

**SUMMARY and FISCAL NOTE\***

<b>Department:</b>	<b>Dept. Contact/Phone:</b>	<b>CBO Contact/Phone:</b>
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*\* Note that the Summary and Fiscal Note describes the version of the bill or resolution as introduced; final legislation including amendments may not be fully described.*

**1. BILL SUMMARY**

**Legislation Title:** AN ORDINANCE relating to funding for housing and community development programs; adopting The City of Seattle 2020 Annual Action Plan to the 2018-2022 Consolidated Plan for Housing and Community Development and authorizing its submission to the United States Department of Housing and Urban Development; authorizing acceptance of grant funds from that department for programs and activities included in the Annual Action Plan; amending Ordinance 126000 which adopted the 2020 Budget, by modifying appropriations to various departments and budget control levels in the 2020 Adopted Budget; and ratifying and confirming certain prior acts; all by a 3/4 vote of the City Council.

**Summary and background of the Legislation:**

This legislation adopts the 2020 Annual Action Plan (AAP) to the 2018 – 2022 Consolidated Plan for Housing and Community Development and authorizes its submittal to the US Department of Housing and Urban Development (HUD). The Consolidated Plan governs the use of the City’s annual allocation of funds from several programs in HUD. In total, the funds amount to approximately \$20.8 million, which are used to provide services, housing, and facilities to low- and moderate-income persons, businesses and neighborhoods. The legislation authorizes the acceptance of these funds.

HUD provides annual allocations to the City from four of its programs. These allocations differ from the estimated allocations that were included in the 2020 Adopted Budget; the net difference from the Adopted Budget is shown below.

To receive the annual allocations, jurisdictions must submit a Consolidated Plan, which describes the policies governing the City’s use of these funds, and an annual allocation plan which identifies the specific uses of the funds for a particular program year. Funds are allocated to the Human Services Department, Office of Housing, Office of Economic Development, Office of Immigrant and Refugee Affairs, the Department of Parks and Recreation and the Office of Planning & Community Development to fund core services and support activities, such as homeless shelters, preservation and development of affordable housing, homelessness and affordable housing planning and research, investments in community and economic development to support small businesses and microenterprises, job training and creation, and park improvements.

This legislation satisfies Governor’s Proclamation 20-28 as a necessary and routine part of the annual application to HUD for use in specific projects of the federal grant funds governed by the 2018-2022 Consolidated Plan. The requirements for citizen participation and public comments conducted in the course of adopting the Annual Action Plan are covered in 24 CFR 91.105(b)(3).

HSD has held two sets of public comment, one for the December 2019 draft of the 2020 AAP prior to confirmation of final allocations of the four federal grants from HUD and a second 30-day comment period ending April 7<sup>th</sup>, 2020 to allow for review of the amended plan that reflects the new amounts of available funding and includes a new shift of under-expended 2018, 2019 and 2020 proposed funding for small business stabilization grants. The next public hearing, anticipated in late April 2020, will be the second formal public hearing opportunity for the final draft 2020 AAP, though it will be conducted virtually to avoid public gatherings in accord with the Governor’s Proclamation.

The City proposes to use up to \$2,810,400 in CDBG funds under an “urgent need” category of CDBG eligibility to fund up to \$10,000 (per grantee) in grants targeted to support low-and moderate-income small business owners who employ up to five people as a necessary response to the economic impact of the COVID-19 outbreak in Seattle.

**2. CAPITAL IMPROVEMENT PROGRAM**

Does this legislation create, fund, or amend a CIP Project? \_\_\_ Yes  X  No

**3. SUMMARY OF FINANCIAL IMPLICATIONS**

Does this legislation amend the Adopted Budget?  X  Yes \_\_\_ No

Appropriation change (\$):	General Fund \$		Other \$	
	2020	2021	2020	2021
	-	-	\$2,415,952	-
Estimated revenue change (\$):	Revenue to General Fund		Revenue to Other Funds	
	2020	2021	2020	2021
	-	-	\$2,415,952	-
Positions affected:	No. of Positions		Total FTE Change	
	2020	2021	2020	2021
	-	-	-	-

Note: The changes in appropriations are net of the changes for all the HUD grant programs and mostly consist of a one-time increase in Program Income. The revenue increase is larger than the appropriation increase, because funds budgeted for contingency partially offset changes in the CDBG program. There are detailed tables showing the changes from the 2020 Adopted Budget for appropriations and revenues below, in sections 3d and 3e.

