 2012, the 2012 Adopted Budget maintains the transfer of this position from OED to DON to support the administration and implementation of the Neighborhood Matching Fund grant award programs. This change is described in the Council changes section of the OED Adopted Budget.

To better align programs across City departments, the Proposed Budget transferred a position and related funding from Department of Neighborhoods to HED to centralize the workload associated with South Park Action Agenda. The Action Agenda is a community-driven partnership between the City and the South Park neighborhood to comprehensively improve the quality of life through neighborhood infrastructure, business development, and public safety enhancements.

In addition, the Citywide Parks Special Events function, including two positions and the related funding, was proposed to be transferred to HED. Special Events staff administers citywide special events such as protests, rallies, marathons, and marches, as well as other annual events like Seafair. These changes are maintained in 2012, and are described in the Council changes section of the OED Adopted Budget.

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The Proposed Budget for HED proposed adjusting the purpose of the Community Development Program in 2012 to increasingly focus on place-based community development. In addition to work already being done by the staff in this program, which includes Multi-Family Tax Exemption policy review and transit-oriented development, this program was also to serve as the basis for the City's place-based community development work in key neighborhoods to provide coordinated, inter-departmental cooperation to achieve long-term development goals. HED was positioned to support place-based community development by offering numerous funding tools including the Housing Levy, federal Section 108 and Community Development Float loans, the Rainier Valley Community Development Loan Fund, *Only in Seattle*, small business lending and technical support, Business Improvement Area (BIA) start-up support, and the neighborhood business district grant program. In lieu of the formation of HED, place-based community development will continue through the work of interdepartmental teams.

The Federal government is dealing with its own budget challenges. In 2011, the City received a 17% reduction in entitlement to the anticipated award level, and the City reduced its planned expenditures for CDBG in 2011 as a result. In 2012, the City is anticipating a further reduction in the CDBG entitlement level. The 2012 CDBG Adopted Budgets for OH and OED are described in the OED and OH Adopted Budget sections.

City Council Changes

During the City Council's review process, the Council reversed the actions taken to consolidate OH and OED into one department by eliminating HED and re-establishing OH and OED as separate offices in the 2012 Adopted Budget. The Council implemented a set of alternative budget reductions that are described in the OH and OED budget pages.

Department of Housing and Economic Development

Incremental Budget Changes

Department of Housing and Economic Development

	2012 Dollar Amount	2012 FTE
2012 Endorsed Budget	\$0	0.00
2012 Proposed Changes		
OH and OED Department Reorganization	\$52,481,619	60.50
Program Consolidation	(\$337,738)	(2.00)
Increase Multi-Family Housing Program Support	\$210,641	0.00
Funding for Seattle Convention and Visitors Bureau	(\$50,000)	0.00
Community Granting Awards Program Consolidation in DON	(\$113,210)	(1.00)
Operational Efficiencies / Reduced Costs	(\$96,124)	0.00
Staffing Support to Promote Economic Development	\$262,366	3.00
Community Development Block Grant (CDBG) Funding Impacts	(\$1,698,340)	0.00
Increase HomeWise Weatherization & Energy Efficiency Staff	\$0	1.00
Technical Adjustments	(\$209,515)	0.00
Total Changes	\$50,449,700	61.50
2012 Proposed Budget	\$50,449,700	61.50
Council Adjustments to Proposed Budget		
Reversal of Department Consolidation	\$ (50,449,700)	(61.50)
Total Adjustments	\$ (50,449,700)	(61.50)
2012 Adopted Budget	\$0	0.00

OH and OED Department Reorganization - \$52,481,619 / 60.5 FTE. This adjustment brings the 2012 Endorsed Budgets from OH and OED together to create a starting point for the HED 2012 Proposed Budget. The adjustments listed below capture all changes made as part of the Proposed Budget.

Program Consolidation – (\$337,738) / (2.0) FTE. In response to a challenging fiscal environment and constrained resources, this proposal implemented the consolidation of the two former Offices into a single department. Efficiencies gained by this consolidation included reducing funding for the Executive 3 position that previously served as the Director of the Office of Housing (OH), abrogating 1.0 FTE Administrative Staff Assistant that previously served the OH Director, and abrogating 1.0 FTE Strategic Advisor 1 position formerly serving as the OH Communications Director. In addition, the 2012 Proposed Budget included a reduction of \$100,000 in General Fund to be met through additional reductions identified by the new director in 2012. As part of the Adopted Budget process, the Council identified alternative changes in OED and OH to maintain the same total level of investment into low-income housing production and preservation. These alternative changes are described in the Council changes sections within the OED and OH budgets.

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Increase Multi-Family Housing Program Support - \$210,641. This proposal increased funding in the Multi-Family Production and Preservation program through an increase in General Fund resources in 2012. The program invests in and promotes the development and preservation of affordable housing. Seattle's rental market continues to see higher demand for rental housing, causing a drop in vacancy rates and resulting increase in rents. Low-income renters have particular difficulty competing for affordable rental units in the type of rental market Seattle is now experiencing. The additional resources support the future development of 4-5 low-income rental units, and help to mitigate the reduction of CDBG funding for this program area. This increase was achieved by reallocating the savings associated with the reduction of positions in the former Office of Housing to three ongoing positions formerly funded by the General Fund and focused solely on economic development in OED. These positions were intended to focus in part on housing related work beginning in 2012 and so were funded by both General Fund and Other Funds in 2012. This increase in funding is maintained in the OH 2012 Adopted Budget, and is reflected in the OH 2012 Adopted Budget.

Funding for Seattle Convention and Visitors Bureau - (\$50,000). This proposal eliminated funding for the Seattle Convention and Visitors Bureau. The reduction is mitigated by the development of a Seattle Tourism Improvement Area, an initiative that will allow a \$2 per room per night surcharge to guests in hotels with 60 or more rooms in the greater downtown area. It is anticipated that this initiative will raise approximately \$5 – \$6 million in 2012 to help promote Seattle as a tourist destination, more than offsetting the amount of this reduction. This change is maintained in 2012, and is reflected in the OED 2012 Adopted Budget.

Community Granting Awards Program Consolidation in DON (\$113,210) / (1.0) FTE. This proposal transferred out 1.0 FTE Community Development Specialist, Senior to the Department of Neighborhoods' (DON) Community Granting Division within the Neighborhood Matching Subfund (NMF) to consolidate the administration of awards made to communities via HED's '*Only in Seattle*' program developed in the former OED. This position will be co-located with other staff tasked with central administration of the City's community awards in an effort to create administrative efficiencies and streamline award management while at the same time retaining full award funding citywide. Although the citywide grant consolidation is not part of the 2012 Adopted Budget, the position is transferred to DON's Neighborhood Matching Fund program in 2012 to help with implementing the NMF community grant awards, and expanding the program's reach from community and neighborhood groups to the business community. This change is maintained in 2012, and is reflected in the OED 2012 Adopted Budget.

Operational Efficiencies/ Reduced Costs - (\$96,124). This proposal captured savings from several changes. The first is the rebidding of City business retention and attraction contracts. In 2010, nearly 500 businesses received on-site visits and consultation from Department staff and/or contracted partners to assist with issues like exploring business growth opportunities, leveraging competitive advantages, connecting to other resources in the region, and identifying issues and trends that impact businesses such as permitting, regulations, and workforce development. The Department plans to review and update the contracts to further improve service delivery, and this reduction of \$31,000 is expected to have minimal impact on the services provided. Secondly, the Office of Film and Music will reduce their professional services budget by \$15,000 and will reprioritize its business development outreach efforts, and reach out to the private sector for support in creating film and music industry jobs and business growth for the city. Lastly, the Department will reduce approximately \$50,000 in funding for supplies and services costs in the areas of travel and training, advertising, printing, and software. These changes are maintained in 2012, and are reflected in the OED and OH 2012 Adopted Budgets.

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Staffing Support to Promote Economic Development - \$262,366 / 3.0 FTE. This proposal transferred in an existing Strategic Advisor 2 position and funding from the Department of Neighborhoods to HED to centralize the workload associated with the South Park Action Agenda, as well as to support HED's business district revitalization program and oversee its micro-business assistance program in HED. This proposal also transfers in two existing positions, a Manager 1 and an Administrative Specialist, from the Department of Parks and Recreation to coordinate the administration of citywide special events such as marathons, rallies, and protests, as well as annual events like Seafair. These changes are maintained in the 2012, and are reflected in the OED 2012 Adopted Budget.

Community Development Block Grant (CDBG) Funding Impacts - (\$1,698,340). This proposal rebalanced the 2012 CDBG Proposed Budget to be consistent with the anticipated 2012 CDBG entitlement and available program income available to HED. First, this proposal defers the allocation of CDBG funds to the Rainier Valley Community Development Fund (RVCDF) by approximately \$1 million in 2012 until 2013 as agreed to by the RVCDF Board of Directors in 2011. This change will not affect the agency's operations in 2012 given that the RVCDF will spend down accumulated CDBG funds in lieu of receiving new CDBG entitlement funds. Second, CDBG funding for Multi-Family Housing Production and Preservation is reduced in 2012 by approximately \$685,000. This reduction is mitigated in 2012 by an increase in funding for this purpose through Housing Levy funds over historical levels of funding, and by an increase in General Fund support for this purpose as described above. The Executive will prioritize refunding this line item with CDBG funds in the event that the actual CDBG entitlement is higher than budgeted in 2012. Of note, the remaining \$500,000 in funds for Housing Production and Preservation will be restricted and not committed to new capital projects until the actual 2012 entitlement is known. Third, approximately \$98,000 in funding for the Homebuyer program is eliminated in the 2012 Proposed Budget. This funding is only a small part of the overall funding for the Homebuyer program, which is funded in large part by the Housing Levy and federal HOME funds, and removing CDBG funds as a fund source achieves administrative efficiencies for this program. Finally, CDBG funding for housing related administration is reduced by \$16,000, but is backfilled by with Multi-Family Tax Exemption (MFTE) program revenues in 2012, resulting in a change in fund source only. These changes are maintained in 2012, and are reflected in the OH and OED 2012 Adopted Budgets.

Increase HomeWise Weatherization & Energy Efficiency Staff – \$0 / 1.0 FTE. In 2009, the Office of Housing's HomeWise Weatherization and Energy Efficiency program (HomeWise) received ARRA federal stimulus funding, and increased staffing levels by three term-limited positions and a long-term (two-year) out-of-class position. The ARRA grant will expire at the end of 2011. Since 2009, program delivery has become more sophisticated, data-driven, and complex, placing additional demands on the program staff. To accommodate these new demands, the Department proposed to add a Property Rehabilitation Supervisor (PRS) position that will be funded by non-ARRA grant fund sources that support Weatherization programs in the Department. This change is maintained in 2012, and is reflected in the OH 2012 Adopted Budget.

Technical Adjustments - (\$209,515). Technical adjustments in the 2012 Proposed Budget include departmental and citywide non-programmatic adjustments that do not represent fundamental changes in HED's service delivery. These changes were made to central cost allocations, retirement, health care, workers' compensation, and unemployment costs. In addition, the HOME grant expenditure authority for 2012 is reduced by \$286,952 to match anticipated revenues. This adjustment aligned expenditure authority to 2011 actual award levels. These changes are maintained in 2012, and are reflected in the OH and OED Adopted Budgets for 2012.

Department of Housing and Economic Development

City Council Changes to the 2012 Proposed Budget

Reversal of Department Consolidation – (\$50,449,700)/ (61.5) FTE. This adjustment eliminates the 2012 Proposed Budget for HED, and reallocates these positions and funding to the Office of Housing and the Office of Economic Development to serve as the starting point for each of these Offices in the 2012 Adopted Budget. Further adjustments are described in each of the department sections.

City Council Provisos

There are no Council provisos.

Department of Housing and Economic Development

Expenditure Overview

Appropriations	Summit Code	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
CDBG - Housing and Economic Development 17810 Budget Control Level					
Community Development		0	0	0	0
Homewise and Homeownership		0	0	0	0
Multi-Family Production and Preservation		0	0	0	0
Strategic Planning, Resource, and Program Development		0	0	0	0
CDBG - Housing and Economic Development 17810 Budget Control Level	HED03	0	0	0	0
Low Income Housing 16400 Budget Control Level					
Homeownership and Sustainability		0	0	0	0
Multi-Family Production and Preservation		0	0	0	0
Low Income Housing 16400 Budget Control Level	HED02	0	0	0	0
Housing and Economic Development 16600 Budget Control Level					
Administration and Management		0	0	0	0
Business Services		0	0	0	0
Community Development		0	0	0	0
Homeownership and Sustainability		0	0	0	0
Multi-Family Production and Preservation		0	0	0	0
Housing and Economic Development 16600 Budget Control Level	HED01	0	0	0	0
Total		0	0	0	0
Department Total		0	0	0	0
Department Full-time Equivalents Total*		0.00	0.00	0.00	0.00

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

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Revenue Overview

2012 Estimated Revenues for the Office of Housing (16600)

Summit Code	Source	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
462900	Other Rents and use charges	0	0	0	0
469990	MacArthur Foundation Grant	0	0	0	0
541490	2010 Non-GF COLA Rollback	0	0	0	0
541490	City Light Administration	0	0	0	0
541490	Contingent Bonus/TDR Administration	0	0	0	0
541490	Interest Earnings	0	0	0	0
541490	Multi-Family Tax Exemption Administration	0	0	0	0
541490	Prior Year Savings	0	0	0	0
541490	Program Income	0	0	0	0
Total All Else		0	0	0	0
587001	General Subfund Support	0	0	0	0
Total General Subfund Support		0	0	0	0
439090	Seattle Investment Fund, LLC - NMTC	0	0	0	0
Total Revenue from Other Private Entities		0	0	0	0
433010	Federal Grants-Weatherization	0	0	0	0
434010	State Grants-Weatherization	0	0	0	0
471010	HOME Administration	0	0	0	0
Total Revenue from Other Public Entities		0	0	0	0
411100	Levy Administration	0	0	0	0
Total Taxes, Levies & Bonds		0	0	0	0
Total Revenues		0	0	0	0
379100	Use of (Contribution to) Fund Balance	0	0	0	0
Total All Else		0	0	0	0
Total Resources		0	0	0	0

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2012 Estimated Revenues for the Low-Income Housing Fund (16400)

Summit Code	Source	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
469930	Program Income	0	0	0	0
541490	Local Grants-Weatherization	0	0	0	0
Total All Else		0	0	0	0
445800	MFTE application fees	0	0	0	0
Total Developer application fees		0	0	0	0
587001	General Subfund Support	0	0	0	0
Total General Subfund Support		0	0	0	0
461110	Investment Earnings	0	0	0	0
Total Interest Earnings		0	0	0	0
433010	Federal Grants - Weatherization	0	0	0	0
434010	State Grants - Weatherization	0	0	0	0
471010	Federal Grants-HOME Program	0	0	0	0
Total Revenue from Other Public Entities		0	0	0	0
411100	Property Tax Levy	0	0	0	0
Total Taxes, Levies & Bonds		0	0	0	0
Total Revenues		0	0	0	0
379100	Use of (Contribution to) Fund Balance	0	0	0	0
Total Use of (Contribution to) Fund Balance		0	0	0	0
Total Resources		0	0	0	0

2012 Estimated Revenues for the Community Development Block Grant Fund

Summit Code	Source	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
433010	US Dept of Housing & Urban Development (HUD) / Community Development Block Grant (CDBG)	0	0	0	0
Total Federal Grants - Indirect		0	0	0	0
Total Revenues		0	0	0	0

Department of Housing and Economic Development

Appropriations by Budget Control Level (BCL) and Program

CDBG - Housing and Economic Development 17810 Budget Control Level

The purpose of the Community Development Block Grant (CDBG) - Housing and Economic Development 17810 Budget Control Level is to find and fund solutions for human needs so low-income, vulnerable residents in greater Seattle can live and thrive, and to help create and maintain healthy businesses, thriving neighborhoods, and community organizations to contribute to a robust economy that will benefit all Seattle residents and future generations.

Program Expenditures	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Community Development	0	0	0	0
Homewise and Homeownership	0	0	0	0
Multi-Family Production and Preservation	0	0	0	0
Strategic Planning, Resource, and Program Development	0	0	0	0
Total	0	0	0	0

Community Development Program

The purpose of the Community Development Program is to provide CDBG funds to support economic and community revitalization efforts in low-income neighborhoods through real estate development, equity loans, and non-profit community-based development organizations.

Expenditures	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Community Development	0	0	0	0

Homewise and Homeownership Program

The purpose of the Homewise and Homeownership 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 minor home repairs for low-income elderly or disabled homeowners, home rehabilitation revolving loans to low-income households, technical assistance for program clients, and administrative costs for the City of Seattle's Department of Housing and Economic Development.

Expenditures	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Homewise and Homeownership	0	0	0	0

Multi-Family Production and Preservation Program

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

Expenditures	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Multi-Family Production and Preservation	0	0	0	0

Department of Housing and Economic Development

Appropriations by Budget Control Level (BCL) and Program

Strategic Planning, Resource, and Program Development Program

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

	2010	2011	2012	2012
Expenditures	Actuals	Adopted	Endorsed	Adopted
Strategic Planning, Resource, and Program Development	0	0	0	0

Low Income Housing 16400 Budget Control Level

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

	2010	2011	2012	2012
Expenditures	Actuals	Adopted	Endorsed	Adopted
Homeownership and Sustainability	0	0	0	0
Multi-Family Production and Preservation	0	0	0	0

Total

Homeownership and Sustainability Program

The purpose of the Homeownership and Sustainability 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.

	2010	2011	2012	2012
Expenditures	Actuals	Adopted	Endorsed	Adopted
Homeownership and Sustainability	0	0	0	0

Multi-Family Production and Preservation Program

The purpose of the Multi-Family Production and Preservation 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.

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

	2010	2011	2012	2012
Expenditures	Actuals	Adopted	Endorsed	Adopted
Multi-Family Production and Preservation	0	0	0	0

Department of Housing and Economic Development

Appropriations by Budget Control Level (BCL) and Program

Housing and Economic Development 16600 Budget Control Level

The purpose of the Housing and Economic Development 16600 Budget Control Level is to fund the Department's administration activities.

	2010	2011	2012	2012
Expenditures	Actuals	Adopted	Endorsed	Adopted
Administration and Management	0	0	0	0
Business Services	0	0	0	0
Community Development	0	0	0	0
Homeownership and Sustainability	0	0	0	0
Multi-Family Production and Preservation	0	0	0	0
Total	0	0	0	0

Administration and Management Program

The purpose of the Administrative and Management Program is to provide leadership in fulfilling the Department's mission, to provide support services, and to facilitate communication and interaction with other City departments, external agencies, elected officials, and the public.

	2010	2011	2012	2012
Expenditures	Actuals	Adopted	Endorsed	Adopted
Administration and Management	0	0	0	0

Business Services Program

The purpose of the Business Services Program is to provide direct services to businesses and to support a healthy business environment that empowers businesses to develop, grow, and succeed. The Business Services Program provides assistance navigating government services, facilitates access to capital and building management expertise, and invests in workforce development services focused on building skills that benefit individual job-seekers and support employers in key industry sectors.

	2010	2011	2012	2012
Expenditures	Actuals	Adopted	Endorsed	Adopted
Business Services	0	0	0	0

Community Development Program

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

	2010	2011	2012	2012
Expenditures	Actuals	Adopted	Endorsed	Adopted
Community Development	0	0	0	0

Department of Housing and Economic Development

Appropriations by Budget Control Level (BCL) and Program

Homeownership and Sustainability Program

The Homeownership and Sustainability 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.

	2010	2011	2012	2012
Expenditures	Actuals	Adopted	Endorsed	Adopted
Homeownership and Sustainability	0	0	0	0

Multi-Family Production and Preservation 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 multi-family rental housing. The Department monitors the affordable housing portfolio to ensure the units remain affordable and serve the intended residents, and the buildings remain in good condition.

	2010	2011	2012	2012
Expenditures	Actuals	Adopted	Endorsed	Adopted
Multi-Family Production and Preservation	0	0	0	0

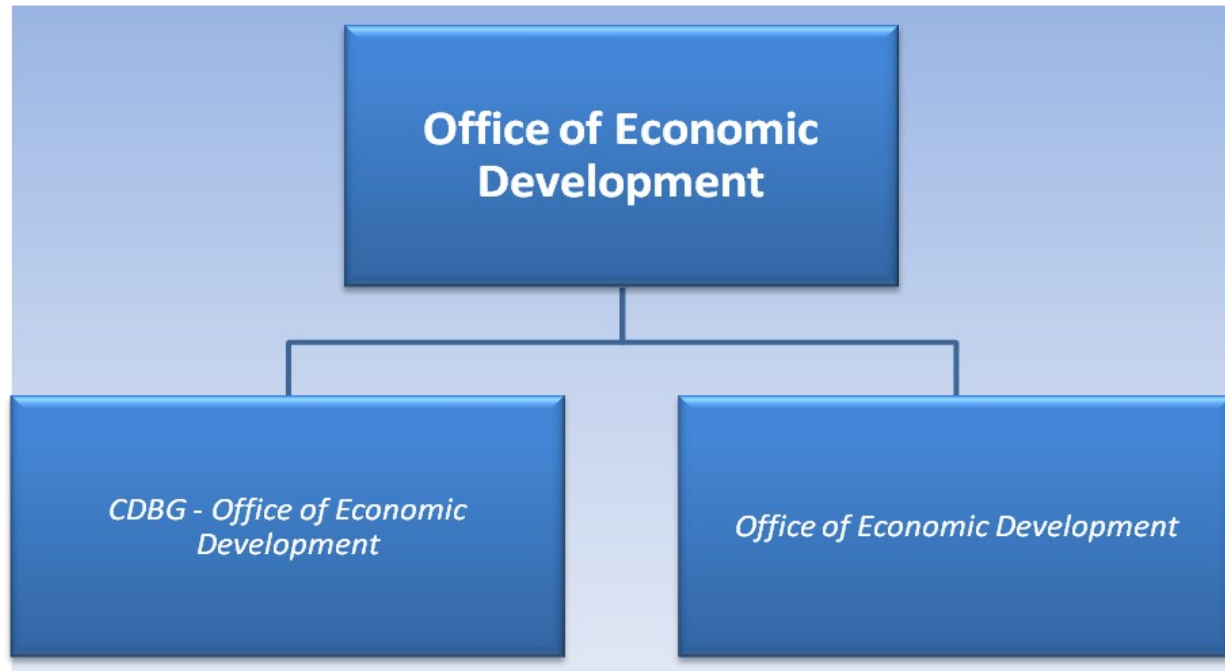
Office of Economic Development

Stephen H. Johnson, Director

Information Line: (206) 684-8090

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

Department by Budget Control Level



Department Overview

The Office of Economic Development (OED) helps create a vibrant economy by promoting access to economic opportunities for all of Seattle's diverse communities. OED supports economic development that is financially, environmentally, and socially sustainable. The core services OED provides capitalize on Seattle's established economic activity, particularly in the areas of manufacturing and maritime industries, film and music, healthcare, and clean technology. To accomplish this mission, the Office delivers services designed to:

- Support the establishment of new businesses, retention and growth of existing businesses, and attraction of new businesses;
- Increase the number of low-income adults who obtain the skills necessary to meet industry's needs for qualified workers; and
- Advance policies, practices, and partnerships that lead to sustainable economic growth with shared prosperity.

