

2020 Seattle City Council Budget Action

Agenda

Tab	Action	Option	Version
OH	8	B	1

Budget Action Title: Impose a proviso on \$2.5 million in OH for an Accessory Dwelling Unit (ADU) Loan Program

Ongoing: No Has Budget Proviso: Yes

Has CIP Amendment: No Has Attachment: No

Primary Sponsor: Lorena González

Council Members: Lisa Herbold, Kshama Sawant, Abel Pacheco, Debora Juarez, Mike O'Brien, Sally Bagshaw, Lorena González

Staff Analyst: Aly Pennucci

Council Bill or Resolution:

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

Budget Action Description:

The 2020 Proposed Budget adds \$6 million GF (one-time) to the Office of Housing (OH) for an Accessory Dwelling Unit (ADU) Loan Program using proceeds from the sale of the Mercer properties. This budget action imposes a proviso on \$2.5 million of the proposed \$6 million. Prior to releasing the funds, OH is required to complete a Racial Equity Toolkit (RET) on the proposed program and prepare legislation amending the Housing Funding Policies, which includes programmatic details to ensure that the Program is consistent with the Council’s policy goals. The policy intent is to develop a loan program for ADUs that help stabilize low-income homeowners, particularly low-income homeowners in areas identified as having a high risk of displacement, and increases access to affordable rental housing in Single-family zones.

The remaining \$3.5 million proposed for the ADU Loan Program is redirected for other Council priorities (see CBA OH-9-A-1).

This proposal to decrease the investment from \$6 million to \$2.5 million is expected to provide sufficient resources to launch a pilot program. Approximately \$2 million is intended for the loan fund; this will require a competitive bid process. The remaining \$500,000 will support other programmatic requirements (e.g. funding for City staff or contracted services for tenant screenings, landlord training for homeowners, etc.).

This Council Budget Action would impose the following budget proviso:

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

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