**Does the legislation have other financial impacts to the City of Seattle that are not reflected in the above, including direct or indirect, short-term or long-term costs?**  
No.

**Is there financial cost or other impacts of *not* implementing the legislation?**

Not implementing this legislation will cause the City to forgo approximately \$20.8 million in federal assistance that supports services and community development activities for low- and moderate-income persons in Seattle. The City would be faced with reducing or eliminating services and/or using General Fund to provide the services.

**3.a. Appropriations**

**X This legislation adds, changes, or deletes appropriations.**

Fund Name and number	Dept	Budget Control Level Name/#*	2020 Appropriation Change	2021 Estimated Appropriation Change
16200 Human Services Fund	HSD	Supporting Affordability and Livability / BO-HS-H10000	\$29,679	-
16200 Human Services Fund	HSD	Addressing Homelessness / BO-HS-H3000	\$500,270	-
16400 - Low Income Housing Fund	OH	Multifamily Housing / BO-HU-3000	\$1,602,071	-
16600 - Office of Housing Fund	OH	Leadership and Administration / BO-HU-1000	(\$9,917)	-
16600 - Office of Housing Fund	OH	Homeownership & Sustainability / BO-HU-2000	\$223,408	-
10200 - Park And Recreation Fund	SPR	Fix It First / BC-PR-40000	\$70,441	-
<b>TOTAL</b>			<b>\$2,415,952</b>	-

\*See budget book to obtain the appropriate Budget Control Level for your department.

**Is this change one-time or ongoing?**

One-time:

- The Office of Housing has CDBG Revolving Loan programs with large balances. These funds are classified as CDBG Program Income and must be spent prior to use of allocation funds. This is the cause of the net increase of circa \$1.6 million dollars in the Low Income Housing Fund, or 66% of the total appropriations this legislation changes.
- \$2,810,400 of 2020 CDBG grant funds have been mobilized to support small businesses during the COVID19 pandemic.

Ongoing:

- Allocations are based on Federal Appropriations and HUD's application of entitlement formulae. The above changes are reflective of the final allocations by HUD; changes in

the make-up of Seattle’s population, the number of HUD funded recipients and the formulae themselves can all impact the final allocation amounts for any given year.

**Appropriations Notes:**

The 2020 Adopted Budget, as amended by Ordinances 126057 and 126060, contains estimates of these revenues. This legislation provides the actual revenue numbers and adjusts the appropriations in the Adopted Budget to match the actual numbers.

<b>Department</b>	<b>BCL</b>	<b>Funding Source</b>	<b>2020 Adopted* Budget</b>	<b>Change</b>	<b>2020 Amended Budget</b>
HSD	BO-HS-H1000 - Supporting Affordability and Livability	CDBG	3,505,538	(933,000)	2,572,538
HSD	BO-HS-H3000 - Addressing Homelessness	CDBG	3,368,628	155,998	3,524,626
OH	BO-HU-2000 - Homeownership & Sustainability	CDBG	605,462	146,793	752,255
OH	BO-HU-1000 - Leadership and Administration	CDBG	170,889	(9,917)	160,972
OH	BO-HU-3000 - Multifamily Housing	CDBG	490,278	1,509,722	2,000,000
OED	BO-ED-X1D00 - Business Services	CDBG	2,363,675	-	2,363,675
OIRA	BO-IA-X1N00 - Office of Immigrant and Refugee Affairs	CDBG	400,000	-	400,000
OIRA	BO-PC-X2P00 - Planning and Community Development	CDBG	430,000	-	430,000
SPR	BC-PR-40000 - Fix It First	CDBG	1,508,000	70,441	1,578,441