Office of Economic Development

In addition to these services, OED manages a key financing program using federal funds called the New Markets Tax Credit (NMTC) program. Through this program, the Department manages a \$51 million allocation of NMTCs that leverages low-cost financing for business and real estate projects in economically distressed areas.

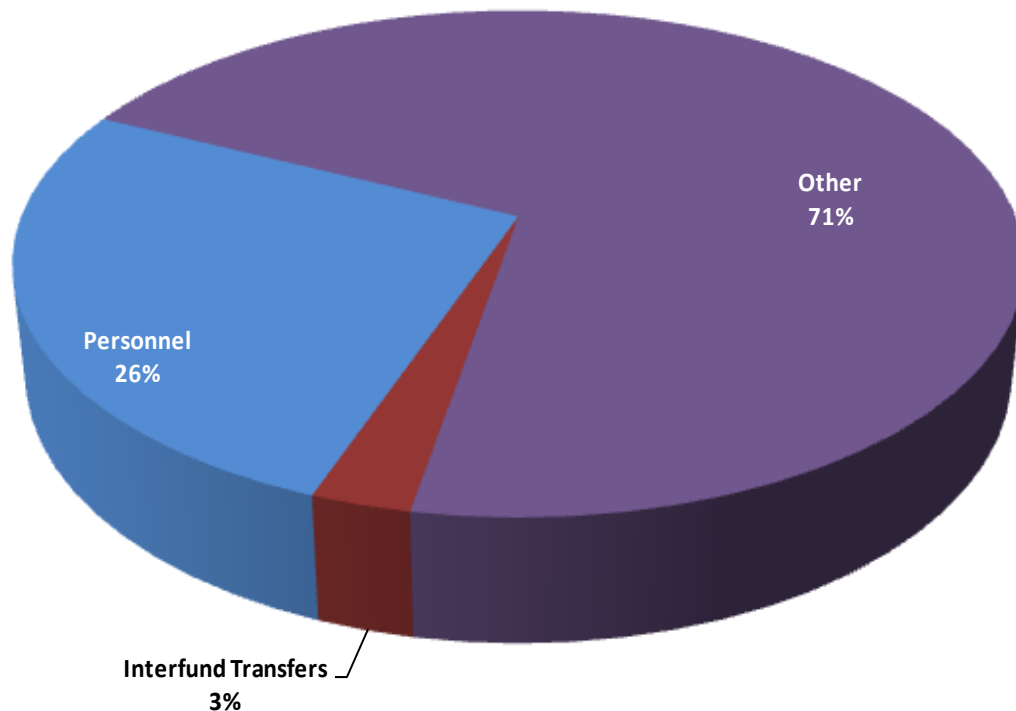
Budget Snapshot

Office of Economic Development

	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
General Fund	\$6,429,546	\$6,338,820	\$5,875,168	\$5,865,474
Other Revenues	\$3,053,226	\$5,003,675	\$5,003,675	\$4,091,175
Total Revenues	\$9,482,772	\$11,342,495	\$10,878,843	\$9,956,649
Use of (Contribution to) Fund Balance	\$0	\$0	\$0	\$0
Total Resources	\$9,482,772	\$11,342,495	\$10,878,843	\$9,956,649
Total Expenditures	\$9,482,772	\$11,342,495	\$10,878,843	\$9,956,649
Full-Time Equivalent * Total	20.00	22.00	22.00	24.00

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

2012 Adopted Budget - Expenditure by Category



Budget Overview

The Department of Housing and Economic Development (HED) was established as a new department in the 2012 Proposed Budget as part of the Mayor's reorganization of City government to increase the efficiency of City operations and preserve direct services. The formation of HED would have combined the functions of the Office of Housing (OH), the Office of Economic Development (OED), and retained the Office of Film and Music as part of this new organizational structure. However, after evaluating this proposal, the City Council chose not to move forward with the departments' merger and instead the 2012 Adopted Budget retains OH and OED as separate offices. The following describes the Council action to reverse the merger and reestablish OED, as well as a number of other changes made to the OED budget as part of the Adopted Budget.

The City continues to face General Subfund pressures in 2012 and beyond, requiring a re-evaluation of the ways in which it is organized to deliver services. OED's 2012 Adopted Budget includes a number of budget reductions and operational efficiencies to assist in balancing the General Fund. These changes include reducing the Finance Manager position from full-time to half-time, and increasingly relying on other existing staff in OED and support from the Office of Housing to accomplish this work. OED is also working with its funding partners to realize greater contract outcomes by reviewing and updating City business retention and attraction contracts to further improve service delivery. In addition, the development of a Seattle Tourism Improvement Area provides regional funding to support tourism that mitigates a reduction by OED in this area.

Office of Economic Development

The 2012 Adopted Budget centralizes two new work areas in OED. While these changes do not result in savings Citywide, the changes are made in order to capitalize on synergies and efficiencies by aligning staff with similar functions in the same department. Beginning in 2012, a position is transferred from the Department of Neighborhoods (DON) to support the workload associated with the South Park Action Agenda, as well as support OED's business district revitalization program and oversee its micro-business assistance program. The Action Agenda is a community-driven partnership between the City and the South Park neighborhood to improve the South Park community. In 2012, OED will also house the Citywide Special Events function as the result of the transfer of two staff positions from the Department of Parks and Recreation (DPR) to OED. This staff coordinates the administration of city-wide special events such as marathons, rallies, and protests, as well as annual events like Seafair. By being part of OED, staff will have the opportunity to share resources and strengthen the linkages between the promotion of special events and the promotion of economic development.

The Federal government is dealing with its own budget challenges. In 2011, the City received a 17% reduction in entitlement to the anticipated award level, and the City reduced its planned expenditures for CDBG in 2011 as a result. In 2012, the City is anticipating a further reduction in the CDBG entitlement level. Despite these funding pressures, the 2012 CDBG budget preserves direct programs to the greatest extent possible. In developing the 2012 Budget, OED developed an agreement with the Rainier Valley Community Development Fund (RVCDF) to delay City payment of CDBG funds to the RVCDF from 2012 to 2013. The availability of existing CDBG reserves by the RVCDF ensures the program activity levels are not affected by this change in 2012.

Office of Economic Development

Incremental Budget Changes

Office of Economic Development

	2012 Dollar Amount	2012 FTE
2012 Endorsed Budget	\$10,878,843	22.00
2012 Proposed Changes		
OED and OH Department Reorganization	(\$10,878,843)	(22.00)
Total Changes	(\$10,878,843)	(22.00)
2012 Proposed Budget	\$0	0.00
Council Adjustments to Proposed Budget		
Reversal of OH and OED Department Reorganization	\$10,878,843	22.00
Funding for Seattle Convention and Visitors Bureau	(\$50,000)	0.00
Community Granting Awards Program Consolidation in DON	(\$113,210)	(1.00)
Operational Efficiencies/ Reduced Costs	(\$92,042)	0.00
Staffing Support to Promote Economic Development	\$262,366	3.00
Community Development Block Grant (CDBG) Funding Impacts	(\$912,500)	0.00
Technical Adjustments	(\$16,808)	0.00
Total Adjustments	\$9,956,649	24.00
2012 Adopted Budget	\$9,956,649	24.00

OED and OH Department Reorganization – (\$10,878,843) / (22.0) FTE. In the 2012 Proposed Budget, the entire 2012 Endorsed Budget for the Office of Economic Development was transferred to the new Department of Housing and Economic Development (HED) as part of a reorganization of City government.

City Council Changes to the 2012 Proposed Budget

Reversal of OH and OED Department Reorganization – \$10,878,843/ 22.0 FTE. This adjustment reestablishes the OED 2012 Endorsed Budget to serve as starting point for the 2012 Adopted Budget.

Funding for Seattle Convention and Visitors Bureau – (\$50,000). This change eliminates funding for the Seattle Convention and Visitors Bureau. The reduction is mitigated by the development of a Seattle Tourism Improvement Area, an initiative that will allow a \$2 per room per night surcharge to guests in hotels with 60 or more rooms in the greater downtown area. It is anticipated that this initiative will raise approximately \$5 – \$6 million in 2012 to help promote Seattle as a tourist destination, more than offsetting the amount of this reduction. This change was included in the 2012 Proposed Budget for HED.

Office of Economic Development

Community Granting Awards Program Consolidation in DON - (\$113,210) / (1.0) FTE. The Proposed Budget transferred out 1.0 FTE Community Development Specialist, Senior to the Department of Neighborhoods' (DON) Community Granting Division within the Neighborhood Matching Subfund (NMF) to support the consolidation of the administration of awards made to communities via OED's '*Only in Seattle*' program. While the City Council did not move forward with the proposal to centralize Community Granting within NMF, the 2012 Adopted Budget maintains the transfer of this position to DON to support the administration of NMF's community award programs.

Operational Efficiencies/ Reduced Costs - (\$92,042). The Adopted Budget reduces \$31,000 in funding related to business retention and attraction activities in 2012. OED is making changes to the business retention and attraction contracts to further improve service delivery and outcomes, and as a result of improvements, this reduction is expected to have minimal impact on the services provided. Secondly, the professional services budget for the Office of Film and Music (OFM) is reduced by \$15,000. OFM will reprioritize its business development outreach efforts, and seek to leverage private sector support to create film and music industry jobs and business growth for the city. These two changes were included in the Proposed Budget for HED. As part of the changes made by the City Council in reversing the OED and OH department merger, OED's Finance Manager position is reduced from full to half-time starting at the end of the first quarter in 2012 for a savings in 2012 of \$46,000. This reduction will be mitigated by increased involvement by other OED staff and support from the Office of Housing. This position reduction will be implemented in a separate ordinance action in 2012.

Staffing Support to Promote Economic Development - \$262,366 / 3.0 FTE. This change transfers in to OED an existing Strategic Advisor 2 position and funding from the Department of Neighborhoods to centralize the workload associated with the South Park Action Agenda, as well as to support OED's business district revitalization program and oversee its micro-business assistance program. The Action Agenda is a community-driven partnership between the City and the South Park neighborhood to improve the South Park community. This position supports the development and implementation of business district revitalization programs in several neighborhoods, including South Park. This proposal also transfers in two existing positions, a Manager 1 and an Administrative Specialist, from the Department of Parks and Recreation to coordinate the administration of citywide special events such as marathons, rallies, and protests, as well as annual events like Seafair. As part of OED, staff share resources and strengthen the linkages between the promotion of special events and the promotion of economic development. This change was included in the 2012 Proposed Budget for HED.

Community Development Block Grant (CDBG) Funding Impacts - (\$912,500). This change rebalances the 2012 CDBG Adopted Budget to be consistent with the anticipated 2012 CDBG entitlement and available program income. This change defers the allocation of CDBG funds to the Rainier Valley Community Development Fund (RVCDF) by approximately \$1 million in 2012 until 2013 as agreed to by the RVCDF Board of Directors in 2011. This change will not affect the agency's operations in 2012 given that the RVCDF will spend down accumulated CDBG funds in lieu of receiving new CDBG entitlement funds. This change was included in the 2012 Proposed Budget for HED.

Technical Adjustments - (\$16,808). Technical adjustments in the 2012 Adopted Budget include departmental and citywide non-programmatic adjustments that do not represent fundamental changes in OED's service delivery. These changes were made to central cost allocations, retirement, health care, workers' compensation, and unemployment costs. These changes were included in the 2012 Proposed Budget for HED.

City Council Provisos

There are no Council provisos.

Expenditure Overview

	Summit	2010	2011	2012	2012
Appropriations	Code	Actuals	Adopted	Endorsed	Adopted
CDBG - Office of Economic Development Budget Control Level	6XD10	3,053,226	5,003,675	5,003,675	4,091,175
Office of Economic Development Budget Control Level					
Business Services		5,128,311	5,102,316	4,603,112	4,617,220
Economic Development Leadership		608,724	576,385	593,469	611,022
Finance and Operations		692,511	660,119	678,587	637,232
Office of Economic Development Budget Control Level	X1D00	6,429,546	6,338,820	5,875,168	5,865,474
Department Total		9,482,772	11,342,495	10,878,843	9,956,649
Department Full-time Equivalents Total*		20.00	22.00	22.00	24.00

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

Office of Economic Development

Revenue Overview

2012 Estimated Revenues for the Community Development Block Grant Fund

Summit Code	Source	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
433010	Community Development Block Grant	3,053,226	5,003,675	5,003,675	4,091,175
Total Revenue from Other Public Entities		3,053,226	5,003,675	5,003,675	4,091,175
Total Revenues		3,053,226	5,003,675	5,003,675	4,091,175

Appropriations by Budget Control Level (BCL) and Program

CDBG - Office of Economic Development Budget Control Level

The purpose of the Economic Development Program is to provide operating, grant, loan, and project management support to neighborhood business districts and community-based development organizations, as well as for special projects, so Seattle has thriving neighborhoods and broadly-shared prosperity.

CDBG funds support economic and community revitalization efforts in low-income neighborhoods through real estate development, equity loans, and non-profit community-based development organizations.

	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Expenditures				
Economic Development	3,053,226	5,003,675	5,003,675	4,091,175

Office of Economic Development Budget Control Level

The purpose of the Office of Economic Development Budget Control Level is to provide vital services to individual businesses and economic development leadership to support a strong local economy, thriving neighborhood business districts, and broadly-shared prosperity.

	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Program Expenditures				
Business Services	5,128,311	5,102,316	4,603,112	4,617,220
Economic Development Leadership	608,724	576,385	593,469	611,022
Finance and Operations	692,511	660,119	678,587	637,232
Total	6,429,546	6,338,820	5,875,168	5,865,474
Full-time Equivalents Total *	20.00	22.00	22.00	24.00

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

Office of Economic Development

Appropriations by Budget Control Level (BCL) and Program

Business Services Program

The purpose of the Business Services Program is to provide direct services to businesses and to support a healthy business environment that empowers businesses to develop, grow, and succeed. The Business Services Program provides assistance navigating government services, facilitates access to capital and building management expertise, and invests in workforce development services focused on building skills that benefit individual job-seekers and support employers in key industry sectors.

	2010	2011	2012	2012
Expenditures/FTE	Actuals	Adopted	Endorsed	Adopted
Business Services	5,128,311	5,102,316	4,603,112	4,617,220
Full-time Equivalents Total	13.00	15.00	15.00	16.00

Economic Development Leadership Program

The purpose of the Economic Development Leadership Program is to lead the creation of the City of Seattle's economic agenda. The Economic Development Leadership Program develops targeted areas of focus for OED and relevant City and community partners; convenes a broad range of the businesses in the community to make informed decisions on economic policies; and strengthens the alignment of city, regional, state, and federal economic development activities.

	2010	2011	2012	2012
Expenditures/FTE	Actuals	Adopted	Endorsed	Adopted
Economic Development Leadership	608,724	576,385	593,469	611,022
Full-time Equivalents Total	4.00	4.00	4.00	5.00

Finance and Operations Program

The purpose of the Finance and Operations Program is to provide leadership over daily office operations and financial, administrative, and human resource services to effectively accomplish OED's mission and goals.

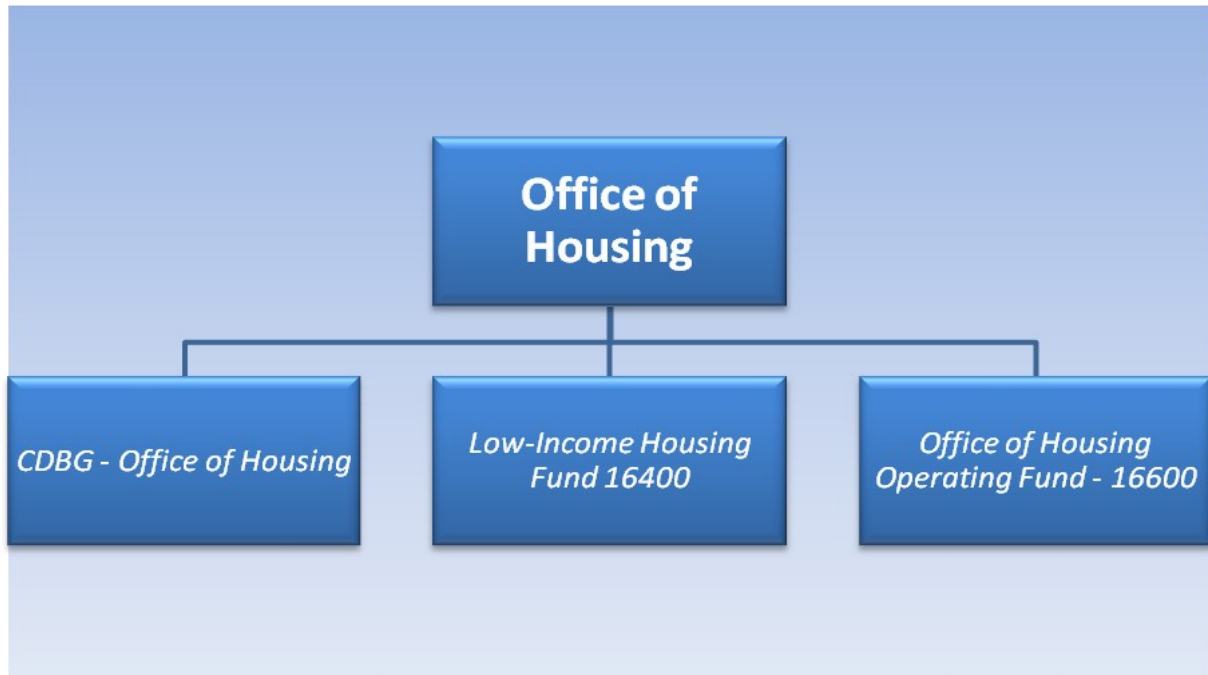
	2010	2011	2012	2012
Expenditures/FTE	Actuals	Adopted	Endorsed	Adopted
Finance and Operations	692,511	660,119	678,587	637,232
Full-time Equivalents Total	3.00	3.00	3.00	3.00

Office of Housing

Rick Hooper, Director

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

Department by Budget Control Level



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 programs reflected in the budget: the Multi-Family Production and Preservation Program; Homeownership and Sustainability Program; Community Development Program; and the Administration and Management Program.

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

The Homeownership and Sustainability Program provides funding, including loans and grants, to low-income and low-to-moderate income Seattle residents. These include loans to first-time homebuyers, home repair loans to address health and safety and code repairs, and grants to make low-income housing more energy efficient.

Office of Housing

The Planning, Resource, and Program Development Program provides strategic policy review and development, development of high level program changes needed to better react to changing City needs and objectives, program development, and disposition of vacant land for redevelopment purposes to increase housing opportunities for Seattle residents. This program is shifting focus in 2011-2012 to more sustainable community building strategies and partnership building activities.

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

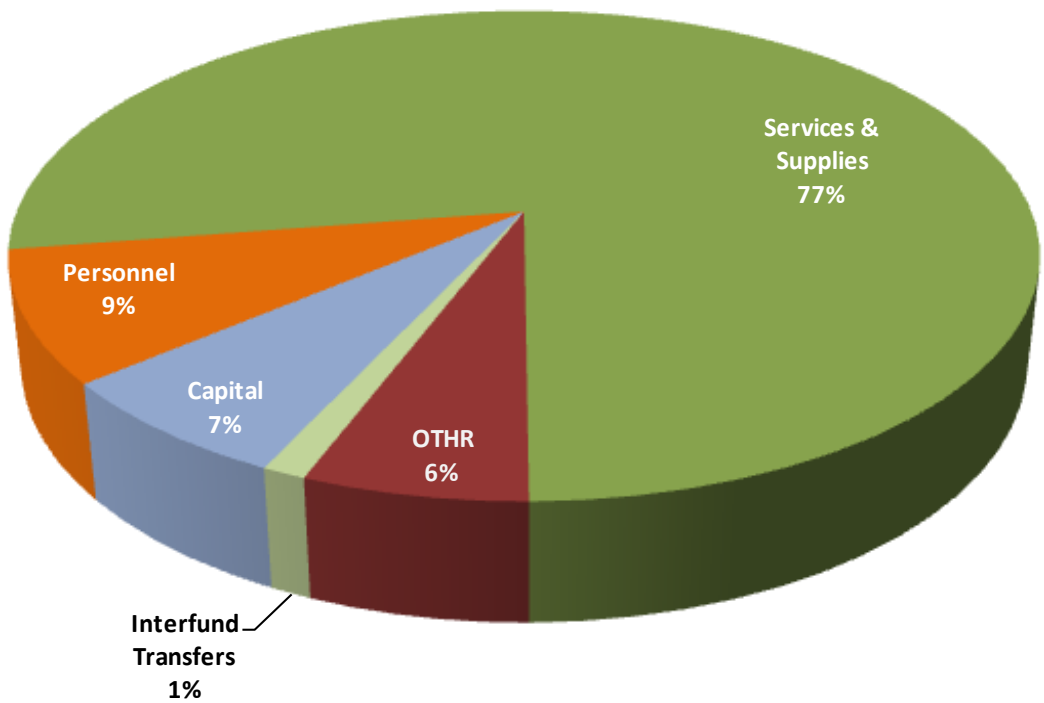
In 2010, OH began implementing the voter-approved 2009 Housing Levy, totaling \$145 million for 2010 - 2016. The 2012 Adopted Budget is consistent with the Administration and Financial Plan approved by the City Council in Ordinance 123281. The renewed Housing Levy is expected to produce or preserve 1,850 affordable homes and assist 3,420 households. In addition, other key funding sources to support low-income housing activities through the Office of Housing are federal grants, developer incentive program revenues, local and state weatherization grants, investment earnings, and loan repayment income.

