

# 2020 Seattle City Council Budget Action

Agenda

Tab	Action	Option	Version
OH	4	A	1

**Budget Action Title:** Add \$15 million for the 2019 Notice of Funding Availability by cutting \$7 million from the proposed affordable homeownership acquisition and ADU Loan pilot programs and cutting \$8 million from the Strategic Investment Fund

Ongoing: No Has Budget Proviso: No

Has CIP Amendment: No

Primary Sponsor: Teresa Mosqueda

Council Members:

Staff Analyst: Traci Ratzliff

Council Bill or Resolution:

Date		Total	LH	BH	KS	AP	DJ	MO	SB	TM	LG
	Yes	0									
	No	0									
	Abstain	0									
	Absent	0									

### Summary of Dollar Effect

See the following pages for detailed technical information

	2020 Increase (Decrease)	2021 Increase (Decrease)
<b>General Fund</b>		
<b>General Fund Revenues</b>	\$0	
<b>General Fund Expenditures</b>	\$0	
<b>Net Balance Effect</b>	<b>\$0</b>	
<b>Total Budget Balance Effect</b>	<b>\$0</b>	

### Budget Action Description:

This Council Budget Action adds \$15 million in funding (one-time) to the Office of Housing (OH) to make financing commitments to affordable rental housing projects (affordable to households with incomes between 30 percent and 60 percent of Area Median Income) that applied for funding in OH's 2019 Notice of Funding Availability (NOFA) process. This funding increase will be accomplished by:

Redirecting \$15 million of the Mercer Sales Proceeds in 2020 as follows:

- cutting \$8 million from the proposed \$41.7 million Strategic Investment Fund in Finance General;
- cutting \$3.5 million from the proposed \$6 million Accessory Dwelling Unit Loan Program;
- cutting \$3.5 million from the proposed \$15 million Permanently Affordable Homeownership Program.

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In addition, this CBA states the Council intent to appropriate \$7 million in additional REET II from 2021-2026. This additional \$7 million will be used to make financing commitments for housing projects seeking funding in OH's 2019 NOFA.

**Background:**

The Mayor's 2020 Endorsed Budget included \$45 million of funding to make financing commitments to projects applying to OH's 2019 NOFA. The 2020 Proposed Budget adds \$46 million for the NOFA. Of this \$46 million, \$21 million is supported by revenues from the new authorization granted by the State Legislature for local jurisdictions to implement a local sales tax to fund affordable housing and \$25 million is supported by a \$5 million appropriation of REET II funds annually from 2021 to 2025. This brings total funding available for the 2019 NOFA in the proposed budget to \$91 million. This budget action will increase this amount by \$22 million (as detailed above) for a total of \$113 million.

**Budget Action Transactions**

#	Transaction Description	Position Title	Number of Positions	FTE	Dept	BSL	Fund	Year	Revenue Amount	Expenditure Amount
1	Cut funding to Strategic Investment Fund		0	0	FG - FG000	FG - BO-FG-2QD00 - Reserves	00100 - General Fund	2020	\$0	\$(8,000,000)
2	Add funding to rental production and preservation program		0	0	OH - HU000	OH - BO-HU-3000 - Multifamily Housing	00100 - General Fund	2020	\$0	\$15,000,000
3	Cut funding to homeownership acquisition and ADU pilot programs		0	0	OH - HU000	OH - BO-HU-2000 - Homeownership & Sustainability	00100 - General Fund	2020	\$0	\$(7,000,000)