HSD	BO-HS-H3000 - Addressing Homelessness	ESG	805,090	15,554	820,644
HSD	BO-HS-H3000 - Addressing Homelessness	HOPWA	2,600,883	328,718	2,929,601
OH	BO-HU-3000 - Multifamily Housing	HOME	3,043,164	347,449	3,390,613

\*as amended by Ordinances 126057 and 126060

Note that for CDBG the above table includes both the 2020 grant of \$9,588,335 and prior year grant funds and program income (generated by CDBG activities) of \$4,194,172,

**3.b. Revenues/Reimbursements**

This legislation adds, changes, or deletes revenues or reimbursements.

**Anticipated Revenue/Reimbursement Resulting from this Legislation:**

Fund Name and number	Dept	Revenue Source	2020 Revenue	2021 Estimated Revenue
16200 Human Services Fund	HSD	CDBG	\$185,677	-
10200 Park And Recreation Fund	SPR	CDBG	\$70,441	-
16200 Human Services Fund	HSD	ESG	\$15,554	-
16200 Human Services Fund	HSD	HOPWA	\$328,718	-
16400 Low Income Housing Fund	OH	HOME	\$347,449	-
<b>TOTAL</b>			<b>\$947,839</b>	<b>-</b>

**Is this change one-time or ongoing?**

Ongoing, allocations are based on Federal Appropriations and HUD’s application of entitlement formulae. The above changes are reflective of the final allocations by HUD; changes in the make-up of Seattle’s population, the number of HUD funded recipients and the formulae themselves can all impact the final allocation amounts for any given year.

**Revenue/Reimbursement Notes:**

The 2020 Adopted Budget contains estimates of these revenues. This legislation provides the actual revenue numbers and adjusts the appropriations in the Adopted Budget to match the actual numbers.

**3.c. Positions**

This legislation adds, changes, or deletes positions.

#### 4. OTHER IMPLICATIONS

**a. Does this legislation affect any departments besides the originating department?**

Yes, other departments receive an allocation from one or more of these funds for program operations. Changes from the 2020 Adopted Budget are reflected in the Office of Housing, the Human Services Department and the Parks Department

**b. Is a public hearing required for this legislation?**

Yes.

**c. Does this legislation require landlords or sellers of real property to provide information regarding the property to a buyer or tenant?**

No

**d. Is publication of notice with *The Daily Journal of Commerce* and/or *The Seattle Times* required for this legislation?**

Yes.

**e. Does this legislation affect a piece of property?**

No

**f. Please describe any perceived implication for the principles of the Race and Social Justice Initiative. Does this legislation impact vulnerable or historically disadvantaged communities? What is the Language Access plan for any communications to the public?**

Programs and activities supported by these funds are specifically intended to benefit low- and moderate-income and homeless persons and families. These persons and families are disproportionately underserved and from communities of color. Economic and community development activities will specifically target historically disadvantaged neighborhoods and business districts and are described in more detail in the budget chapters of each of the departments.

**g. If this legislation includes a new initiative or a major programmatic expansion: What are the specific long-term and measurable goal(s) of the program? How will this legislation help achieve the program's desired goal(s).**

Most programs are on-going. However, the Office of Housing manages three CDBG Revolving Loan programs, revenues to which have been collected over the last several years. These balances will be spent in 2020 in accordance with Federal Requirements:

- Approximately \$146,000 will be made available to provide homebuyer assistance to people with low- or moderate- incomes from historically disadvantaged communities.
- \$2,000,000 will support the rehabilitation of three multi-family housing projects in the Delridge neighborhood.
- Approximately \$600,000 will be used to provide loans to homeowners with low- or moderate-incomes from historically disadvantaged communities so they can complete needed repairs and renovations to their homes.

- \$2,810,400 will be used to provide relief to small businesses affected by the COVID19 pandemic.

**List attachments/exhibits below:**