Budget Snapshot

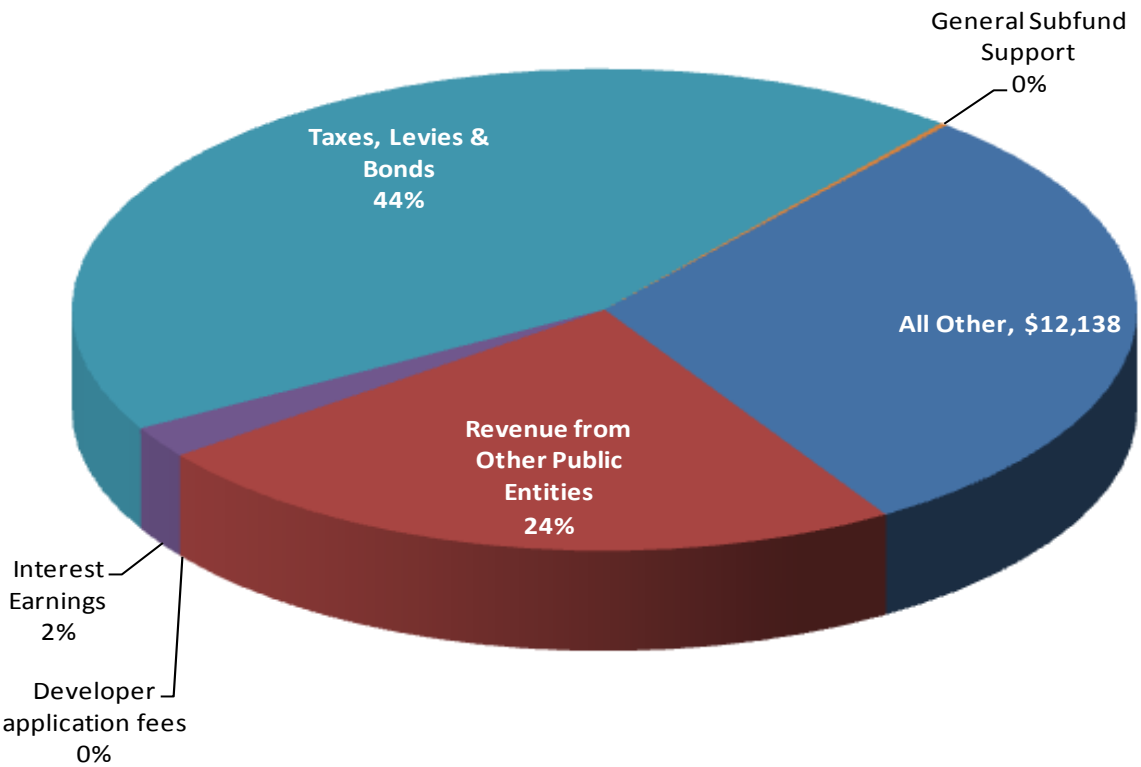
Office of Housing	2010 Actual	2011 Adopted	2012 Endorsed	2012 Adopted
General Fund	\$4,128,008	\$520,490	\$629,422	\$85,934
Other Revenues	\$46,413,712	\$41,980,632	\$40,973,354	\$41,034,481
Total Revenues	\$50,541,720	\$42,501,122	\$41,602,776	\$41,120,415
Use of (Contribution to) Fund Balance	(\$325,747)	\$0	\$0	(\$648,692)
Total Resources	\$50,215,973	\$42,501,122	\$41,602,776	\$40,471,723
Total Expenditures	\$50,215,980	\$42,501,121	\$41,602,776	\$40,471,723
Full-Time Equivalent * Total	40.50	38.50	38.50	37.50

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

2012 Adopted Budget - Expenditure by Category



2012 Adopted Budget - Revenues By Category



Office of Housing

Budget Overview

The Department of Housing and Economic Development (HED) was established as a new department in the 2012 Proposed Budget as part of the Mayor's reorganization of City government to increase the efficiency of City operations and preserve direct services. The formation of HED would have combined the functions of the Office of Housing (OH), the Office of Economic Development (OED), and retained the Office of Film and Music as part of this new organizational structure. However, after evaluating this proposal, the City Council chose not to move forward with the merger and instead the 2012 Adopted Budget retains OH and OED as separate Offices. The following describes the Council action to reverse the merger and reestablish OH, and other changes made as part of the OH Adopted Budget.

The City continues to face General Subfund pressures in 2012 and beyond, requiring a re-evaluation of the ways in which it is organized to deliver services. The 2012 Adopted Budget for OH includes reductions to assist in balancing the General Fund, and staffing reductions that allow the City to increase funding for the Multi-Family Production and Preservation program. Specifically, the 2012 Adopted Budget abrogates the vacant Deputy Director position and the Administrative Staff Assistant position that provided executive support to the director. The Adopted Budget also reduces funding for the Strategic Advisor 1 position that provided human resources support to the Office, and reduces an Information Technology Systems Analyst position to half-time. These position reductions will be implemented in a separate ordinance in 2012. OH will receive assistance from the Department of Finance and Administrative Services (FAS) in providing human services to the Office, and from the Department of Information Technology (DOIT) in providing IT services on an as-needed basis.

In 2010, OH began implementing the voter-approved 2009 Housing Levy, totaling \$145 million for 2010 - 2016. The 2012 Adopted Budget is consistent with the Administration and Financial Plan for the Housing Levy approved by the City Council in Ordinance 123281. The renewed Housing Levy is expected to produce or preserve 1,850 affordable homes and assist 3,420 households. In addition, other key funding sources to support low-income housing activities through the former Office of Housing are federal grants, developer incentive program revenues, local and state weatherization grants, investment earnings, and loan repayment income.

The Federal government is dealing with its own budget challenges. In 2011, the City received a 17% reduction in entitlement, and the City reduced its planned expenditures for CDBG in 2011 as a result. In 2012, the City is anticipating a further reduction in the CDBG entitlement level. Despite these funding pressures, the 2012 CDBG budget is rebalanced in a way that preserves direct programs to the greatest extent possible, and is consistent with the actions taken in 2011 to rebalance the CDBG budget. Given that the actual 2012 CDBG entitlement will not be known until the first quarter of 2012, OH will not commit 2012 CDBG Multi-Family Housing Production and Preservation funds until the actual 2012 entitlement is known.

Incremental Budget Changes

Office of Housing

	2012 Dollar Amount	2012 FTE
2012 Endorsed Budget	\$41,602,776	38.50
2012 Proposed Changes		
OH and OED Department Reorganization	(\$41,602,776)	(38.50)
Total Changes	(\$41,602,776)	(38.50)
2012 Proposed Budget	\$0	0.00

Council Adjustments to Proposed Budget

Reversal of OH and OED Department Reorganization	\$41,602,776	38.50
Management and Staffing Efficiencies	(\$335,923)	(2.00)
Operational Efficiencies/ Reduced Costs	(\$27,224)	0.00
Increase Multi-Family Housing Program Support	\$210,641	0.00
Community Development Block Grant (CDBG) Funding Impacts	(\$802,218)	0.00
Increase HomeWise Weatherization & Energy Efficiency Staff	\$0	1.00
Technical Adjustments	(\$176,329)	0.00
Total Adjustments	\$40,471,723	37.50
2012 Adopted Budget	\$40,471,723	37.50

OH and OED Department Reorganization - (\$41,602,776) / (38.50) FTE. In the 2012 Proposed Budget, the entire 2012 Endorsed Budget for the Office of Housing was transferred to the new Department of Housing and Economic Development (HED) as part of a reorganization of City government.

City Council Changes to the 2012 Proposed Budget

Reversal of OH and OED Department Reorganization - \$41,602,776 / 38.50 FTE. This adjustment reestablishes the OH 2012 Endorsed Budget to serve as starting point for the 2012 Adopted Budget.

Management and Staffing Efficiencies - (\$335,923) / (3.0) FTE. In response to a challenging fiscal environment and constrained resources, and in an effort to increase resources for housing development and preservation, the Adopted Budget reduces four positions funded in the Housing Operating Fund (16600). The Adopted Budget abrogates 1.0 FTE Executive 2 position that previously served as the Deputy Director, and 1.0 FTE Administrative Staff Assistant that previously provided executive administration services to the OH Director. The Budget also reduces funding for 1.0 FTE Strategic Advisor 1 position that formerly provided human resource support to the Office, and reduces funding for the Information Technology Systems Analyst position to half-time starting in February, 2012. Position

Office of Housing

authority for these two positions will be reduced through a separate ordinance action in 2012. These reductions will be mitigated in a variety of ways. The Adopted Budget includes \$35,000 to fund salary adjustments for existing staff taking on new bodies of work in the absence of the Deputy Director position. Human resources support will be provided by the Department of Finance and Administrative Services (FAS). Some additional IT support may be provided by the Department of Information Technology (DOIT) on an as-needed basis, and OH staff may find increased wait times in resolving technical issues.

Operational Efficiencies/ Reduced Costs - (\$27,224). This change reduces funding for supplies and costs in related to travel and training, advertising, printing, and software. This change was included in the 2012 Proposed Budget for HED.

Increase Multi-Family Housing Program Support - \$210,641. As part of the Adopted Budget, \$210,641 of the total management and staffing efficiencies savings described above is transferred from the Housing Operating Fund (16600) to the Low Income Housing Fund (16400). This transfer maintains the level of funding that was provided in the 2012 Proposed HED budget for the development and preservation of affordable housing. Seattle's rental market continues to see higher demand for rental housing, causing a drop in vacancy rates and resulting increase in rents. Low-income renters have particular difficulty competing for affordable rental units in the type of rental market Seattle is now experiencing. The additional resources will support the future development of 4-5 low-income rental units, and help to mitigate the reduction of CDBG funding for this program area.

Community Development Block Grant (CDBG) Funding Impacts - (\$802,218). This change rebalances the 2012 CDBG Adopted Budget to be consistent with the anticipated 2012 CDBG entitlement and available program income available to OH. First, CDBG funding for Multi-Family Housing Production and Preservation is reduced in 2012 by approximately \$685,000. This reduction is mitigated in 2012 by an increase in funding for this purpose through Housing Levy funds over historical levels of funding, and by an increase in support for this purpose through Levy funds previously used to support administrative costs. Of note, the remaining \$500,000 in funds for Housing Production and Preservation will be restricted and not committed to new capital projects until the actual 2012 entitlement is known. Second, approximately \$98,000 in funding for the Homebuyer program is eliminated in the 2012 Adopted Budget. This funding is only a small part of the overall funding for the Homebuyer program, which is funded in large part by the Housing Levy and federal HOME funds, and removing CDBG funds from this program area achieves administrative efficiencies for this program. Third, CDBG funding for housing-related administration is reduced by approximately \$17,000, but is backfilled by Multi-Family Tax Exemption (MFTE) program revenues in 2012, resulting in a change in fund source only. Finally, a technical adjustment reduces appropriation by \$10,000 to align 2012 appropriation levels with anticipated levels of program income. These changes were included in the 2012 Proposed Budget for HED.

Increase HomeWise Weatherization & Energy Efficiency Staff – \$0 / 1.0 FTE. In 2009, the Office of Housing's HomeWise Weatherization and Energy Efficiency program (HomeWise) received ARRA federal stimulus funding, and increased staffing levels by three term-limited positions and a long-term (two-year) out-of-class position. The ARRA grant will expire at the end of 2011. Since 2009, program delivery has become more sophisticated, data-driven, and complex, placing additional demands on the program staff. To accommodate these new demands, the Adopted Budget adds a Property Rehabilitation Supervisor (PRS) position that will be funded by non-ARRA grant fund sources that support Weatherization programs in the Department. This change was included in the 2012 Proposed Budget for

Technical Adjustments – (\$176,329). This change reflects a number of technical adjustments including reducing the HOME grant expenditure authority for 2012 by approximately \$287,000 to match anticipated revenues. In addition, this adjustment provides appropriation authority for \$17,000 in additional Multi-Family Tax Exemption revenue that is used to backfill a CDBG reduction. Other technical adjustments in the 2012 Adopted Budget include departmental and citywide non-programmatic adjustments that do not represent fundamental changes in OH's service delivery. These changes were made to central cost allocations, retirement, health care, workers' compensation, and unemployment costs.

City Council Provisos

There are no Council provisos.

Office of Housing

Expenditure Overview

	Summit Code	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Appropriations					
CDBG - Office of Housing Budget Control Level					
Homeownership and Sustainability		1,436,550	1,420,897	1,420,897	1,188,185
Multi-Family Production and Preservation		2,483,380	1,294,622	1,294,622	741,890
Strategic Planning, Resource, and Program Development		458,053	46,774	46,774	30,000
CDBG - Office of Housing Budget Control Level	6XZ10	4,377,983	2,762,293	2,762,293	1,960,075
Low-Income Housing Fund 16400 Budget Control Level					
Homeownership and Sustainability - 16400		11,636,619	7,725,501	8,124,394	8,052,098
Multi-Family Production and Preservation - 16400		29,944,826	27,425,181	26,004,691	26,000,676
Low-Income Housing Fund 16400 Budget Control Level	XZ-R1	41,581,445	35,150,682	34,129,085	34,052,774
Office of Housing Operating Fund 16600 Budget Control Level					
Administration and Management - 16600		1,307,681	1,636,968	1,679,944	1,332,487
Community Development - 16600		450,638	478,132	490,075	551,395
Homeownership and Sustainability - 16600		1,193,346	1,261,131	1,299,179	1,308,270
Multi-Family Production and Preservation - 16600		1,304,886	1,211,916	1,242,200	1,266,721
Office of Housing Operating Fund 16600 Budget Control Level	XZ600	4,256,551	4,588,146	4,711,398	4,458,874
Department Total		50,215,980	42,501,121	41,602,776	40,471,723
Department Full-time Equivalents Total*		40.50	38.50	38.50	37.50

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

Revenue Overview

2012 Estimated Revenues for the Office of Housing (16600)

Summit Code	Source	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
411100	Levy Administration	1,849,561	1,775,351	1,820,496	1,656,317
462900	Other Rents and use charges	27,081	27,000	27,000	27,000
469990	MacArthur Foundation Grant	2,500	13,500	0	0
471010	HOME Administration	459,444	438,473	438,473	406,590
541490	2010 Non-GF COLA Rollback	0	(22,611)	(23,389)	0
541490	City Light Administration	654,731	672,517	689,949	689,949
541490	Contingent Bonus/TDR Administration	150,000	250,000	250,000	1,001,429
541490	Interest Earnings	26,300	4,000	3,000	0
541490	Miscellaneous adjustments	(109,724)	0	0	0
541490	Multi Family Tax Exemption Program Administration	0	0	0	73,024
541490	Prior Year Savings	109,957	121,339	75,000	415,338
541490	Program Income	94,964	4,000	3,000	0
Total All Else		3,264,814	3,283,569	3,283,529	4,269,647
587001	General Subfund Support	560,097	520,490	629,422	39,472
Total General Subfund Support		560,097	520,490	629,422	39,472
433010	Federal Grants-Weatherization	593,706	599,087	613,447	613,447
434010	State Grants-Weatherization	173,315	185,000	185,000	185,000
Total Revenue from Other Public Entities		767,021	784,087	798,447	798,447
Total Revenues		4,591,932	4,588,146	4,711,398	5,107,566
379100	Use of (Contribution To) Fund Balance	(335,383)	0	0	(648,692)
Total Use of Fund Balance		(335,383)	0	0	(648,692)
Total Resources		4,256,549	4,588,146	4,711,398	4,458,874

2012 Estimated Revenues for the Community Development Block Grant Fund (17810)

Summit Code	Source	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
433010	Community Development Block Grant	4,377,983	2,762,293	2,762,293	1,960,075
Total Revenue from Other Public Entities		4,377,983	2,762,293	2,762,293	1,960,075
Total Revenues		4,377,983	2,762,293	2,762,293	1,960,075

Office of Housing

2012 Estimated Revenues for the Low-Income Housing Fund (16400)

Summit Code	Source	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
469930	Program Income	2,711,233	6,422,583	6,502,000	6,502,000
541490	Local Grants-Weatherization	1,137,462	1,536,170	1,582,255	1,582,255
541490	Miscellaneous adjustments	(169,704)	0	0	0
Total All Else		3,678,991	7,958,753	8,084,255	8,084,255
445800	MFTE application fees	106,400	0	0	0
Total Developer application fees		106,400	0	0	0
587001	General Subfund Support	3,567,911	0	0	46,462
Total General Subfund Support		3,567,911	0	0	46,462
461110	Investment Earnings	744,196	1,425,000	876,900	876,900
Total Interest Earnings		744,196	1,425,000	876,900	876,900
433010	Federal Grants - Weatherization	3,830,328	2,250,000	2,500,000	2,500,000
434010	State Grants - Weatherization	605,748	750,000	750,000	750,000
471010	Federal Grants-HOME Program	10,417,066	3,946,263	3,946,263	3,659,311
Total Revenue from Other Public Entities		14,853,142	6,946,263	7,196,263	6,909,311
411100	Property Tax Levy	18,621,165	18,820,667	17,971,667	18,135,846
Total Taxes, Levies & Bonds		18,621,165	18,820,667	17,971,667	18,135,846
Total Revenues		41,571,805	35,150,683	34,129,085	34,052,774
379100	Use of (Contribution To) Fund Balance	9,636	0	0	0
Total Use of Fund Balance		9,636	0	0	0
Total Resources		41,581,441	35,150,683	34,129,085	34,052,774

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.

Summary

The federal CDBG program provides a major source of funding for community development programs affecting Seattle's low- and moderate-income households and neighborhoods. The City of Seattle makes these investments so all families and individuals can meet their basic needs, share in economic prosperity, and participate in building a safe, healthy, educated, just, and caring community. Policies and priorities for distributing CDBG funds to community-based organizations are set out in the City's 2009-2012 Consolidated Plan for Housing and Community Development, which is coordinated by the Human Services Department.

Program Expenditures	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Homeownership and Sustainability	1,436,550	1,420,897	1,420,897	1,188,185
Multi-Family Production and Preservation	2,483,380	1,294,622	1,294,622	741,890
Strategic Planning, Resource, and Program Development	458,053	46,774	46,774	30,000
Total	4,377,983	2,762,293	2,762,293	1,960,075

Homeownership and Sustainability Program

The purpose of the Homeownership and Sustainability 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 minor home repairs for low-income elderly or disabled homeowners, home rehabilitation revolving loans to low-income households, technical assistance for program clients, and administrative costs for the City of Seattle's Office of Housing.

Expenditures	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Homeownership and Sustainability	1,436,550	1,420,897	1,420,897	1,188,185

Multi-Family Production and Preservation Program

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

Expenditures	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Multi-Family Production and Preservation	2,483,380	1,294,622	1,294,622	741,890

Office of Housing

Appropriations by Budget Control Level (BCL) and Program

Strategic Planning, Resource, and Program Development Program

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

	2010	2011	2012	2012
Expenditures	Actuals	Adopted	Endorsed	Adopted
Strategic Planning, Resource, and Program Development	458,053	46,774	46,774	30,000

Low-Income Housing Fund 16400 Budget Control Level

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

	2010	2011	2012	2012
Expenditures	Actuals	Adopted	Endorsed	Adopted
Homeownership and Sustainability - 16400	11,636,619	7,725,501	8,124,394	8,052,098
Multi-Family Production and Preservation - 16400	29,944,826	27,425,181	26,004,691	26,000,676
Total	41,581,445	35,150,682	34,129,085	34,052,774

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.

	2010	2011	2012	2012
Expenditures	Actuals	Adopted	Endorsed	Adopted
Homeownership and Sustainability - 16400	11,636,619	7,725,501	8,124,394	8,052,098

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 multi-family 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.

	2010	2011	2012	2012
Expenditures	Actuals	Adopted	Endorsed	Adopted
Multi-Family Production and Preservation - 16400	29,944,826	27,425,181	26,004,691	26,000,676

Appropriations by Budget Control Level (BCL) and Program

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.

	2010	2011	2012	2012
Expenditures	Actuals	Adopted	Endorsed	Adopted
Administration and Management - 16600	1,307,681	1,636,968	1,679,944	1,332,487
Community Development - 16600	450,638	478,132	490,075	551,395
Homeownership and Sustainability - 16600	1,193,346	1,261,131	1,299,179	1,308,270
Multi-Family Production and Preservation - 16600	1,304,886	1,211,916	1,242,200	1,266,721
Total	4,256,551	4,588,146	4,711,398	4,458,874
Full-time Equivalents Total *	40.50	38.50	38.50	37.50

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

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.

	2010	2011	2012	2012
Expenditures/FTE	Actuals	Adopted	Endorsed	Adopted
Administration and Management - 16600	1,307,681	1,636,968	1,679,944	1,332,487
Full-time Equivalents Total	13.50	13.00	13.00	11.00

Community Development – 16600 Program

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

	2010	2011	2012	2012
Expenditures/FTE	Actuals	Adopted	Endorsed	Adopted
Community Development - 16600	450,638	478,132	490,075	551,395
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.

	2010	2011	2012	2012
Expenditures/FTE	Actuals	Adopted	Endorsed	Adopted
Homeownership and Sustainability - 16600	1,193,346	1,261,131	1,299,179	1,308,270
Full-time Equivalents Total	12.00	12.00	12.00	13.00

Office of Housing

Fund Tables

Low-Income Housing Fund (16400)

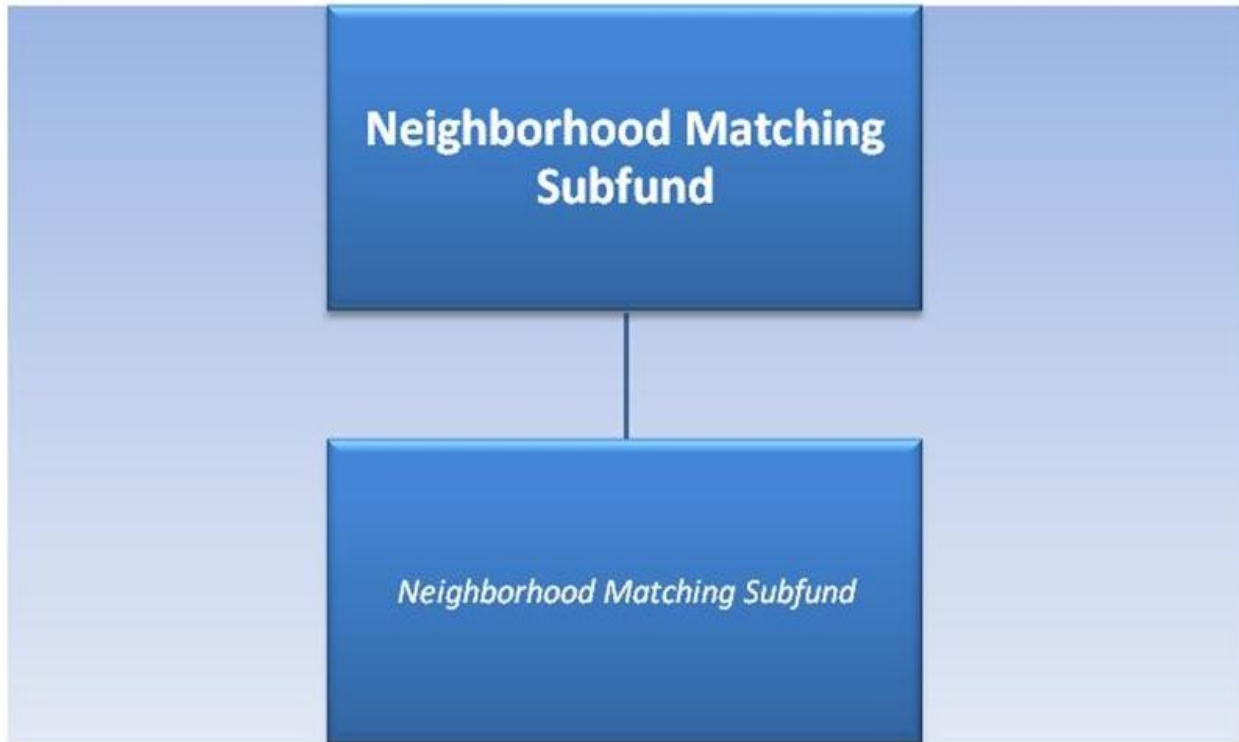
	2010 Actuals	2011 Adopted	2011 Revised	2012 Endorsed	2012 Adopted
Beginning Fund Balance	75,159,977	75,159,977	75,076,588	75,159,978	74,789,737
Accounting and Technical Adjustments	(73,749)	0	0	0	0
Plus: Actual and Estimated Revenue	41,571,805	35,150,683	34,863,831	34,129,085	34,052,774
Less: Actual and Budgeted Expenditures	41,581,445	35,150,682	35,150,682	34,129,085	34,052,774
Ending Fund Balance	75,076,588	75,159,978	74,789,737	75,159,978	74,789,737

Office of Housing (16600)

	2010 Actuals	2011 Adopted	2011 Revised	2012 Endorsed	2012 Adopted
Beginning Fund Balance	366,627	366,627	702,008	366,627	1,117,968
Accounting and Technical Adjustments	0	0	0	0	0
Plus: Actual and Estimated Revenue	4,591,932	4,588,146	5,004,106	4,711,398	5,107,566
Less: Actual and Budgeted Expenditures	4,256,551	4,588,146	4,588,146	4,711,398	4,458,874
Ending Fund Balance	702,008	366,627	1,117,968	366,627	1,766,659
Multi-Family Tax Exemption Admin Reserve				174,750	141,000
Total Reserves	0	0	0	174,750	141,000
Ending Unreserved Fund Balance	702,008	366,627	1,117,968	191,877	1,625,659

Neighborhood Matching Subfund

Neighborhood Matching Subfund by Budget Control Level



Neighborhood Matching Subfund Overview

The purpose of the Neighborhood Matching Subfund (NMF) is to provide resources for Seattle's communities to preserve and enhance the city's diverse neighborhoods, and to empower people to make positive contributions to their communities. It is administered by the Department of Neighborhoods (DON). As part of the 2012 Proposed Budget, the Mayor proposed the reorganization of a variety of City government functions, which would have expanded NMF's responsibilities to include the administration of the Department of Information Technology's (DoIT) Technology Matching Fund (TMF) award program, which supports community efforts to close the digital divide and encourage a technology-healthy city; Office of Economic Development's (OED) 'Only in Seattle' Initiative, which fosters neighborhood business districts; and Seattle Public Utilities' (SPU) Waste Prevention and Recycling Grant program, which encourages support for community waste reduction activities. The Proposed Budget would have consolidated the administration of all of these grants into the DON's Community Granting Division. However, the City Council reversed this direction, and OED, SPU, and DoIT will retain administrative oversight of their respective grant programs in the Adopted Budget.

Neighborhood Matching Subfund

The NMF was established in 1988 to support partnerships between the City of Seattle and neighborhood organizations to undertake neighborhood-initiated planning, organizing, and physical improvement projects. The City provides cash that is matched by the community's contribution of volunteer labor, donated materials, and professional services, or cash. Applications are accepted from neighborhood-based organizations of residents or businesses, community-based organizations that advocate for the interests of people of color, and ad-hoc groups of neighbors that form a committee for the purpose of a specific project. The NMF awards are divided into three categories, which include: Large Projects Fund (awards up to \$100,000); Small and Simple Projects Fund (awards up to \$20,000); and the Small Sparks Fund (awards up to \$1,000).

The DON's Community Granting Division provides consultation and technical assistance to community groups seeking grant awards, coordination of the grant application and award process, and monitoring of funded grant projects. The NMF Program is housed in, and staffed by, the Department of Neighborhoods. NMF staff also coordinate with other City departments such as the Department of Parks and Recreation, Seattle Department of Transportation, Seattle Public Utilities, Department of Planning and Development, and others when projects are within the jurisdiction of these departments.

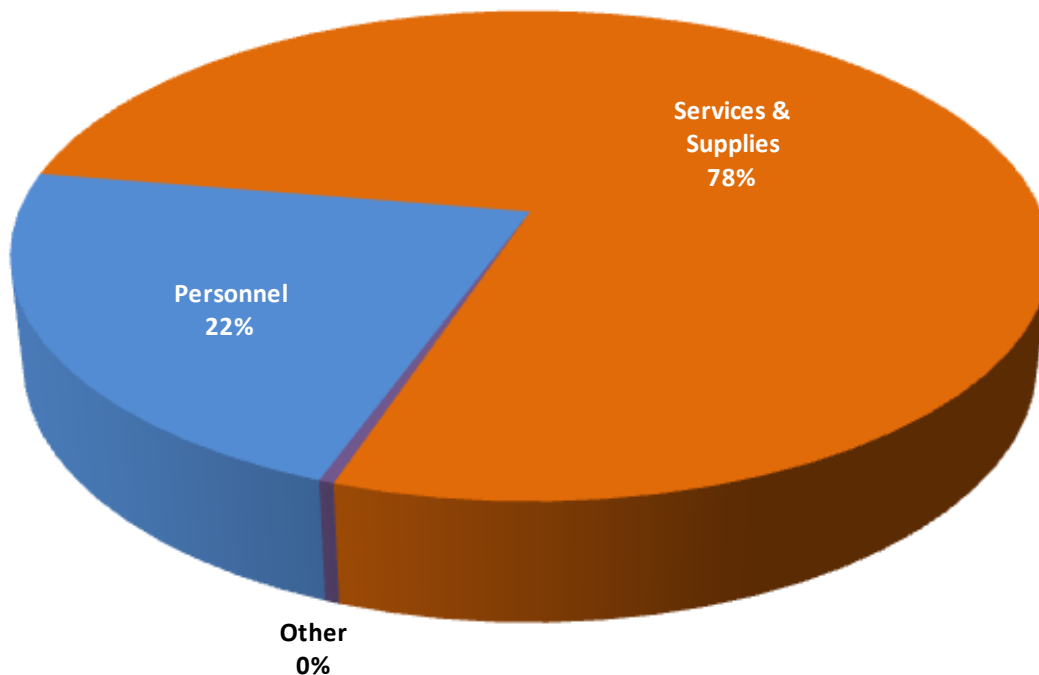
Budget Snapshot

Neighborhood Matching Subfund	2010 Actual	2011 Adopted	2012 Endorsed	2012 Adopted
General Fund	\$3,253,265	\$2,939,396	\$2,995,194	\$2,779,022
Other Revenues	\$0	\$0	\$0	\$0
Total Revenues	\$3,253,265	\$2,939,396	\$2,995,194	\$2,779,022
Use of (Contribution to) Fund Balance	(\$86,123)	\$309,362	\$313,991	\$313,927
Total Resources	\$3,167,142	\$3,248,758	\$3,309,185	\$3,092,949
Total Expenditures	\$3,167,142	\$3,248,759	\$3,309,185	\$3,092,949
Full-Time Equivalent * Total	-	-	-	6.00

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

Neighborhood Matching Subfund

2012 Adopted Budget - Expenditure by Category



Budget Overview

The City continues to face General Subfund pressure in 2012 and beyond, requiring the City to re-evaluate the ways in which it is organized to deliver services. In 2011, the Mayor initiated a process to determine whether the City could achieve operational efficiencies while still preserving direct services by restructuring the City's organizational structures. This effort involved the following departments: Department of Neighborhoods/Neighborhood Matching Subfund, the Office of Arts and Cultural Affairs, the Office of Housing, the Office of Economic Development, and to a lesser extent, the Office of Sustainability and Environment and the Department of Planning and Development. Each of these departments plays a pivotal role in creating healthy and economically vibrant communities. The goals of this review process included preserving and potentially expanding direct program funding, including community grant awards; streamlining service delivery; and improving operational and management efficiency. The process included participation by the directors of the individual offices, as well as the City Budget Office, the Mayor's Office, and input by the City Council.

Community Granting Consolidation

DON, working in conjunction with other City departments, the Mayor's Office, and the City Council, spent much of 2011 exploring options for streamlining the City's community granting functions. The City offers five community granting award programs spread across five departments. These award programs distributed \$6.1 million in community awards in 2011. But, the overhead costs for these

Neighborhood Matching Subfund

programs could be very high, ranging from 13% to 57%. This was not acceptable to the Mayor and he challenged DON and the City Budget Office to develop a plan to reduce these administrative overhead costs; preserve, and potentially increase the grant dollars distributed to the community; and create a more customer-friendly, single-point-of-entry approach for community groups seeking financial support from the City. The 2012 Proposed Budget recommended consolidating the administration of most of these community granting programs into a newly created Community Granting Division in DON. While program expertise and the award funding would have remained in the current 'home' departments, the consolidation would have merged administrative staff and resources from:

- Neighborhood Matching Fund (NMF) community granting program;
- Office of Economic Development's (OED) *Only in Seattle* grant program;
- Department of Information Technology (DoIT) Technology Matching Fund program; and
- Seattle Public Utility's (SPU) Waste Prevention and Recycling grant program.

However, City Council did not support the merger of these administrative functions as proposed by the Mayor and returned that responsibility back to the departments identified above. Although no formal consolidation will occur, the Council noted that their action does not preclude departments from coordinating future grant activities and identifying administrative efficiencies. In addition, the City Auditor has agreed to work with these departments in 2012 to identify best practices and assess the extent to which it is appropriate and desirable for departments to adopt consistent practices and forms regarding grant applications, contracts, reporting requirements, reimbursement rules, etc.

A variety of staffing changes would have been required to implement the consolidation proposed by the Mayor to create efficiencies and provide budget savings. Although the Council did not adopt the consolidation proposal, they did retain a number of the proposed changes in the 2012 Adopted Budget. A vacant project manager position is eliminated in NMF, as well as the reduction in NMF for the portion of the funding for the Director of Planning and Community Building which is eliminated. (40% of this Director position was budgeted within the NMF). One position that was previously dedicated to supporting specific award programs in OED is transferred into NMF. The Proposed Budget transferred a position from DOIT to the NMF. Per changes made by the City Council, this position is transferred back to DOIT. The funding for the new Community Granting Division would have been a combination of General Subfund, Cable Franchise Fees, and SPU's Solid Waste Fund, as the grants staff was expected to administer a variety of award programs; however, in the Adopted Budget funding for NMF staff continues to be solely backed by the General Subfund.

Through administrative efficiencies gained through the proposed consolidation process, \$17,000 previously spent to support the DoIT staff would have been redirected back to the Cable Fund. Per changes made by the City Council, this funding is transferred back to DoIT to fund the cost of the re-stored position. In addition, approximately \$8,000 previously used by SPU for administration would have been reduced, providing savings to solid waste rate payers. That funding is returned to SPU to back their administrative costs in the Adopted Budget. The City Council retained the changes proposed to NMF's administration budget that resulted in reductions of approximately \$181,000.

In the 2012 Endorsed Budget, position authority for NMF staff resided within DON's budget. To better align the budget and staffing of the Community Granting Division, a transfer of position authority from DON to NMF of five positions is made in the 2012 Adopted Budget.

Neighborhood Matching Subfund

Incremental Budget Changes

Neighborhood Matching Subfund

	2012 Dollar Amount	2012 FTE
2012 Endorsed Budget	\$3,309,185	0.00
2012 Proposed Changes		
Community Awards Program Consolidation	\$116,447	7.00
Streamline Management Oversight	(\$58,856)	0.00
Technical Adjustment	(\$147,370)	0.00
Total Changes	(\$89,779)	7.00
2012 Proposed Budget	\$3,219,406	7.00
Council Adjustments to Proposed Budget		
Reverse Centralization of Community Granting Adr	(\$124,842)	(1.00)
Adjust Employer Contribution Rate to SCERS	(\$1,615)	0.00
Total Adjustments	(\$126,457)	(1.00)
2012 Adopted Budget	\$3,092,949	6.00

Community Awards Program Consolidation - \$116,447 / 7.0 FTE. In response to a challenging fiscal environment and constrained resources, the Proposed Budget would have centralized administration of the City's community award programs within NMF to preserve funds available for award within the community, create efficiencies, and provide greater access to award programs by community members. To accomplish this, staff from DoIT and the Office of Housing and Economic Development were to be transferred to NMF in the Proposed Budget. DoIT was to transfer their Technology Fund Manager (1.0 FTE Strategic Advisor 1) and would have reimbursed NMF \$75,949 towards the cost of the position, and OED was to transfer in 1.0 Community Development Specialist, Sr. and \$113,210 to help administer their 'Only in Seattle' Initiative. SPU would have reimbursed NMF \$48,893 to fund administration of their Waste Prevention and Recycling Grant program. These staffing transfers are affected by the Council changes described in the next section .

At the same time, an abrogation of 1.0 FTE Planning and Development Specialist II and a reduction in spending of various line items related to NMF program administration are made to achieve a savings of \$121,605. In addition, in the 2012 Endorsed Budget, position authority for managing the NMF were recognized as part of DON's budget, rather than the NMF budget. This action aligns the positions with their budget. All of these positions will work in DON's Community Granting Division.

Streamline Management Oversight - (\$58,856). NMF achieves budget savings through DON's elimination of a senior management position. Although the Executive 1 position in the Planning and Community Building Division is abrogated, the funding is split between DON (60%) and NMF (40%). This reduction represents NMF's 40% of the position cost. This position has historically provided

Neighborhood Matching Subfund

oversight for the NMF program, P-Patch Program, Neighborhood Planning, and the District Coordinator Programs. The workload will be shared among existing management staff and the Department Director will take on additional direct reports in these functional areas.

Technical Adjustments - (\$147,370). Technical adjustments in the 2012 Adopted Budget include departmental and citywide non-programmatic adjustments that do not represent fundamental changes in NMF's service delivery. Included within these adjustments is a total reduction of \$68,155 for citywide technical adjustments reflecting changes in central cost allocations, retirement, health care, workers' compensation, and unemployment costs. Departmental technical adjustments include adjusting the allocation of central costs between Budget Control Levels and between NMF and DON to align the budget for expenditures with actual spending patterns.

City Council Changes to the 2012 Proposed Budget

Reverse Centralization of Community Granting Administration - (\$124,842) / (1.0) FTE. Funding was removed from the NMF budget for the proposed centralization of coordination and administration of the City's community grant award programs. As such, the transfer of the DoIT Technology Fund Manager (1.0 FTE Strategic Advisor 1) will not occur, and \$75,949 is transferred back to DOIT for the cost of the position. Council did retain the OED position transfer of 1.0 Community Development Specialist Senior and \$113,210. However, this position will no longer support OED in the administration of their 'Only in Seattle' Initiative. Instead, it will be directed to support existing NMF work. Funding from SPU in the amount of \$48,893 to fund administration of their Waste Prevention and Recycling Grant program is returned to SPU.

Adjust Employer Contribution Rate to SCERS - (\$1,615). The Council made an adjustment to the employer contribution rate for the Seattle City Employees' Retirement System (SCERS), lowering it from 11.27% of regular payroll in the 2012 Proposed Budget to the updated rate of 11.01%. This change is driven by action taken in October 2011 by the SCERS Board of Administration to adjust the interest rate paid on new contributions after January 1, 2012.

City Council Provisos

There are no Council provisos.

Neighborhood Matching Subfund

Expenditure Overview

	Summit	2010	2011	2012	2012
Appropriations	Code	Actuals	Adopted	Endorsed	Adopted
Neighborhood Matching Fund Budget Control Level					
Community Granting Division		865,714	743,597	768,782	709,546
Large Projects Fund		1,116,016	1,181,954	1,197,504	1,197,504
Small and Simple Projects Fund		1,104,662	1,308,425	1,327,878	1,170,878
Small Sparks Fund		57,622	14,784	15,020	15,020
Tree Fund		23,127	0	0	0
Neighborhood Matching Fund	2IN00	3,167,142	3,248,759	3,309,185	3,092,949
Budget Control Level					
Department Total		3,167,142	3,248,759	3,309,185	3,092,949

Department Full-time Equivalents Total* 0.00 0.00 0.00 6.00

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

Revenue Overview

2012 Estimated Revenues for the Neighborhood Matching Subfund (00165)

Summit		2010	2011	2012	2012
Code	Source	Actuals	Adopted	Endorsed	Adopted
587001	Operating Transfer In from Finance General	3,253,265	2,939,396	2,995,194	2,779,022
Total General Subfund Support		3,253,265	2,939,396	2,995,194	2,779,022
Total Revenues		3,253,265	2,939,396	2,995,194	2,779,022
379100	Use of (Contribution To) Fund Balance	(86,123)	309,362	313,991	313,927
Total Use of Fund Balance		(86,123)	309,362	313,991	313,927
Total Resources		3,167,142	3,248,758	3,309,185	3,092,949

Neighborhood Matching Subfund

Appropriations by Budget Control Level (BCL) and Program

Neighborhood Matching Fund Budget Control Level

The purpose of the Neighborhood Matching Fund Budget Control Level is to support local grassroots projects within neighborhoods and communities. The Neighborhood Matching Fund provides funding to match community contributions of volunteer labor, donated professional services and materials, or cash, to implement community-based self-help projects.

Program Expenditures	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Community Granting Division	865,714	743,597	768,782	709,546
Large Projects Fund	1,116,016	1,181,954	1,197,504	1,197,504
Small and Simple Projects Fund	1,104,662	1,308,425	1,327,878	1,170,878
Small Sparks Fund	57,622	14,784	15,020	15,020
Tree Fund	23,127	0	0	0
Total	3,167,142	3,248,759	3,309,185	3,092,949
Full-time Equivalents Total *	0.00	0.00	0.00	6.00

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

Community Granting Division

The purpose of the Community Granting Division is to administer the community grant awards by providing marketing and outreach to applicant groups; technical assistance and support to community groups for project development and implementation; administrative support coordinating and conducting the application review and award processes; and management and monitoring of funded projects to support high quality and successful completion of projects.

Expenditures/FTE	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Community Granting Division	865,714	743,597	768,782	709,546
Full-time Equivalents Total	0.00	0.00	0.00	6.00

Large Projects Fund Program

The purpose of the Large Projects Fund is to provide funding to grassroots organizations initiating community building projects that require up to 12 months to complete and up to \$100,000 in Neighborhood Matching Funds.

Expenditures	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Large Projects Fund	1,116,016	1,181,954	1,197,504	1,197,504

Neighborhood Matching Subfund

Appropriations by Budget Control Level (BCL) and Program

Small and Simple Projects Fund

The purpose of the Small and Simple Projects Fund is to provide funding for community building projects initiated by grassroots organizations that can be completed in 12 months or less and require up to \$20,000 in funding.

	2010	2011	2012	2012
Expenditures	Actuals	Adopted	Endorsed	Adopted
Small and Simple Projects Fund	1,104,662	1,308,425	1,327,878	1,170,878

Small Sparks Fund

The purpose of the Small Sparks Fund is to provide one-time awards of up to \$1,000 for small community building projects initiated by grassroots organizations. Awards are available to neighborhood organizations with annual operating budgets under \$25,000.

	2010	2011	2012	2012
Expenditures	Actuals	Adopted	Endorsed	Adopted
Small Sparks Fund	57,622	14,784	15,020	15,020

Tree Fund

The purpose of the Tree Fund Program is to provide trees to neighborhood groups to plant along residential planting strips in exchange for ongoing care and maintenance. Increasing the number of street trees in the city is a central goal of the Urban Forest Management Plan, and supports climate protection.

	2010	2011	2012	2012
Expenditures	Actuals	Adopted	Endorsed	Adopted
Tree Fund	23,127	0	0	0

Neighborhood Matching Subfund

Fund Table

Neighborhood Matching Subfund (00165)

	2010 Actuals	2011 Adopted	2011 Revised	2012 Endorsed	2012 Adopted
Beginning Fund Balance	4,197,919	3,859,570	4,284,042	3,550,207	4,085,475
Accounting and Technical Adjustments	0	0	0	0	0
Plus: Actual and Estimated Revenue	3,253,265	2,939,396	2,851,396	2,995,194	2,779,022
Less: Actual and Budgeted Expenditures	3,167,142	3,248,759	3,049,963	3,309,185	3,092,949
Ending Fund Balance	4,284,042	3,550,207	4,085,475	3,236,216	3,771,548
Continuing Appropriations	3,976,000	3,236,218	3,661,000	3,129,985	3,660,000
Total Reserves	3,976,000	3,236,218	3,661,000	3,129,985	3,660,000
Ending Unreserved Fund Balance	308,042	313,989	424,475	106,231	111,548

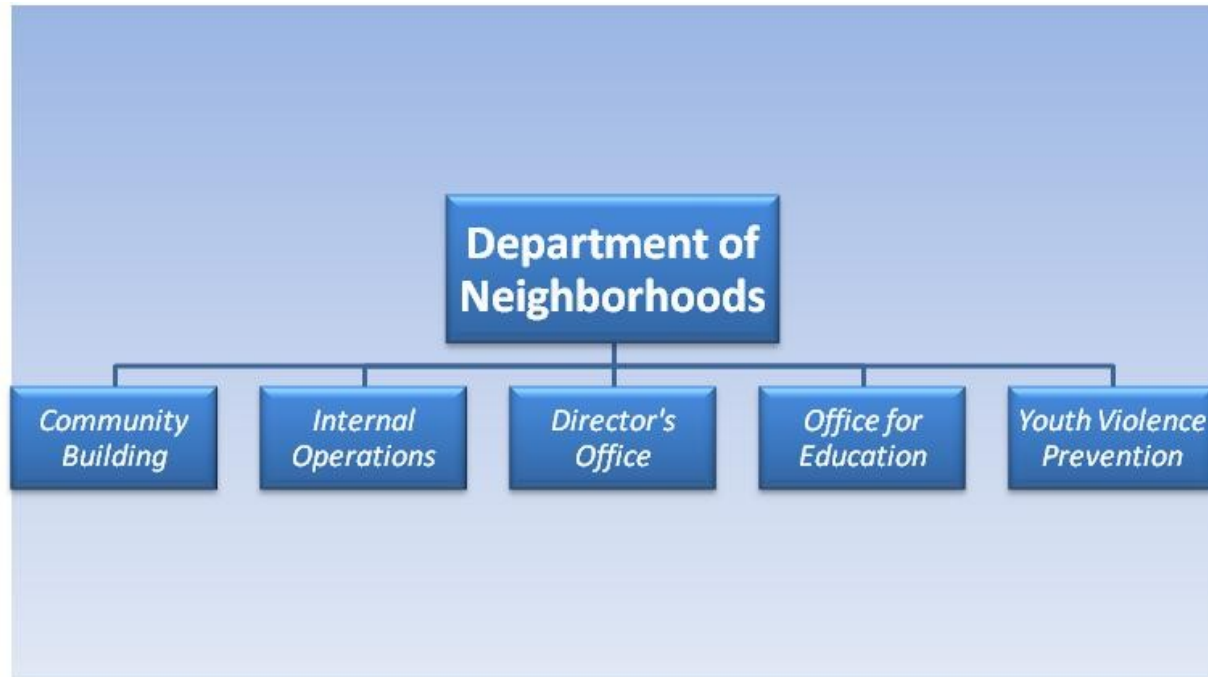
Department of Neighborhoods

Bernie Matsuno, Director

Information Line: (206) 684-0464

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

Department by Budget Control Level



Department Overview

The Department of Neighborhoods (DON) works to bring government closer to the residents of Seattle by engaging them in civic participation, helping them become empowered to make positive contributions to their communities, and involving more of Seattle's residents, including communities of color and immigrants, in civic discussions, processes, and opportunities.

As part of their mission, DON also manages the Neighborhood Matching Fund (NMF), which provides grant resources for Seattle's communities to preserve and enhance the City's diverse neighborhoods. The 2012 Adopted Budget realigns some of DON functions in an attempt to strengthen service delivery even in times of budget constraint. The 2012 Adopted Budget shifts the Neighborhood Payment and Information Service Centers (Neighborhood Service Centers) to the Office of Constituent Services (OCS) in the Department of Finance and Administrative Services (FAS). This follows the successful integration of the Customer Service Bureau within FAS in 2010 and aligns the administrative nature of the Neighborhood Service Centers (NSC) with FAS's core lines of business. The Neighborhood District Coordinator program will remain in DON and will continue to use the NSCs as their home-base.

Department of Neighborhoods

In addition, the 2012 Proposed Budget recommended the creation of a new Community Granting Division in DON. The Mayor's proposal was to use existing staff resources from throughout the City to create this new Division to become the central clearing house for the administration of the City's many community granting functions. This consolidation would have streamlined operations by creating a single entry point for community groups to explore opportunities for community granting support. In addition, the efficiencies and administrative overhead savings achieved by this operational change would have allowed the City to preserve – and in some cases even increase – the grant dollars going out the door. However, City Council did not support the implementation of this consolidation as proposed by the Mayor, and it was not included in the Adopted Budget.

DON has five lines of business:

1. The Director's Office provides executive leadership, communications, and operational support for the entire Department.
2. The Community Building Division delivers technical assistance, support services, and programs in neighborhoods to strengthen local communities, engage residents in neighborhood improvement, leverage resources and complete neighborhood-initiative projects. The programs that support this work include the P-Patch Community Gardens, Neighborhood District Coordinators, Major Institutions and Schools, South Park Action Agenda, Historic Preservation, and Neighborhood Planning.

Also part of the Community Building Division is DON's Community Granting Division, housed in the Neighborhood Matching Subfund (NMF), which provides consultation and technical assistance to community groups seeking City grant awards, coordination of the grant application and award process, and monitoring of funded grant projects. These grant funds are budgeted separately in the NMF budget.

3. The Internal Operations Division provides financial, human resources, office management, and information technology services to Department employees so that they may serve customers efficiently and effectively.
4. The Office for Education (OFE) builds linkages between the City of Seattle and the Seattle Public School District. It administers the Families and Education Levy, provides policy direction to help children succeed in school, strengthens school-community connections, and increases access to high-quality programs that are achieving academic outcomes.
5. The Seattle Youth Violence Prevention Initiative (SYVPI) delivers on its mission to reduce juvenile violent crime through a variety of youth violence prevention programs administered by several departments citywide. These programs include active outreach, counseling, referrals to job training, and individual and group programming. The Office for Education oversees this initiative.

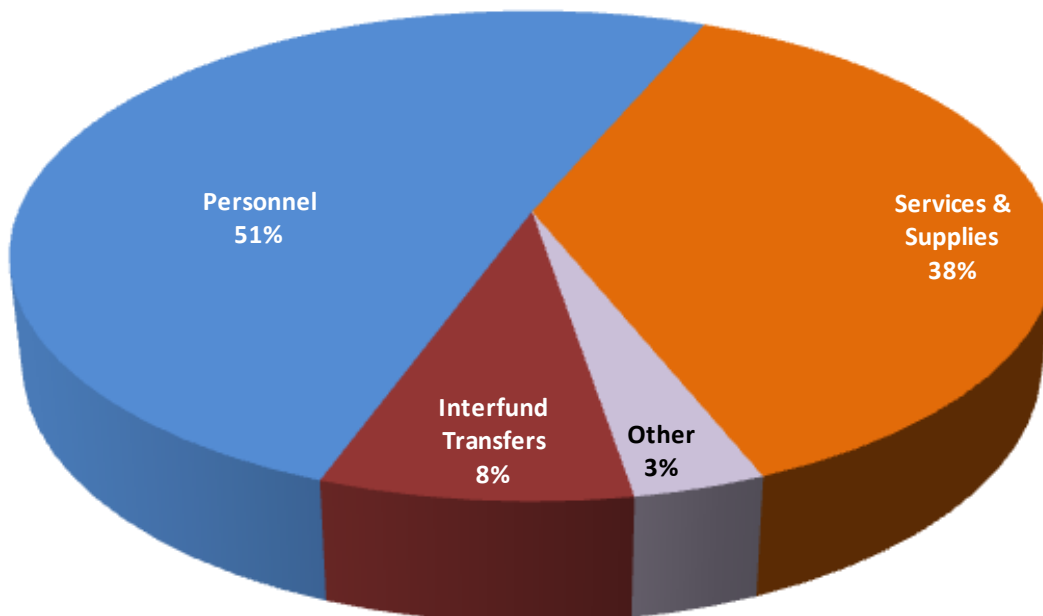
Department of Neighborhoods

Budget Snapshot

Department of Neighborhoods	2010 Actual	2011 Adopted	2012 Endorsed	2012 Adopted
General Fund	\$11,504,709	\$10,166,989	\$10,410,613	\$8,464,055
Other Revenues	\$0	\$0	\$0	\$0
Total Revenues	\$11,504,709	\$10,166,989	\$10,410,613	\$8,464,055
Use of (Contribution to) Fund Balance	\$0	\$0	\$0	\$0
Total Resources	\$11,504,709	\$10,166,989	\$10,410,613	\$8,464,055
Total Expenditures	\$11,504,709	\$10,166,989	\$10,410,613	\$8,464,055
Full-Time Equivalent * Total	86.50	74.75	74.75	40.50

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

2012 Adopted Budget - Expenditure by Category



Department of Neighborhoods

Budget Overview

The City continues to face General Subfund pressures in 2012 and beyond, requiring the City to re-evaluate the ways in which it is organized to deliver services. In 2011, the Mayor initiated a process to determine whether the City could achieve operational efficiencies while still preserving direct services by restructuring the City's organizational structures. This effort involved the following departments: Department of Neighborhoods, the Office of Arts and Cultural Affairs, the Office of Housing, the Office of Economic Development, and to a lesser extent, the Office of Sustainability and Environment and the Department of Planning and Development. Each of these departments plays a pivotal role in creating healthy and economically vibrant communities. The goals of this review process included preserving and potentially expanding direct funding, including community grant awards; streamlining service delivery; and improving operational and management efficiency. The process included participation by the directors of the individual offices, as well as the City Budget Office, the Mayor's Office, and input by the City Council.

The 2012 Adopted Budget includes the following changes: the transfer of the Neighborhood Payment & Information Service Center (NSC) operations to the Department of Finance and Administrative Services (FAS); streamlining the management structure within DON; and the transfer of the staffing for the South Park Action Agenda to the Office of Economic Development (OED). The 2012 Proposed Budget also recommended consolidating the administration of most of the City's community award programs under a new Community Granting Division housed within the Neighborhood Matching Fund (NMF) program; however, Council did not implement this program consolidation.

Community Granting Consolidation

DON, working in conjunction with other City departments, the Mayor's Office, and the City Council, spent much of 2011 exploring options for streamlining the City's community granting functions. The City offers five community granting award programs spread across five departments. These award programs distributed \$6.1 million in community awards in 2011. But, the overhead costs for these programs could be very high, ranging from 13% to 57%. This was not acceptable to the Mayor, and he challenged DON and the City Budget Office to develop a plan to reduce these administrative overhead costs; preserve, and potentially increase, the grant dollars distributed to the community; and create a more customer-friendly, single-point-of-entry approach for community groups seeking financial support from the City.

The 2012 Proposed Budget recommended consolidating the administration of most of these community granting programs into a newly created Community Granting Division in DON. While program expertise and the award funding would have remained in the current 'home' departments, the consolidation would have merged administrative staff and resources from:

- Neighborhood Matching Fund (NMF) community granting program;
- Office of Housing and Economic Development's (HED) *Only in Seattle* grant program;
- Department of Information Technology (DoIT) Technology Matching Fund program; and
- Seattle Public Utility's (SPU) Waste Prevention and Recycling grant program.

Department of Neighborhoods

The consolidation would have allowed the City to realize over \$366,000 in administrative savings, with DON eliminating one position and saving approximately \$122,000, while preserving – and in some cases increasing – the amount of grant dollars available to the public.

However, City Council did not support the merger of these administrative functions as proposed by the Mayor and returned that responsibility back to the departments identified above. Although no formal consolidation will occur, the Council noted that their action does not preclude departments from coordinating future grant activities and identifying administrative efficiencies. In addition, the City Auditor has agreed to work with these departments in 2012 to identify best practices and assess the extent to which it is appropriate and desirable for departments to adopt consistent practices and forms regarding applications, contracts, reporting requirements, reimbursement rules, etc.

DON will continue to look to form functional partnerships with the other City granting units to enable enhanced collaboration and to identify additional improvements that may be possible to the City's grant making processes. This includes working closely with the programs previously identified for consolidation, as well as the Office of Arts and Cultural Affairs and the Seattle Youth Violence Prevention Initiative program. While these granting functions will not be consolidated in 2012, sufficient nexus exists between the programs to warrant focused collaboration in the near term, while the potential for additional integration can be explored in the future. A further discussion of the grant consolidation plans can be found in the NMF section of the budget book.

Neighborhood Payment and Information Service Centers Transfer

In 2011, the Department consolidated the West Seattle Neighborhood Payment and Information Service Center (NSC) into the Delridge NSC to achieve budget savings. The 2012 Adopted Budget co-locates the Delridge NSC within the Southwest Community Center. By using an existing City-owned facility, the Southwest Community Center, instead of relying on leased space, the City can continue providing the important services offered by the NSC, but at a lower cost. These changes provide the City with \$113,000 in staffing savings in 2012 and approximately an additional \$30,000 in savings in 2013. And, the assistance and support that our Neighborhood Service Center provides to West Seattle residents will remain intact at this new location.

In addition, in an effort to align customer service and bill paying functions within one department, this budget also transfers the entire Neighborhood Payment and Information Service Center function from DON to the Office of Constituent Services in the Department of Finance and Administrative Services (FAS). This follows the successful integration of the Customer Service Bureau into FAS in 2010 and allows FAS to continue to offer a streamlined point of contact for the public in terms of accessing City services. The Neighborhood District Coordinators, which will functionally remain as part of the DON budget, will continue to use the Centers as office space for their work in the community under this new operational structure.

Organizational Staffing Changes

Given the challenging financial circumstances of the City's General Subfund, the Department reviewed all programs to find organizational efficiencies that also allow for budget reductions while at the same time preserving direct services. DON's budget achieves savings by significantly changing the management structure through the abrogation of two Executive level manager positions. The Deputy position

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was previously in charge of internal operations, including finance/accounting, human resources/personnel, information technology, and the Neighborhood Payment & Information Service Center program, while the Director of Planning and Community Building position had historically provided oversight for the NMF program, P-Patch Program, Neighborhood Planning, and the District Coordinator Programs. With these staffing changes, a new management model will shift the workload among the remaining management staff and all management staff will directly report to the Department Director. These changes streamline the management structure, reduce the budget, and still maintain DON's core programs.

Changes that largely maintain direct service programs without full elimination of positions were also executed when possible. As such, the Historic Preservation program staffing levels are incrementally reduced. The 2012 Proposed Budget also recommended slightly reducing staffing for the P-Patch program; however, Council restored funding for this program. Beyond the NSC program transfer, another example of operational change and program alignment comes with the transfer of the staffing of the South Park Action Agenda from DON to OED. Though this change does not produce budget savings, it enhances alignment with the existing work of OED. The Action Agenda is a community-driven partnership between the City and the South Park neighborhood to comprehensively improve the quality of life through neighborhood infrastructure, business development, and public safety enhancements. At this time, about 80% of the improvements identified in the Action Agenda are either underway or completed. With the closure of the South Park Bridge there is a heightened need for focused economic development which will be supported by the position transfer.

Department of Neighborhoods

Incremental Budget Changes

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	2012 Dollar Amount	2012 FTE
2012 Endorsed Budget	\$10,410,613	74.75
2012 Proposed Changes		
Management Efficiency Reductions	(\$144,285)	(2.00)
Program Efficiency Reductions	(\$197,199)	(1.50)
Neighborhood Service Center Operational Efficiencies	(\$113,000)	(1.00)
Neighborhood Service Center Transfer to FAS	(\$1,802,883)	(17.50)
SYVPI Staffing Change	\$95,000	1.00
Technical Adjustments	\$174,577	(13.50)
Total Changes	(\$1,987,790)	(34.50)
2012 Proposed Budget	\$8,422,823	40.25
Council Adjustments to Proposed Budget		
Restore P-Patch Community Garden Program Reductions	\$49,000	0.25
Adjust Employer Contribution Rate to SCERS	(\$7,768)	0.00
Total Adjustments	\$41,232	0.25
2012 Adopted Budget	\$8,464,055	40.50

Management Efficiency Reductions - (\$144,285) / (2.0) FTE. As part of the 2011 Adopted Budget process, DON was directed to identify management efficiencies for implementation in 2012. In response, DON is eliminating two senior management positions, the Deputy Director and the Director of Planning and Community Building. A \$100,000 budget reduction for management was already built into the 2012 Endorsed Budget, so the incremental change over this amount is \$144,285. The Deputy Director position funding was fully included within DON's budget. However, funding for Director of Planning and Community was split between DON (60%) and NMF (40%). The savings shown here reflect DON's 60% share of the position cost.

Program Efficiency Reductions - (\$197,199) / (1.5) FTE. In response to a challenging fiscal environment and constrained resources, this budget proposes to strategically reduce staffing resources in such a way that core programs are sustained. The reductions proposed include the abrogation of a vacant 1.0 FTE Neighborhood District Coordinator and the reduction of a 1.0 FTE Community Development Specialist, Senior to 0.75 FTE within the Landmarks Preservation Board. To accommodate these staffing reductions, program managers are reassigning workloads and staff must prioritize and triage work that most affects the public. In addition, reductions to various non-personnel line items are made in order to increase savings. The Proposed Budget also included the reduction of a 1.0 FTE Garden Coordinator to 0.75 FTE within the P-Patch Community Garden program. Remaining P-Patch

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staff would have reduced their work hours in the summer months, when the work load is slowest. The Council restored funding for the P-Patch staff (this change is included in the Council Changes section below).

Neighborhood Service Center Operational Efficiencies - (\$113,000) / (1.0) FTE. As part of mid-year budget challenges in 2011, DON consolidated the West Seattle and Delridge Neighborhood Service Centers in 2011 and eliminated two 0.5 FTE Customer Service Representatives. In 2012, these staffing reductions are implemented and further efficiencies are made by relocating the Delridge NSC to City-owned space in the Southwest Community Center. These changes provide the City with \$113,000 in savings in 2012 and additional \$30,000 in savings in 2013.

Neighborhood Service Center Transfer to FAS - (\$1,802,883) / (17.5) FTE. To better align similar City services within the same department, the entire Neighborhood Service Center program is transferred to the Department of Finance and Administrative Services. This transfer will allow for centralized customer service delivery within FAS and will create a single point of contact for the public within the Office of Constituent Services.

SYVPI Staffing Change - \$95,000 / 1.0 FTE. Office for Education (OFE) staff has been providing administrative assistance to Seattle Youth Violence Prevention Initiative (SYVPI) since its inception in 2009. With the passage of the 2011 Families & Education Levy in November 2011, Levy funding increases significantly from the 2004 Levy and existing OFE Levy staff no longer have the administrative capacity to support SYVPI. This 1.0 FTE Administrative Staff Assistant position will support the SYVPI Director by preparing and managing approximately 18 annual contracts and providing administrative support with meeting scheduling, preparing for SYVPI public events, updating Web pages, working on the annual community matching award selection and award processes, and other items. Providing this necessary ongoing administrative support will enable the SYVPI Director to directly focus on managing and implementing SYVPI programs.

Technical Changes - \$174,577 / (13.5) FTE. Technical adjustments in the 2012 Adopted Budget include departmental and citywide non-programmatic adjustments that do not represent fundamental changes to the department's service delivery. Departmental technical adjustments include adjusting the allocation of central costs between Budget Control Levels and between NMF and OFE to align the budget for expenditures with actual spending patterns. Citywide technical adjustments reflect changes in central cost allocations, retirement, health care, workers' compensation, and unemployment costs. In addition, previously, the positions funded by the current Educational and Developmental Services Levy (Families and Education Levy) and the Neighborhood Matching Subfund resided within separate Department of Neighborhoods Budget Control Levels. To align the staff with the budget, a transfer of all the positions within these departments is being made to improve internal oversight. This budget shows a transfer of 5.0 FTE to the Neighborhood Matching Subfund and 6.5 FTE to the Educational and Developmental Services Levy. This budget also includes a transfer of 1.0 FTE to HED to staff the South Park Action Agenda and reflects the position authority reduction of a vacant 1.0 FTE in the NMF Program, which is detailed in the NMF budget chapter. Similarly, a transfer of \$157,000 from NMF and into DON is being made to reflect the alignment of funding for the Seattle Youth Violence Prevention Initiative (SYVPI) grant awards. This change in budgeting was first implemented in the 2011 First Quarter Supplemental ordinance.

City Council Changes to the 2012 Proposed Budget

Restore P-Patch Community Garden Program Reductions - \$49,000 / 0.25 FTE. City Council restores \$19,000 and FTE authority for the reduction of 0.25 FTE back to a 1.0 FTE Garden Coordinator, restores \$18,000 to allow for full staffing of the program year-round, rather than reducing staffing during the summertime, and restores \$12,000 funding for non-personnel costs within the P-Patch Community Garden program.

Adjust Employer Contribution Rate to SCERS - (\$7,767). The Council made an adjustment to the employer contribution rate for the Seattle City Employees' Retirement System (SCERS), lowering it from 11.27% of regular payroll in the 2012 Proposed Budget to the updated rate of 11.01%. This change is driven by action taken in October 2011 by the SCERS Board of Administration to adjust the interest rate paid on new contributions after January 1, 2012.

Reverse Centralization of Community Granting Administration. City Council did not include the changes proposed by the Mayor for the centralization of the City's Community Granting Program Administration. The position and funding changes may be reviewed under the Neighborhood Matching Subfund budget book pages. While the Council did not adopt this program change, they did sustain the staffing transfer from OED to NMF as it was proposed; however, this position will no longer support OED's 'Only In Seattle' Initiative, rather it will focus on supporting NMF grant program administration and implementation.

City Council Provisos

There are no Council provisos.

Department of Neighborhoods

Expenditure Overview

	Summit	2010	2011	2012	2012
Appropriations	Code	Actuals	Adopted	Endorsed	Adopted
Community Building Budget Control Level					
Major Institutions and Schools		203,238	198,822	208,624	207,001
Neighborhood District Coordinators		2,289,670	1,334,875	1,408,909	1,213,049
Neighborhood Matching Fund Administration		0	0	0	0
Neighborhood Planning		0	244,001	250,578	252,311
P-Patch Community Gardens		641,638	650,752	686,591	669,071
South Park Action Agenda		0	141,186	144,944	50,747
Community Building Budget Control Level	I3300	3,134,546	2,569,636	2,699,647	2,392,178
Customer Service Bureau Budget Control Level	I3800	562,259	0	0	0
Director's Office Budget Control Level					
Communications		141,291	139,550	142,453	151,572
Executive Leadership		298,203	215,697	201,346	297,809
Historic Preservation		833,462	742,403	777,203	742,611
Director's Office Budget Control Level	I3100	1,272,956	1,097,650	1,121,003	1,191,992
Internal Operations Budget Control Level					
Internal Operations/Administrative Services		1,485,771	1,499,384	1,507,388	1,503,807
Neighborhood Payment and Information Services		1,753,477	1,895,363	1,960,579	0
Internal Operations Budget Control Level	I3200	3,239,248	3,394,747	3,467,967	1,503,807
Youth Violence Prevention Budget Control Level	I4100	3,295,699	3,104,955	3,121,996	3,376,079
Department Total		11,504,709	10,166,989	10,410,613	8,464,055

Department Full-time Equivalents Total* **80.00** **68.25** **68.25** **40.50**

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

Appropriations by Budget Control Level (BCL) and Program

Community Building Budget Control Level

The purpose of the Community Building Budget Control Level is to deliver technical assistance, support services, and programs in neighborhoods to strengthen local communities, engage residents in neighborhood improvement, leverage resources, and complete neighborhood-initiated projects.

Program Expenditures	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Major Institutions and Schools	203,238	198,822	208,624	207,001
Neighborhood District Coordinators	2,289,670	1,334,875	1,408,909	1,213,049
Neighborhood Matching Fund Administration	0	0	0	0
Neighborhood Planning	0	244,001	250,578	252,311
P-Patch Community Gardens	641,638	650,752	686,591	669,071
South Park Action Agenda	0	141,186	144,944	50,747
Total	3,134,546	2,569,636	2,699,647	2,392,178
Full-time Equivalents Total *	35.00	29.50	29.50	21.50

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

Major Institutions and Schools

The purpose of the Major Institutions and Schools Program is to coordinate community involvement in the development, adoption, and implementation of Major Institution Master Plans, and to facilitate community involvement in school re-use and development.

Expenditures/FTE	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Major Institutions and Schools	203,238	198,822	208,624	207,001
Full-time Equivalents Total	1.50	1.50	1.50	1.50

Neighborhood District Coordinators

The purpose of the Neighborhood District Coordinators Program is to provide a range of technical assistance and support services for residents and neighborhood groups to develop a sense of partnership among neighborhood residents, businesses, and City government.

Expenditures/FTE	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Neighborhood District Coordinators	2,289,670	1,334,875	1,408,909	1,213,049
Full-time Equivalents Total	19.50	12.50	12.50	11.50

Department of Neighborhoods

Appropriations by Budget Control Level (BCL) and Program

Neighborhood Matching Fund Administration Program

The purpose of the Neighborhood Matching Fund (NMF) Administration Program is to manage the NMF, work with other City departments and agencies involved in NMF projects, and support diverse neighborhood groups engaged in local improvement efforts to leverage private resources, assist neighborhood organizations to become more self-reliant, build effective partnerships between City government and neighborhoods, and complete neighborhood-initiated improvements. Costs for NMF administration are included in the NMF budget, although position authority is displayed here for Department of Neighborhoods' staff who administer the NMF program.

	2010	2011	2012	2012
Expenditures/FTE	Actuals	Adopted	Endorsed	Adopted
Neighborhood Matching Fund Administration	0	0	0	0
Full-time Equivalents Total	7.00	6.00	6.00	0.00

Neighborhood Planning Program

The purpose of the Neighborhood Planning Program is to lead the inclusive outreach and engagement activities of Neighborhood Planning efforts across the city by working with communities to revise Neighborhood Plans to reflect changes and opportunities presented by new development and major transportation investments, including Light Rail.

	2010	2011	2012	2012
Expenditures/FTE	Actuals	Adopted	Endorsed	Adopted
Neighborhood Planning	0	244,001	250,578	252,311
Full-time Equivalents Total	0.00	1.50	1.50	1.50

P-Patch Community Gardens Program

The purpose of the P-Patch Community Gardens Program is to provide community gardens, gardening space, and related support to Seattle residents while preserving open space for productive purposes, particularly in high-density communities. The goals of the program are to increase self-reliance among gardeners, and for P-Patch Community Gardens to be focal points for community involvement.

	2010	2011	2012	2012
Expenditures/FTE	Actuals	Adopted	Endorsed	Adopted
P-Patch Community Gardens	641,638	650,752	686,591	669,071
Full-time Equivalents Total	7.00	7.00	7.00	7.00

Department of Neighborhoods

Appropriations by Budget Control Level (BCL) and Program

South Park Action Agenda Program

Prior to the development of the 2012 Budget, the purpose of the South Park Action Agenda Program was to manage the City's community-driven partnership with the South Park neighborhood to achieve targeted environmental, public safety, transportation, economic development, and youth and family service improvements. The function of overseeing the implementation of the Action Agenda is transferred from DON to the Office of Economic Development so that this program's purpose changes to solely support the operation of the South Park Information and Referral Service Center (SPIARC).

	2010	2011	2012	2012
Expenditures/FTE	Actuals	Adopted	Endorsed	Adopted
South Park Action Agenda	0	141,186	144,944	50,747
Full-time Equivalents Total	0.00	1.00	1.00	0.00

Customer Service Bureau Budget Control Level

The purpose of the Customer Service Bureau is to assist Seattle residents in accessing services, to resolve complaints, and to provide appropriate and timely responses from City government.

	2010	2011	2012	2012
Expenditures/FTE	Actuals	Adopted	Endorsed	Adopted
Customer Service Bureau	562,259	0	0	0
Full-time Equivalents Total*	6.25	0.00	0.00	0.00

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

Director's Office Budget Control Level

The purpose of the Director's Office Budget Control Level is to provide executive leadership, communications, and operational support for the entire department.

Program Expenditures	2010	2011	2012	2012
	Actuals	Adopted	Endorsed	Adopted
Communications	141,291	139,550	142,453	151,572
Executive Leadership	298,203	215,697	201,346	297,809
Historic Preservation	833,462	742,403	777,203	742,611
Total	1,272,956	1,097,650	1,121,003	1,191,992
Full-time Equivalents Total *	10.25	10.25	10.25	10.00

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

Department of Neighborhoods

Appropriations by Budget Control Level (BCL) and Program

Communications Program

The purpose of the Communications Program is to provide printed and electronic information on programs and services offered by the Department, as well as to publicize other opportunities to increase civic participation.

	2010	2011	2012	2012
Expenditures/FTE	Actuals	Adopted	Endorsed	Adopted
Communications	141,291	139,550	142,453	151,572
Full-time Equivalents Total	1.00	1.00	1.00	1.00

Executive Leadership Program

The purpose of the Executive Leadership Program is to provide leadership in fulfilling the Department's mission, and to facilitate the Department's communication and interaction with other City departments, external agencies, elected officials, and the public.

	2010	2011	2012	2012
Expenditures/FTE	Actuals	Adopted	Endorsed	Adopted
Executive Leadership	298,203	215,697	201,346	297,809
Full-time Equivalents Total	2.00	2.00	2.00	2.00

Historic Preservation Program

The purpose of the Historic Preservation Program is to provide technical assistance, outreach, and education to the general public, owners of historic properties, government agencies, and elected officials to identify, protect, rehabilitate, and re-use historic properties.

	2010	2011	2012	2012
Expenditures/FTE	Actuals	Adopted	Endorsed	Adopted
Historic Preservation	833,462	742,403	777,203	742,611
Full-time Equivalents Total	7.25	7.25	7.25	7.00

Appropriations by Budget Control Level (BCL) and Program

Internal Operations Budget Control Level

The purpose of the Internal Operations Budget Control Level is to provide financial, human resources, facilities, office management, and information technology services to the Department's employees to serve customers efficiently and effectively.

Program Expenditures	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Internal Operations/Administrative Services	1,485,771	1,499,384	1,507,388	1,503,807
Neighborhood Payment and Information Services	1,753,477	1,895,363	1,960,579	0
Total	3,239,248	3,394,747	3,467,967	1,503,807
Full-time Equivalents Total *	27.50	27.50	27.50	7.00

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

Internal Operations/Administrative Services Program

The purpose of the Internal Operations/Administrative Services Program is to manage financial, human resources, facility, administrative, and information technology services to enable Department employees to serve customers efficiently and effectively.

Expenditures/FTE	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Internal Operations/Administrative Services	1,485,771	1,499,384	1,507,388	1,503,807
Full-time Equivalents Total	10.00	10.00	10.00	7.00

Neighborhood Payment and Information Services Program

The purpose of the Neighborhood Payment and Information Services Program is to accept payment for public services and to provide information and referral services so that customers can access City services where they live and work, and do business with the City more easily.

Expenditures/FTE	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Neighborhood Payment and Information Services	1,753,477	1,895,363	1,960,579	0
Full-time Equivalents Total	17.50	17.50	17.50	0.00

Department of Neighborhoods

Appropriations by Budget Control Level (BCL) and Program

Youth Violence Prevention Budget Control Level

The purpose of the Youth Violence Prevention Budget Control Level is to reduce juvenile violent crimes.

	2010	2011	2012	2012
Expenditures/FTE	Actuals	Adopted	Endorsed	Adopted
Youth Violence Prevention	3,295,699	3,104,955	3,121,996	3,376,079
Full-time Equivalents Total*	1.00	1.00	1.00	2.00

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

Pike Place Market Levy

Ben Franz-Knight, Executive Director

Pike Place Market Preservation and Developmental Authority

PDA Information Line: (206) 682-7453

<http://www.pikeplacemarket.org/>

Pike Place Market Levy by Budget Control Level



Pike Place Market Levy by Budget Control Level

The Pike Place Market Levy, approved by voters in November 2008, collects up to \$73 million in additional property taxes over six years for major repairs, infrastructure, and accessibility upgrades to buildings owned by the Pike Place Market Preservation and Development Authority (PDA). The PDA is a nonprofit, public corporation chartered by the City of Seattle. As part of its mission, the PDA is required to preserve, rehabilitate, and protect the Market's buildings.

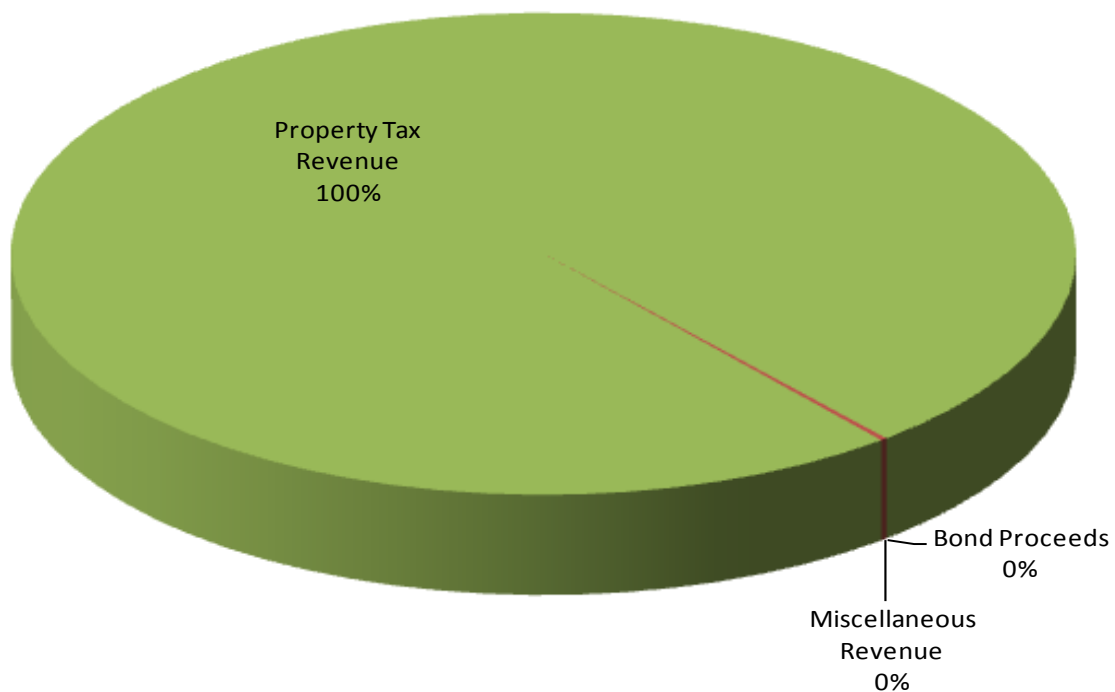
The PDA manages the renovation project. The City receives levy proceeds in the Pike Place Market Renovation Fund established through Ordinance 122737 and provides cash to finance the project according to the PDA's construction schedule, including issuing limited-tax general obligation bonds to meet cash flow needs. The City collects \$12.5 million per year in levy proceeds through 2013, and up to \$10.5 million in 2014.

Pike Place Market Levy

Budget Snapshot

Pike Place Market Levy	2010 Actual	2011 Adopted	2012 Endorsed	2012 Adopted
General Fund	\$0	\$0	\$0	\$0
Other Revenues	\$17,180,148	\$23,174,691	\$16,877,000	\$12,476,000
Total Revenues	\$17,180,148	\$23,174,691	\$16,877,000	\$12,476,000
Use of (Contribution to) Fund Balance	\$9,211,727	(\$2,514,260)	(\$12,721,436)	(\$8,374,250)
Total Resources	\$26,391,875	\$20,660,431	\$4,155,564	\$4,101,750
Total Expenditures	\$26,391,877	\$20,660,431	\$4,155,564	\$4,101,750

2012 Adopted Budget - Revenues By Category



Budget Overview

The Pike Place Market Preservation and Development Authority (PDA) has spent approximately \$50.5 million of the \$68.6 million of levy funds allocated to the renovation. The project is 74% complete and is within budget and on schedule. The renovation has meant new jobs, employing an estimated 250 workers annually in a variety of trades and industries.

The City issued \$11 million of debt in 2011 to meet the project's cash flow needs with no additional bonds to be issued for this project. Debt service on these bonds is paid from levy proceeds. Levy funds will continue to be collected through 2014.

The PDA completed Phase I of the Levy renovation project, which included infrastructure upgrades to the Hillclimb, Leland, and Fairly buildings in June 2010. The PDA substantially completed construction on Phase II, which included major infrastructure repairs and seismic updates to the Corner, Sanitary, Triangle, and First and Pine buildings in July 2011. For 2012, construction on Phase III, which includes renovations to the Economy, Soames Dunn, and Steward buildings, began in August 2011 and will be completed by October 2012.

Pike Place Market Levy

Incremental Budget Changes

Pike Place Market Levy

	2012 Dollar Amount	2012 FTE
2012 Endorsed Budget	\$4,155,564	0.0
2012 Proposed Changes		
Technical Adjustments	(\$53,814)	0.0
Total Changes	(\$53,814)	0.0
2012 Proposed Budget	\$4,101,750	0.0
Council Adjustments to Proposed Budget	\$0	0.0
2012 Adopted Budget	\$4,101,750	0.0

Technical Adjustments - (\$53,814). Technical adjustments in the 2012 Adopted Budget reduce the appropriation for debt service in 2012 due to the City using its cash pool, rather than borrowing externally, to meet the PDA's cash flow needs to complete Phase III of the Pike Place Market Renovation project.

City Council Changes to the 2012 Proposed Budget

The City Council did not make any changes to the 2012 Proposed Budget for the Pike Place Market Levy.

City Council Proviso

There are no Council provisos.

Pike Place Market Levy

Expenditure Overview

	Summit	2010	2011	2012	2012
Appropriations	Code	Actuals	Adopted	Endorsed	Adopted
Pike Place Market Renovation Budget Control Level					
Bond Proceeds		5,299,513	10,681,691	0	0
Levy Proceeds		18,525,677	6,086,309	0	0
Pike Place Market Renovation Budget Control Level	PKLVYBC L-01	23,825,190	16,768,000	0	0
Pike Place Market Renovation Debt Service Budget Control Level	PKLVYBC L-02	2,566,687	3,892,431	4,155,564	4,101,750
Department Total		26,391,877	20,660,431	4,155,564	4,101,750

Revenue Overview

2012 Estimated Revenues for the Pike Place Levy (11010)

Summit		2010	2011	2012	2012
Code	Source	Actuals	Adopted	Endorsed	Adopted
587355	Pike Place Market Renovation Bond Funds	4,799,596	10,681,691	4,369,000	0
Total Bond Proceeds		4,799,596	10,681,691	4,369,000	0
461110	Inv Earnings - Residual Cash	43,242	(7,000)	8,000	(24,000)
461320	Unreald Gns/Losses-Inv GASB 31	(33,903)	0	0	0
Total Miscellaneous Revenue		9,339	(7,000)	8,000	(24,000)
411100	Real & Personal Property Taxes	12,371,213	12,500,000	12,500,000	12,500,000
Total Property Tax Revenue		12,371,213	12,500,000	12,500,000	12,500,000
Total Revenues		17,180,148	23,174,691	16,877,000	12,476,000
379100	Use of (Contribution To) Fund Balance	9,211,727	(2,514,260)	(12,721,436)	(8,374,250)
Total Use of Fund Balance		9,211,727	(2,514,260)	(12,721,436)	(8,374,250)
Total Resources		26,391,875	20,660,431	4,155,564	4,101,750

Pike Place Market Levy

Appropriations by Budget Control Level (BCL) and Program

Pike Place Market Renovation Budget Control Level

The purpose of the Pike Place Market Renovation Budget Control Level is to provide appropriation authority for the City's disbursement of funds to the Pike Place Market Preservation and Development Authority (PDA) in compliance with the "Agreement regarding Levy Proceeds by and between the City of Seattle and the Pike Place Market Preservation and Development Authority" related to renovation and improvements to the Pike Place Market.

Program Expenditures	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Bond Proceeds	5,299,513	10,681,691	0	0
Levy Proceeds	18,525,677	6,086,309	0	0
Total	23,825,190	16,768,000	0	0

Bond Proceeds Program

The purpose of the Bond Proceeds Program is to allow spending of bond proceeds and bond interest earnings to be tracked separately from spending of other revenues in the Pike Place Market Renovation Fund.

Expenditures	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Bond Proceeds	5,299,513	10,681,691	0	0

Levy Proceeds Program

The purpose of the Levy Proceeds Program is to allow spending of levy proceeds and levy interest earnings to be tracked separately from bond proceeds in the Pike Place Market Renovation Fund.

Expenditures	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Levy Proceeds	18,525,677	6,086,309	0	0

Pike Place Market Renovation Debt Service Budget Control Level

The purpose of the Pike Place Market Renovation Debt Service Budget Control Level is to provide appropriation authority for the City's payment of debt service for debt issued in support of the Pike Place Market Renovation funded by levy proceeds.

Expenditures	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Pike Place Market Renovation Debt Service Program	2,566,687	3,892,431	4,155,564	4,101,750

Pike Place Market Levy

Fund Table

Pike Place Levy (11010)

	2010 Actuals	2011 Adopted	2011 Revised	2012 Endorsed	2012 Adopted
Beginning Fund Balance	7,198,388	(12,977,026)	(2,013,514)	(10,462,766)	500,746
Accounting and Technical Adjustments	(173)	0	0	0	0
Plus: Actual and Estimated Revenue	17,180,148	23,174,691	23,174,691	16,877,000	12,476,000
Less: Actual and Budgeted Expenditures	26,391,877	20,660,431	20,660,431	4,155,564	4,101,750
Ending Fund Balance	(2,013,514)	(10,462,766)	500,746	2,258,670	8,874,996
Reserve for Pike Place Market Renovations	0	0	0	0	8,874,996
Total Reserves	0	0	0	0	8,874,996
Ending Unreserved Fund Balance	(2,013,514)	(10,462,766)	500,746	2,258,670	0

Department of Planning and Development

Diane Sugimura, Director

Information Line: (206) 684-8600

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

Department by Budget Control Level



Department Overview

The Department of Planning and Development (DPD) is responsible for both regulatory and long-range planning functions. On the regulatory side, DPD is responsible for developing policies and codes related to public safety, environmental protection, land use, construction, and rental housing, including:

- Environmentally Critical Areas Ordinance (ECA);
- Housing and Building Maintenance Code;
- Just Cause Eviction Ordinance;
- Seattle Building and Residential Codes;
- Seattle Condominium and Cooperative Conversion Ordinances;
- Seattle Electrical Code;
- Seattle Energy Code;

Department of Planning and Development

- Seattle Grading Code;
- Seattle Land Use Code;
- Seattle Mechanical Code;
- Seattle Noise Ordinance;
- Seattle Shoreline Master Program;
- Seattle Tenant Relocation Assistance Ordinance;
- Seattle Tree Protection Ordinance;
- State Environmental Policy Act (SEPA); and
- Stormwater Code.

DPD reviews land use and construction-related permits, annually approving more than 29,000 permits and performing approximately 106,000 on-site inspections. The work includes public notice and involvement for Master Use Permits (MUPs); shoreline review; design review; approval of permits for construction, mechanical systems, site development, elevators, electrical installation, boilers, furnaces, refrigeration, signs and billboards; annual inspections of boilers and elevators; and home seismic retrofits.

DPD enforces compliance with community standards for housing, zoning, shorelines, tenant relocation assistance, just cause eviction, vacant buildings, noise, and development-related violation complaints, responding to nearly 7,300 complaints annually.

Long-range physical planning functions are also included in DPD's mission. These planning functions include monitoring and updating the City's Comprehensive Plan, evaluating regional growth management policy, updating the City's Land Use Code, developing sub-area and functional plans, implementing the Comprehensive Plan and neighborhood plans, fostering urban design excellence throughout the city and particularly in Seattle's public spaces, encouraging sustainable development via the City Green Building Team, and staffing the Planning and Design Commissions.

DPD services are funded by a variety of fees and from General Subfund resources. DPD must demonstrate that its fees are set to recover no more than the cost of related services. To provide this accountability, DPD uses cost accounting to measure the full cost of its programs. Each program is allocated a share of departmental administration and other overhead costs to report the full cost and calculate the revenue requirements of the program.

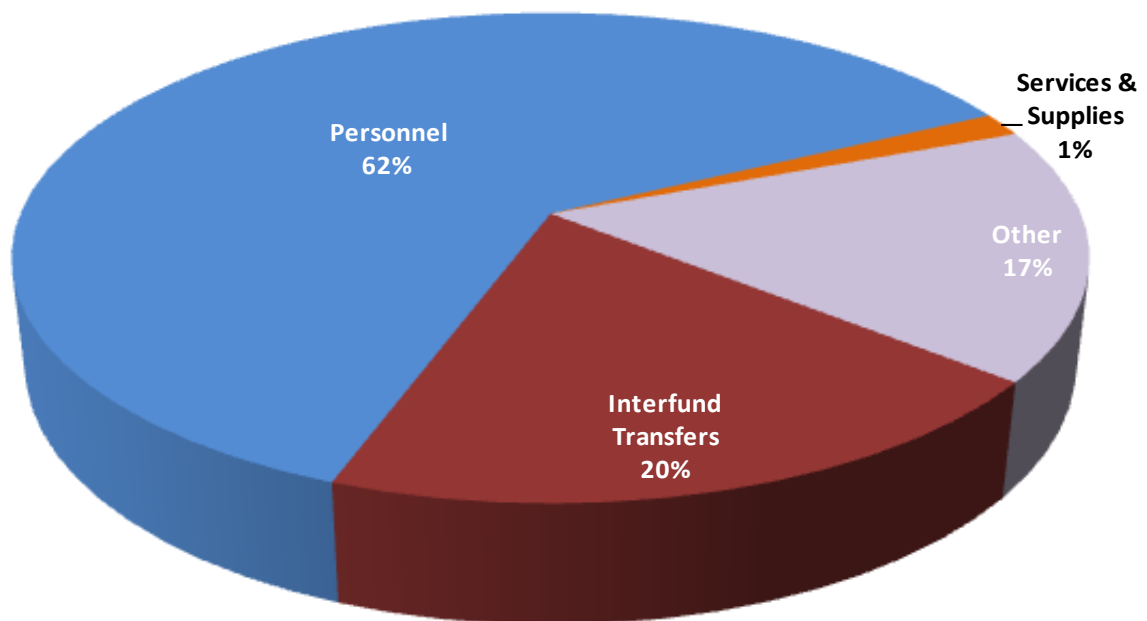
Department of Planning and Development

Budget Snapshot

Department of Planning & Development	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
General Fund	\$9,727,579	\$9,120,445	\$9,300,870	\$9,195,693
Other Revenues	\$31,279,789	\$40,426,307	\$42,182,704	\$42,549,463
Total Revenues	\$41,007,368	\$49,546,752	\$51,483,574	\$51,745,156
Use of (Contribution to) Fund Balance	\$6,817,738	\$730,688	(\$437,385)	(\$652,234)
Total Resources	\$47,825,106	\$50,277,440	\$51,046,189	\$51,092,922
Total Expenditures	\$47,825,106	\$50,277,443	\$51,046,192	\$51,092,922
Full-Time Equivalent * Total	409.00	398.01	398.01	393.26

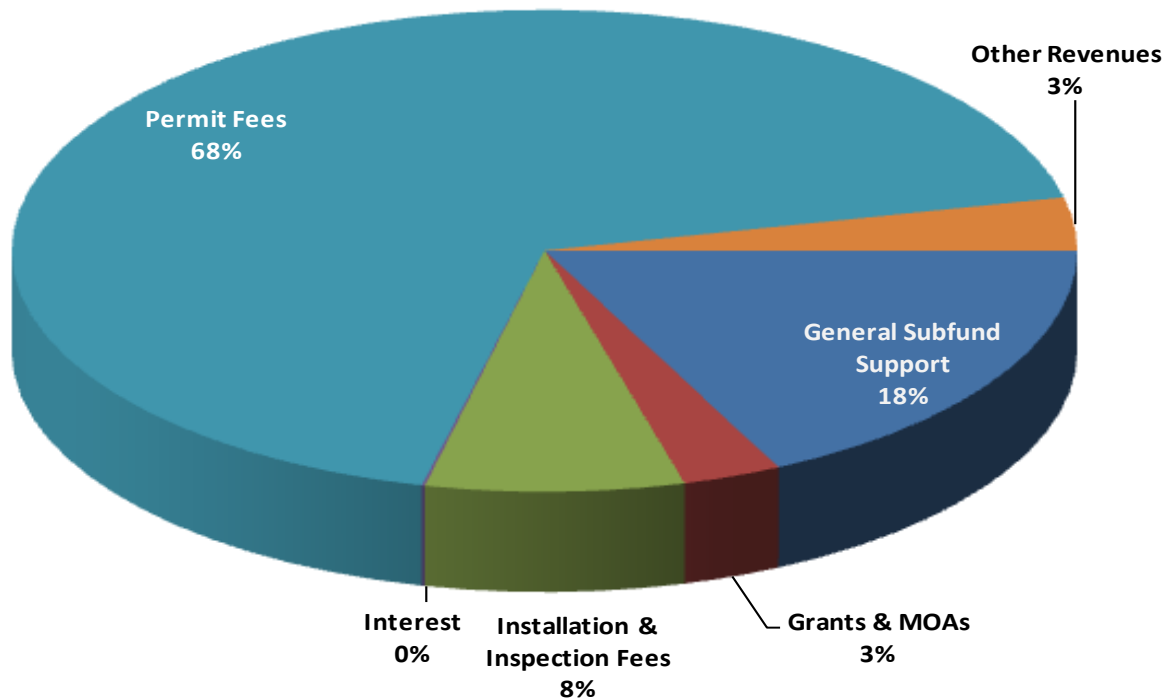
**FTE totals are provided for informational purposes only. Changes in FTEs resulting from City Council or Personnel Director actions outside of the budget process may not be detailed here.*

2012 Adopted Budget - Expenditure by Category



Department of Planning and Development

2012 Adopted Budget - Revenues By Category



Budget Overview

The Department of Planning and Development (DPD) is supported by a variety of construction and compliance-related fees, and from General Subfund resources. The recession, both regionally and nationally, has had a significant impact on construction-related activity, which is the Department's primary revenue source. As a result, DPD has implemented significant budget reductions over the past several years to bring expenses in line with revenues. For example, the 2011 Adopted Budget responded to the slowing in regional construction activity and reduced expenditures by eliminating discretionary costs, and abrogating or unfunding 39 regular positions and nearly all term-limited and contingent positions that were added to address peak construction volumes in prior years.

In developing the 2012 Adopted Budget, DPD continued to realign spending with anticipated levels of development fee revenues. In doing so, DPD was able to implement a number of strategic staff reallocations and administrative reductions that will have a minimal impact on direct services.

General Fund budget pressures in 2012 and future years also require that DPD make budget reductions. In response, DPD reviewed all General Fund supported program areas and strategically realigned several functions to implement internal efficiencies with the goal of preserving direct services. Despite these significant fiscal challenges, DPD's 2012 Adopted Budget maintains funding for the Department to continue to meet its regulatory responsibilities, and continues to fund specific planning-related work established in the Planning Division's workplan.

Department of Planning and Development

Revenue Recovery

The regional economy is slowly, but steadily, recovering, and the rate of building development growth in the Puget Sound region is significantly stronger than the national rate. An especially bright spot locally is in the apartment market. Apartment vacancy rates have fallen and rents are beginning to rise, spurring construction for increasingly large apartment building projects. For DPD, this growth translates into increased building permit revenues.

While still below historical peak levels, permit revenues are projected to continue to grow for the remainder of 2011 and into 2012. In 2009, permit revenues reached a low point with building permit revenues totaling \$12.7 million, down from a peak of \$29.2 million in 2007. Since then, revenues have been recovering, with building revenues growing by 18%, to \$15.1 million, in 2010, and are expected to generate a total of \$17.7 million in 2011. The stabilization of building fee revenues has allowed the Department to maintain a 2012 Adopted Budget that generally continues the 2011 Adopted Budget levels of staffing and service delivery. The 2012 Adopted Budget is developed in accordance with DPD's forecast of 2012 revenues and will be adjusted if needed during 2012.

Strategic Use of Resources

The 2012 Adopted Budget reflects DPD's continued effort to prioritize direct and front-line services. By strategically reallocating staff resources from General Fund-supported program areas into fee-backed functions with greater demand, reducing non-labor expenditures, and prioritizing work plans, the Department is able to maintain, and in some cases restore, staffing and funding for essential services while simultaneously reducing expenditures.

Prior year staff reductions reduced DPD's capacity to provide optimal service delivery to applicants, other customers, and the general public. Examples of the impact on service levels have included longer waits for intake appointments, delays in processing applications, and longer plan and permit review times. DPD has developed a strategy to mitigate these effects in 2012 and beyond. Intake appointment wait times have decreased from nine weeks in the spring of 2011 to the current timeline of two weeks. This was accomplished by reassigning staff resources, approving overtime, hiring temporary staff, and changing how DPD processes certain permits.

In response to a challenging fiscal environment and constrained resources, DPD examined opportunities to change the way it does business and found efficiencies that streamline operations. The 2012 Adopted Budget consolidates the policy development elements of DPD's City Green Building (CGB) Team within the Office of Sustainability and Environment (OSE), and transfers three existing staff from DPD's Planning Services Program (General Fund, permit fee, and utility-funded positions) to fee-supported Operations functions. DPD and OSE will work together in 2012 to evaluate opportunities to move OSE into DPD office space to build on the collaborative efforts already underway. By consolidating the policy development elements of DPD's CGB Team within OSE, OSE will maintain and expand its role in developing and coordinating sustainability policy for the City of Seattle and staff working in overlapping areas will be better aligned.

The 2012 Adopted Budget provides additional funding to provide Green Permitting facilitation services for building projects that meet an advanced level of sustainability. Prioritizing plan review and permit

Department of Planning and Development

processing for green development incentivizes compliance with green building standards and energy reduction goals. This in turn creates both direct and indirect jobs relating to the manufacture, transport, and installation of the equipment and materials that are necessary to achieve green building standards. In support of these goals, the City of Seattle maintains its status as a founding member of the Seattle 2030 District, a program to create a high-performance building district in downtown Seattle with the goal of achieving dramatic savings in energy use, climate-changing emissions, and water use. In addition, the City has adopted the Living Building Pilot Program, which establishes design standards for environmentally sound and self-sustaining development. Both of these programs create critical jobs in green design, engineering, and construction. For example, Seattle's first Living Building Pilot Program, the Bullitt Foundation's Cascadia Center, is projected to create 94 construction jobs and 141 direct permanent jobs.

The 2012 Adopted Budget reflects the City's priority to maintain a safe and livable community. Additional funding is provided in 2012 for a new seismic retrofit program that requires retrofits for unreinforced masonry (URM) buildings to mitigate potential losses resulting from earthquakes. One-time funding will be used in 2012 to increase existing staff hours and professional service funds. Previous studies have determined that Seattle has over 800 unreinforced masonry buildings. The objective of the program is to reduce the risk of collapse of these URMs without inadvertently encouraging demolition or vacation of the affected buildings. Once the program is implemented, Seattle will be the first U.S. city outside of California to define and mandate retrofits requirements of URMs.

Department of Planning and Development

Incremental Budget Changes

Department of Planning and Development

	2012 Dollar Amount	2012 FTE
2012 Endorsed Budget	\$51,046,192	398.01
2012 Proposed Changes		
Position Changes	(\$163,148)	(1.00)
Restoration of Funding for Core Services	\$87,250	0.00
Shoreline Master Plan Adjustments	(\$14,000)	0.0
Non-Labor Reductions	(\$216,478)	0.0
Transfer of City Green Building Team to Office of Sustainability and Environment	(\$504,878)	(3.75)
Green Permitting Facilitation	\$51,057	0.00
Unreinforced Masonry Building Program Enhancements	\$67,500	0.00
Technical Adjustments	\$795,667	0.00
Total Changes	\$102,970	(4.75)
2012 Proposed Budget	\$51,149,161	393.26
Council Adjustments to Proposed Budget		
Adjust Employer Contribution Rate to SCERS	(\$56,239)	0.00
Total Adjustments	(\$56,239)	0.00
2012 Adopted Budget	\$51,092,922	393.26

Position Changes - (\$163,148) / (1.0) FTE. This change abrogates a Strategic Advisor 1 position that was added in the 2011 Adopted Budget to serve as the Sustainable Infrastructure Coordinator position in DPD to identify and resolve cross-department capital infrastructure issues. Instead, this work is being done in 2011 through other resources in the City. This change continues a mid-year 2011 reduction that unfunded the position for 2011. In addition, funding for a 1.0 FTE Housing/Zoning Inspector in the 2012 Endorsed Budget is reduced to 0.5 FTE in 2012. Of note, this position was kept vacant in 2011 as part of the midyear 2011 reduction process, and savings were used to assist in balancing the overall General Subfund budget. By funding this position at part time in 2012, this change maintains DPD's capacity to inspect and enforce certain violation complaints where a non-hazardous condition is reported. Lastly, this change reallocates portions of two Land Use Planner positions and a Public Relations Specialist position from General Fund-supported programs to fee-supported programs to better tie the funding source to the services provided.

Restoration of Funding for Core Services - \$87,250. The 2012 Adopted Budget restores ongoing General Fund support for an existing Land Use Planner III position that was unfunded in the 2012 Endorsed

Department of Planning and Development

Budget as part of the 2011 Budget process. The position authority was retained for 2012, but no funding was included in the 2012 Endorsed Budget. Beginning in 2012, funding for the Land Use Planner III is provided to fill the position at 0.75 FTE. This change will allow DPD to maintain land use policy development capacity and workload assignments specific to the Neighborhood Planning program.

Shoreline Master Plan Adjustments - (\$14,000). The 2012 Adopted Budget reduces planned consultant expenditures associated with the Shoreline Master Program. DPD will still be able to effectively implement this program; however, remaining staff will be limited in their ability to perform additional technical research without the availability of consultant resources.

Non-Labor Reductions - (\$216,478). DPD evaluated funding needs for all administrative expenditures to determine which items were essential to include and those that could be forgone. As a result of this evaluation, DPD reduced software purchases and other non-labor expenses throughout the Department.

Transfer of City Green Building Team to Office of Sustainability and Environment - (\$504,878)/(3.75) FTE. This change consolidates the policy development elements of DPD's City Green Building (CGB) team with the Office of Sustainability and Environment (OSE), and moves OSE's offices into DPD office space while retaining the organizational structure of the two distinct departments. DPD is transferring CGB staff resources to OSE to continue to focus on strategic policy development for sustainable practices. This consolidation will better align staff with similar scopes of work in OSE, and co-locate OSE and DPD.

Green Permitting Facilitation - \$51,057. This change increases a Planning and Development Specialist position that is currently budgeted at 0.50 FTE to full-time in 2012 to expedite plan review and permitting processes for projects that meet established green building standards. These standards are defined in programs such as the Seattle 2030 District and the Living Building Pilot Program. This is important in that it will help stimulate jobs in the local economy by moving green development projects more quickly through the permitting process. Streamlining permit services for projects that meet established green building standards also provides additional incentive for developers to adopt green building as standard practice.

Unreinforced Masonry Building Program Enhancements - \$67,500. This change adds resources in 2012 to increase a position that is currently budgeted at 0.50 FTE to full-time, and a consultant-facilitator to develop a regulatory strategy and prepare an outreach strategy for a program to require retrofits for unreinforced masonry (URM) buildings. This position will be responsible for developing the program and drafting legislation establishing URM retrofit requirements for delivery to Council by mid 2013. The consultant will assist in preparing an outreach strategy and leading stakeholder meetings. Seattle has over 800 URM buildings that are at risk in the event of an earthquake. This funding is aimed at reducing the risk of collapse.

Technical Adjustments - \$795,667. Technical adjustments in the 2012 Adopted Budget include departmental and Citywide non-programmatic adjustments that do not change DPD's service delivery. Citywide technical changes reflect changes in central cost allocations, retirement, health care, workers' compensation, and unemployment costs.

Department of Planning and Development

City Council Changes to the 2012 Proposed Budget

Adjust Employer Contribution Rate to SCERS – (\$56,239). The Council made an adjustment to the employer contribution rate for the Seattle City Employees' Retirement System (SCERS), lowering it from 11.27% of regular payroll in the 2012 Proposed Budget to the updated rate of 11.01%. This change is driven by action taken in October 2011 by the SCERS Board of Administration to adjust the interest rate paid on new contributions after January 1, 2012

City Council Provisos

The City Council adopted the following budget proviso:

- *No more than \$150,000 in the 2012 budget for the Department of Planning and Development' Planning BCL may be spent for the 7-year Comprehensive Plan update required by RCW 36.70A.130.*

Department of Planning and Development

Expenditure Overview

Appropriations	Summit Code	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Annual Certification and Inspection Budget Control Level					
Annual Certification & Inspection Overhead Allocations		1,085,375	1,187,558	1,212,107	0
Annual Certification and Inspection		2,697,985	2,780,608	2,837,417	3,979,908
Annual Certification and Inspection Budget Control Level	U24A0	3,783,360	3,968,165	4,049,524	3,979,908
Code Compliance Budget Control Level					
Code Compliance		3,468,128	3,422,417	3,484,086	4,796,444
Code Compliance Overhead Allocations		1,192,047	1,199,730	1,226,583	0
Code Compliance Budget Control Level	U2400	4,660,174	4,622,147	4,710,669	4,796,445
Construction Inspections Budget Control Level					
Building Inspections Program		3,271,003	2,821,722	2,874,664	4,352,118
Construction Inspections Overhead Allocations		3,460,140	3,483,029	3,565,666	0
Construction Inspections Unallocated CBA		0	1,798,947	1,798,947	2,220,000
Electrical Inspections		3,384,482	3,317,017	3,382,920	4,339,585
Signs and Billboards		275,974	144,613	147,704	226,203
Site Review and Inspection		1,683,638	1,742,487	1,774,726	2,612,419
Construction Inspections Budget Control Level	U23A0	12,075,238	13,307,815	13,544,628	13,750,325
Construction Permit Services Budget Control Level					
Applicant Services Center		5,295,457	5,233,865	5,332,372	7,414,021
Construction Permit Services Overhead Allocations		4,322,194	3,309,311	3,376,579	(869,922)
Construction Permit Services Unallocated CBA		0	3,900,000	3,900,000	3,900,000
Construction Plans Administration		3,875,292	2,969,837	3,018,275	4,966,249
Operations Division Management		0	678,662	686,194	869,920
Public Resource Center		1,139,999	1,059,685	1,078,219	1,264,229
Construction Permit Services Budget Control Level	U2300	14,632,942	17,151,360	17,391,640	17,544,497
Department Leadership Budget Control Level					
Community Relations		0	435,016	442,136	507,566
Department Leadership Overhead Allocations		0	(12,083,156)	(12,354,445)	(12,047,008)
Director's Office		0	746,582	758,534	665,843
Finance and Accounting Services		0	5,834,133	5,999,924	5,850,526
Human Resources		0	322,470	327,682	320,196
Information Technology Services		0	4,744,955	4,826,169	4,702,877
Department Leadership Budget Control Level	U2500	0	0	1	0

Department of Planning and Development

Appropriations	Summit Code	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Land Use Services Budget Control Level					
Land Use Services		3,108,715	2,220,354	2,256,549	3,757,844
Land Use Services Overhead Allocations		1,343,451	1,007,223	1,035,812	(1)
Land Use Services Unallocated CBA		0	500,000	500,000	500,000
Land Use Services Budget Control Level	U2200	4,452,167	3,727,576	3,792,362	4,257,843
Planning Budget Control Level					
Design Commission		269,746	235,189	237,793	319,574
Planning Commission		380,742	390,968	397,164	545,211
Planning Overhead Allocations		1,792,511	1,896,305	1,937,696	0
Planning Services		4,821,275	4,201,656	4,193,329	4,599,547
Planning Budget Control Level	U2900	7,264,274	6,724,118	6,765,981	5,464,331
Process Improvements and Technology Budget Control Level	U2800	956,951	776,261	791,388	1,299,573
Department Total		47,825,106	50,277,443	51,046,192	51,092,922
Department Full-time Equivalents Total*		409.00	398.01	398.01	393.26

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

Department of Planning and Development

Revenue Overview

2012 Estimated Revenues for the Planning and Development Fund (15700)

Summit Code	Source	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
587001	General Subfund Support	9,727,579	9,120,445	9,300,870	9,195,693
Total General Subfund Support		9,727,579	9,120,445	9,300,870	9,195,693
437010	Grant Revenues	441,981	280,880	162,489	411,845
587900	Green Building Team - SPU & SCL	541,423	587,780	593,658	0
587900	SPU MOA for Side Sewer & Drainage	1,070,363	1,350,000	1,363,500	1,137,262
Total Grants & MOAs		2,053,767	2,218,660	2,119,647	1,549,107
422150	Boiler	1,080,598	1,211,356	1,223,470	1,285,073
422160	Elevator	2,483,752	2,588,996	2,614,886	2,768,776
Total Installation & Inspection Fees		3,564,350	3,800,352	3,838,356	4,053,849
461110	Interest	87,709	100,000	100,000	50,000
Total Interest		87,709	100,000	100,000	50,000
469990	Other Revenues	1,377,862	1,180,755	1,192,561	1,300,437
587116	Cumulative Reserve Fund-REET I - TRAO	60,538	150,000	154,500	154,500
587116	Cumulative Reserve Fund-Unrestricted - Design Commission	278,330	370,383	374,087	302,640
587116	Cumulative Reserve Fund-Unrestricted - TRAO	37,000	74,172	76,397	76,397
Total Other Revenues		1,753,730	1,775,310	1,797,545	1,833,974
422111	Building Development	15,314,026	16,945,042	18,646,334	18,715,753
422115	Land Use	3,723,562	3,664,138	3,700,779	3,655,973
422130	Electrical	3,606,244	4,464,226	4,508,868	4,693,853
443694	Site Review & Development	1,176,401	1,259,600	1,272,196	1,376,954
469990	Contingent Revenues - Unaccessed	0	6,198,979	6,198,979	6,620,000
Total Permit Fees		23,820,233	32,531,985	34,327,156	35,062,533
Total Revenues		41,007,368	49,546,752	51,483,574	51,745,156
379100	Use of (Contribution To) Fund Balance	6,817,738	730,688	(437,385)	(652,234)
Total Use of Fund Balance		6,817,738	730,688	(437,385)	(652,234)
Total Resources		47,825,106	50,277,440	51,046,189	51,092,922

Department of Planning and Development

Appropriations by Budget Control Level (BCL) and Program

Annual Certification and Inspection Budget Control Level

The purpose of the Annual Certification and Inspection Budget Control Level is to provide inspections of mechanical equipment at installation and on an annual or biennial cycle in a fair, reasonable, efficient, and predictable manner. These services are provided so mechanical equipment is substantially maintained to applicable codes, legal requirements and policies, and operated safely. The program also certifies that installers and mechanics are qualified, by validation of work experience and testing of code knowledge, to operate and maintain mechanical equipment. In addition, this budget control level includes a proportionate share of associated departmental administration and other overhead costs.

	2010	2011	2012	2012
Expenditures/FTE	Actuals	Adopted	Endorsed	Adopted
Annual Certification & Inspection Overhead Allocations	1,085,375	1,187,558	1,212,107	0
Annual Certification and Inspection	2,697,985	2,780,608	2,837,417	3,979,908
Total	3,783,360	3,968,165	4,049,524	3,979,908
Full-time Equivalents Total *	20.72	23.49	23.49	23.49

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

Annual Certification & Inspection Overhead Allocations Program

The purpose of the Annual Certification and Inspection Overhead Allocations Program is to represent the share of departmental administration and other overhead costs that apply to the Annual Certification and Inspection Budget Control Level.

	2010	2011	2012	2012
Expenditures	Actuals	Adopted	Endorsed	Adopted
Annual Certification & Inspection Overhead Allocations	1,085,375	1,187,558	1,212,107	0

Annual Certification and Inspection Program

The purpose of the Annual Certification and Inspection Program is to provide inspections of mechanical equipment at installation and on an annual or biennial cycle in a fair, reasonable, efficient, and predictable manner. These services are provided so mechanical equipment is substantially maintained to applicable codes, legal requirements, and policies, and operated safely. The program also certifies that installers and mechanics are qualified, by validation of work experience and testing of code knowledge, to operate and maintain mechanical equipment.

	2010	2011	2012	2012
Expenditures/FTE	Actuals	Adopted	Endorsed	Adopted
Annual Certification and Inspection	2,697,985	2,780,608	2,837,417	3,979,908
Full-time Equivalents Total	20.72	23.49	23.49	23.49

Department of Planning and Development

Appropriations by Budget Control Level (BCL) and Program

Code Compliance Budget Control Level

The purpose of the Code Compliance Budget Control Level is to see that properties and buildings are used and maintained in conformance with code standards, and deterioration of structures and properties is reduced. Additionally, this budget control level includes the allocation of a proportionate share of departmental administration and other overhead costs.

	2010	2011	2012	2012
Expenditures/FTE	Actuals	Adopted	Endorsed	Adopted
Code Compliance	3,468,128	3,422,417	3,484,086	4,796,444
Code Compliance Overhead Allocations	1,192,047	1,199,730	1,226,583	0
Total	4,660,174	4,622,147	4,710,669	4,796,445
Full-time Equivalents Total *	32.28	28.79	28.79	28.79

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

Code Compliance Program

The purpose of the Code Compliance Program level is to apply code standards in response to reported violations about the use, maintenance and development of real properties and buildings, facilitate compliance by property owners and other responsible parties, pursue enforcement actions against violators through the legal system, reduce the deterioration of structures and properties so that Seattle's housing stock lasts longer, and manage the adoption of administrative rules, public disclosure of documents, and response to claims.

	2010	2011	2012	2012
Expenditures/FTE	Actuals	Adopted	Endorsed	Adopted
Code Compliance	3,468,128	3,422,417	3,484,086	4,796,444
Full-time Equivalents Total	32.28	28.79	28.79	28.79

Code Compliance Overhead Allocations Program

The purpose of the Code Compliance Overhead Allocations Program is to represent a proportionate share of departmental administration and other overhead costs to report the full cost of the related programs.

	2010	2011	2012	2012
Expenditures	Actuals	Adopted	Endorsed	Adopted
Code Compliance Overhead Allocations	1,192,047	1,199,730	1,226,583	0

Department of Planning and Development

Appropriations by Budget Control Level (BCL) and Program

Construction Inspections Budget Control Level

The purpose of the Construction Inspections Budget Control Level is to provide timely on-site inspections of property under development to support substantial compliance with applicable City codes, ordinances, and approved plans. Additionally, this budget control level includes the allocation of a proportionate share of departmental administration and other overhead costs.

	2010	2011	2012	2012
Expenditures/FTE	Actuals	Adopted	Endorsed	Adopted
Building Inspections	3,271,003	2,821,722	2,874,664	4,352,118
Construction Inspections Overhead Allocations	3,460,140	3,483,029	3,565,666	0
Construction Inspections Unallocated CBA	0	1,798,947	1,798,947	2,220,000
Electrical Inspections	3,384,482	3,317,017	3,382,920	4,339,585
Signs and Billboards	275,974	144,613	147,704	226,203
Site Review and Inspection	1,683,638	1,742,487	1,774,726	2,612,419
Total	12,075,238	13,307,815	13,544,628	13,750,325
Full-time Equivalents Total *	86.04	75.84	75.84	75.84

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

Building Inspections Program

The purpose of the Building Inspections Program is to provide timely on-site inspections of property under development at predetermined stages of construction; work closely with project architects, engineers, developers, contractors, and other City of Seattle departments to approve projects as substantially complying with applicable City codes, ordinances, and approved plans; and to issue final approvals for occupancy.

	2010	2011	2012	2012
Expenditures/FTE	Actuals	Adopted	Endorsed	Adopted
Building Inspections Program	3,271,003	2,821,722	2,874,664	4,352,118
Full-time Equivalents Total	31.33	30.32	30.32	30.32

Construction Inspections Overhead Allocations Program

The purpose of the Construction Inspections Overhead Allocations Program is to represent the proportionate share of departmental administration and other overhead costs that apply to this budget control level, in order to report the full cost and calculate the revenue requirements of the budget control level and programs.

	2010	2011	2012	2012
Expenditures	Actuals	Adopted	Endorsed	Adopted
Construction Inspections Overhead Allocations	3,460,140	3,483,029	3,565,666	0

Department of Planning and Development

Appropriations by Budget Control Level (BCL) and Program

Construction Inspections Unallocated CBA Program

The purpose of the Construction Inspections Unallocated CBA Program is to display the amount of Contingent Budget Authority (CBA) that has not been accessed within the Construction Inspections BCL for construction inspections and electrical inspections with plan review. In contrast, CBA that is accessed is appropriated in the programs in which it will be spent. More information about CBA and its planned use in this budget may be found at the conclusion of the DPD chapter.

	2010	2011	2012	2012
Expenditures	Actuals	Adopted	Endorsed	Adopted
Construction Inspections Unallocated CBA	0	1,798,947	1,798,947	2,220,000

Electrical Inspections Program

The purpose of the Electrical Inspections Program is to provide review of proposed electrical installations and on-site inspection of properties under development in a fair, reasonable, efficient, and predictable manner. These services are provided to ensure the electrical installations substantially comply with applicable codes, legal requirements, and approved plans.

	2010	2011	2012	2012
Expenditures/FTE	Actuals	Adopted	Endorsed	Adopted
Electrical Inspections	3,384,482	3,317,017	3,382,920	4,339,585
Full-time Equivalents Total	29.49	26.09	26.09	26.09

Signs and Billboards Program

The purpose of the Signs and Billboards Program is to provide review of proposed sign installations and on-site inspection of properties under development in a fair, reasonable, efficient, and predictable manner. These services are provided so that sign installations comply with applicable codes, legal requirements, and approved plans.

	2010	2011	2012	2012
Expenditures/FTE	Actuals	Adopted	Endorsed	Adopted
Signs and Billboards	275,974	144,613	147,704	226,203
Full-time Equivalents Total	2.14	1.25	1.25	1.25

Site Review and Inspection Program

The purpose of the Site Review and Inspection Program is to ensure construction projects comply with grading, drainage, side sewer, and environmentally critical area codes; City of Seattle engineering standard details; and best management practices for erosion control methods to ensure that ground-related impacts of development are mitigated on-site and that sewer and drainage installations on private property are properly installed.

	2010	2011	2012	2012
Expenditures/FTE	Actuals	Adopted	Endorsed	Adopted
Site Review and Inspection	1,683,638	1,742,487	1,774,726	2,612,419
Full-time Equivalents Total	23.09	18.18	18.18	18.18

Department of Planning and Development

Appropriations by Budget Control Level (BCL) and Program

Construction Permit Services Budget Control Level

The purpose of the Construction Permit Services Budget Control Level is to facilitate the review of development plans and processing of permits so that applicants can plan, alter, construct, occupy, and maintain Seattle's buildings and property. Additionally, this budget control level includes the allocation of a proportionate share of departmental administration and other overhead costs.

	2010	2011	2012	2012
Expenditures/FTE	Actuals	Adopted	Endorsed	Adopted
Applicant Services Center	5,295,457	5,233,865	5,332,372	7,414,021
Construction Permit Services Overhead	4,322,194	3,309,311	3,376,579	-869,922
Allocations				
Construction Permit Services Unallocated CBA	0	3,900,000	3,900,000	3,900,000
Construction Plans Administration	3,875,292	2,969,837	3,018,275	4,966,249
Operations Division Management	0	678,662	686,194	869,920
Public Resource Center	1,139,999	1,059,685	1,078,219	1,264,229
Total	14,632,942	17,151,360	17,391,640	17,544,497
Full-time Equivalents Total *	140.85	147.02	147.02	148.92

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

Applicant Services Center Program

The purpose of the Applicant Services Center Program is to provide early technical and process assistance to applicants during building design and permit application; screen, accept, and process all land use and construction permit applications; and review and issue simple development plans in a fair, reasonable, and consistent manner to ensure substantial compliance with applicable codes and legal requirements.

	2010	2011	2012	2012
Expenditures/FTE	Actuals	Adopted	Endorsed	Adopted
Applicant Services Center	5,295,457	5,233,865	5,332,372	7,414,021
Full-time Equivalents Total	72.86	77.98	77.98	77.98

Construction Permit Services Overhead Allocations Program

The purpose of the Construction Permit Services Overhead Allocations Program is to represent the proportionate share of departmental administration and other overhead costs to report the full cost of the related programs.

	2010	2011	2012	2012
Expenditures	Actuals	Adopted	Endorsed	Adopted
Construction Permit Services Overhead	4,322,194	3,309,311	3,376,579	-869,922
Allocations				

Department of Planning and Development

Appropriations by Budget Control Level (BCL) and Program

Construction Permit Services Unallocated CBA Program

The purpose of the Construction Permit Services Unallocated CBA Program is to display the amount of Contingent Budget Authority (CBA) in the Construction Permit Services BCL that has not been accessed for construction plan review and peer review contracts. In contrast, CBA that is accessed is appropriated in the programs in which it will be spent. More information about CBA and its planned use in this budget may be found at the conclusion of the DPD chapter.

	2010	2011	2012	2012
Expenditures	Actuals	Adopted	Endorsed	Adopted
Construction Permit Services Unallocated CBA	0	3,900,000	3,900,000	3,900,000

Construction Plans Administration Program

The purpose of the Construction Plans Administration Program is to review development plans and documents for permit applicants in a fair, reasonable, and predictable manner; ensure that the plans substantially comply with applicable codes and legal requirements; incorporate and expand Priority Green permitting within the plan review process; develop and revise technical code regulations at the local, state, and national levels; and provide appropriate support for preparation, mitigation, response, and recovery services for disasters.

	2010	2011	2012	2012
Expenditures/FTE	Actuals	Adopted	Endorsed	Adopted
Construction Plans Administration	3,875,292	2,969,837	3,018,275	4,966,249
Full-time Equivalents Total	32.78	34.17	34.17	35.07

Operations Division Management Program

The purpose of the Operations Division Management Program is to oversee the functions of four budget control levels: Annual Certification/Inspection, Construction Permit Services, Construction Inspections, and Land Use Services.

	2010	2011	2012	2012
Expenditures/FTE	Actuals	Adopted	Endorsed	Adopted
Operations Division Management	0	678,662	686,194	869,920
Full-time Equivalents Total	19.58	19.59	19.59	20.59

Public Resource Center Program

The purpose of the Public Resource Center Program is to provide the general public and City staff convenient access to complete, accurate information about department regulations and current applications; to provide applicants with a first point of contact; and to preserve, maintain, and provide access to records for department staff and the public.

	2010	2011	2012	2012
Expenditures/FTE	Actuals	Adopted	Endorsed	Adopted
Public Resource Center	1,139,999	1,059,685	1,078,219	1,264,229
Full-time Equivalents Total	15.63	15.28	15.28	15.28

Department of Planning and Development

Appropriations by Budget Control Level (BCL) and Program

Department Leadership Budget Control Level

The purpose of the Department Leadership Budget Control Level is to develop and implement business strategies to improve the performance of the organization; ensure that managers and staff have the information, tools, and training needed for managing and making decisions; set fees that reflect the cost of services; and maintain a community relations program.

	2010	2011	2012	2012
Expenditures/FTE	Actuals	Adopted	Endorsed	Adopted
Community Relations	0	435,016	442,136	507,566
Department Leadership Overhead Allocations	0	-12,083,156	-12,354,445	-12,047,008
Director's Office	0	746,582	758,534	665,843
Finance and Accounting Services	0	5,834,133	5,999,924	5,850,526
Human Resources	0	322,470	327,682	320,196
Information Technology Services	0	4,744,955	4,826,169	4,702,877
Total	0	0	0	0
Full-time Equivalents Total *	46.31	49.79	49.79	50.79

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

Community Relations Program

The purpose of the Community Relations Program is to provide the general public, stakeholder groups, community leaders, City staff, and news media with complete and accurate information, including informative materials and presentations, to explain DPD's responsibilities, processes, and actions; to ensure DPD's services are clearly understood by applicants and the general public; and to respond to public concerns related to the Department's responsibilities.

	2010	2011	2012	2012
Expenditures/FTE	Actuals	Adopted	Endorsed	Adopted
Community Relations	0	435,016	442,136	507,566
Full-time Equivalents Total	3.00	3.12	3.12	4.12

Department Leadership Overhead Allocations Program

The purpose of the Department Leadership Overhead Allocations Program is to distribute the proportionate share of departmental administration and other overhead costs that apply to the Department's other budget control levels, in order to report the full cost and calculate the revenue requirements of the related programs.

	2010	2011	2012	2012
Expenditures	Actuals	Adopted	Endorsed	Adopted
Department Leadership Overhead Allocations	0	-12,083,156	-12,354,445	-12,047,008

Department of Planning and Development

Appropriations by Budget Control Level (BCL) and Program

Director's Office Program

The purpose of the Director's Office Program is to ensure department management develops and implements business strategies to continually improve the performance of the organization, and to ensure effective working relationships with other City personnel and agencies, the general public, and the development and planning communities.

	2010	2011	2012	2012
Expenditures/FTE	Actuals	Adopted	Endorsed	Adopted
Director's Office	0	746,582	758,534	665,843
Full-time Equivalents Total	4.18	5.34	5.34	5.34

Finance and Accounting Services Program

The purpose of the Finance and Accounting Services Program is to provide financial and accounting services to department management, and develop and maintain financial systems based on program and funding study principles, so that people, tools, and resources are managed effectively with a changing workload and revenue stream.

	2010	2011	2012	2012
Expenditures/FTE	Actuals	Adopted	Endorsed	Adopted
Finance and Accounting Services	0	5,834,133	5,999,924	5,850,526
Full-time Equivalents Total	13.25	16.51	16.51	16.51

Human Resources Program

The purpose of the Human Resources Program is to ensure the work environment is safe, and that a competent, talented, and skilled workforce is recruited through a fair and open process, is compensated fairly for work performed, is well trained for jobs, is responsible and accountable for performance, and reflects and values the diversity of the community.

	2010	2011	2012	2012
Expenditures/FTE	Actuals	Adopted	Endorsed	Adopted
Human Resources	0	322,470	327,682	320,196
Full-time Equivalents Total	5.00	4.14	4.14	4.14

Information Technology Services Program

The purpose of the Information Technology Services Program is to provide information technology solutions, services, and expertise to the Department and other City staff, so that department management and staff have the technology tools and support necessary to meet business objectives.

	2010	2011	2012	2012
Expenditures/FTE	Actuals	Adopted	Endorsed	Adopted
Information Technology Services	0	4,744,955	4,826,169	4,702,877
Full-time Equivalents Total	20.88	20.68	20.68	20.68

Department of Planning and Development

Appropriations by Budget Control Level (BCL) and Program

Land Use Services Budget Control Level

The purpose of the Land Use Services Budget Control Level is to provide land use permitting services to project applicants, City of Seattle departments, public agencies, and residents. These services are intended to allow development proposals to be reviewed in a fair, reasonable, efficient, and predictable manner, and substantially comply with applicable codes, legal requirements, policies, and community design standards. Additionally, this budget control level includes the allocation of a proportionate share of departmental administration and other overhead costs.

	2010	2011	2012	2012
Expenditures/FTE	Actuals	Adopted	Endorsed	Adopted
Land Use Services	3,108,715	2,220,354	2,256,549	3,757,843
Land Use Services Overhead Allocations	1,343,451	1,007,223	1,035,812	0
Land Use Services Unallocated CBA	0	500,000	500,000	500,000
Total	4,452,167	3,727,576	3,792,362	4,257,843
Full-time Equivalents Total *	35.84	34.63	34.63	34.63

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

Land Use Services Program

The purpose of the Land Use Services Program is to provide land use permitting services to project applicants, City of Seattle departments, public agencies, and residents. Land Use Services staff provide permit process information and regulatory expertise to inform pre-application construction project design. Land Use Services staff also review proposed construction plans as part of a developer's permit application. Staff then facilitate the process to elicit public input on those construction projects before the permit may be granted. These services are intended to ensure that development proposals are reviewed in a fair, reasonable, efficient, and predictable manner, and to ensure that the plans substantially comply with applicable codes, legal requirements, policies, and community design standards.

	2010	2011	2012	2012
Expenditures/FTE	Actuals	Adopted	Endorsed	Adopted
Land Use Services	3,108,715	2,220,354	2,256,549	3,757,844
Full-time Equivalents Total	35.84	34.63	34.63	34.63

Land Use Services Overhead Allocations Program

The purpose of the Land Use Services Overhead Allocations Program is to represent a proportionate share of departmental administration and other overhead costs that apply to the Land Use Services Budget Control Level, to report the full cost of the related programs.

	2010	2011	2012	2012
Expenditures	Actuals	Adopted	Endorsed	Adopted
Land Use Services Overhead Allocations	1,343,451	1,007,223	1,035,812	0

Department of Planning and Development

Appropriations by Budget Control Level (BCL) and Program

Land Use Services Unallocated CBA Program

The purpose of the Land Use Services Unallocated CBA Program is to display the amount of Contingent Budget Authority (CBA) in the Land Use Services BCL that has not been accessed. In contrast, CBA that is accessed is appropriated in the programs in which it will be spent. More information about CBA and its planned use in this budget may be found at the conclusion of the DPD chapter.

	2010	2011	2012	2012
Expenditures	Actuals	Adopted	Endorsed	Adopted
Land Use Services Unallocated CBA	0	500,000	500,000	500,000

Planning Budget Control Level

The purpose of the Planning Budget Control Level is to manage growth and development consistent with Seattle's Comprehensive Plan, and to inform and guide decisions for shaping and preserving Seattle so that it remains a vital urban environment. Additionally, the Planning Budget Control Level includes the allocation of a proportionate share of departmental administration and other overhead costs.

Summary

Planning staff do this work by overseeing the Comprehensive Plan, managing zoning and land use policy development, and supporting the core values of community, environmental stewardship, social equity, and economic opportunity. Staff prepares plans for Urban Centers, Urban Villages, transit station areas, and other areas responding to growth or major public investments, and prepare citywide policy and regulatory recommendations addressing issues such as land use, economic development, affordable housing, environmental protection, and urban design. Planning maintains a strong commitment to innovative public outreach and engagement, committing extensive resources to engaging a broad range of Seattle residents and businesses in shaping its policy recommendations. The Planning Budget Control Level includes the staff of the Design Commission and Planning Commission.

	2010	2011	2012	2012
Expenditures/FTE	Actuals	Adopted	Endorsed	Adopted
Design Commission	269,746	235,189	237,793	319,574
Planning Commission	380,742	390,968	397,164	545,211
Planning Overhead Allocations	1,792,511	1,896,305	1,937,696	0
Planning Services	4,821,275	4,201,656	4,193,329	4,599,547
Total	7,264,274	6,724,118	6,765,981	5,464,331
Full-time Equivalents Total *	40.25	33.03	33.03	25.38

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

Design Commission Program

The purpose of the Design Commission is to promote civic design excellence in City projects with City funding, and projects related to public land, as well as to promote interdepartmental/interagency coordination. The Seattle Design Commission advises the Mayor, the City Council, and City departments on the design of capital improvements and other projects that shape Seattle's public realm.

	2010	2011	2012	2012
Expenditures/FTE	Actuals	Adopted	Endorsed	Adopted
Design Commission	269,746	235,189	237,793	319,574
Full-time Equivalents Total	2.00	1.87	1.87	1.87

Department of Planning and Development

Appropriations by Budget Control Level (BCL) and Program

Planning Commission Program

The purpose of the Planning Commission is to provide informed citizen advice and assistance to the Mayor, the City Council, and City departments in developing planning policies and carrying out major planning efforts; to seek public comment and participation as a part of this process; and to steward the ongoing development and implementation of Seattle's Comprehensive Plan.

	2010	2011	2012	2012
Expenditures/FTE	Actuals	Adopted	Endorsed	Adopted
Planning Commission	380,742	390,968	397,164	545,211
Full-time Equivalents Total	3.50	2.62	2.62	2.62

Planning Overhead Allocations Program

The purpose of the Planning Overhead Allocations Program is to represent a proportionate share of departmental administration and other overhead costs that apply to the Planning Budget Control Level to report the full cost of the related programs.

	2010	2011	2012	2012
Expenditures	Actuals	Adopted	Endorsed	Adopted
Planning Overhead Allocations	1,792,511	1,896,305	1,937,696	0

Planning Services Program

The purpose of the Planning Services Program is to develop policies, plans, and regulations that advance Seattle's Comprehensive Plan and growth management strategy. This is done through community-based planning, developing land use policy recommendations, and implementing legislation - activities that support Seattle's neighborhoods; expand job creation and housing choices; protect the environment and reduce environmental hazards; and promote design excellence and sustainability in Seattle.

	2010	2011	2012	2012
Expenditures/FTE	Actuals	Adopted	Endorsed	Adopted
Planning Services	4,821,275	4,201,656	4,193,329	4,599,547
Full-time Equivalents Total	34.75	28.54	28.54	20.89

Process Improvements and Technology Budget Control Level

The purpose of the Process Improvements and Technology Budget Control Level is to allow the department to plan and implement continuous improvements to its business processes, including related staff training and equipment purchases; and to see that the Department's major technology investments are maintained, upgraded, or replaced when necessary.

	2010	2011	2012	2012
Expenditures/FTE	Actuals	Adopted	Endorsed	Adopted
Process Improvements and Technology	956,951	776,261	791,388	1,299,573
Full-time Equivalents Total*	6.71	5.42	5.42	5.42

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

Department of Planning and Development

Fund Table

Planning and Development Fund (15700)

	2010 Actuals	2011 Adopted	2011 Revised	2012 Endorsed	2012 Adopted
Beginning Fund Balance	13,029,700	5,737,461	3,899,724	5,006,770	3,869,781
Accounting and Technical Adjustments	(2,312,238)	0	0	0	0
Plus: Actual and Estimated Revenue	41,007,368	49,546,752	44,889,359	51,483,574	51,745,156
Less: Actual and Budgeted Expenditures	47,825,106	50,277,443	44,919,301	51,046,192	51,092,922
Ending Fund Balance	3,899,724	5,006,770	3,869,781	5,444,152	4,522,015
					0
Core Staffing and Process Improvements	1,275,645	852,395	1,134,041	758,158	783,104
Total Reserves	1,275,645	852,395	1,134,041	758,158	783,104
Ending Unreserved Fund Balance	2,624,079	4,154,375	2,735,740	4,685,994	3,738,911