

SUMMARY and FISCAL NOTE*

Department:	Dept. Contact/Phone:	Executive Contact/Phone:
Human Services Department	Debra Rhinehart / 684-0574	

** 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 Annual Action Plan updates to the 2018 – 2022 Consolidated Plan for Housing and Community Development; authorizing submission of the Annual Action Plans to the United States Department of Housing and Urban Development (HUD); authorizing acceptance of grant funds from HUD for programs and activities included in the 2022 Annual Action Plans; amending Ordinance 126490, which adopted the 2022 Budget, by modifying appropriations to various departments and budget control levels in the 2022 Adopted Budget; and ratifying and confirming certain prior acts.

Summary and background of the Legislation:

This legislation adopts the 2022 Annual Action Plan 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 \$19.4 million in entitlement funds and program income, 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 2022 Adopted Budget; the net difference from the Adopted Budget is shown in parentheses:

- Community Development Block Grant, \$9,401,742 (+\$194,164)
- Community Development Block Grant Program Income, \$1,193,897 (-\$93,004)
- HOME Investment Partnerships, \$3,650,525 (+\$346,098)
- Housing Opportunities for Persons with AIDS, \$3,357,136 (+\$206,832)
- Emergency Solutions Grant, \$801,427 (+\$106)

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, and the Department of Parks and Recreation 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.

2. CAPITAL IMPROVEMENT PROGRAM

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

Note: This legislation funds the above project based on the existing adopted spending plan. There are no changes to the adopted CIP page.

3. SUMMARY OF FINANCIAL IMPLICATIONS

a. Does this legislation amend the Adopted Budget? X Yes No

Budget program(s) affected:				
Appropriation change (\$):	General Fund \$		Other \$	
	2021	2022	2021	2022
				\$747,200
Estimated Revenue change (\$):	Revenue to General Fund		Revenue to Other Funds	
	2021	2022	2021	2022
				\$747,200
Positions affected:	No. of Positions		Total FTE Change	
	2021	2022	2021	2022

b. 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.

c. Is there financial cost or other impacts of *not* implementing the legislation?
Not implementing this legislation will cause the City to forgo approximately \$19.4 million in federal assistance and program income 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.d. Appropriations

 X This legislation adds, changes, or deletes appropriations.

Program Name and Fund Number	Dept	Budget Control Level Name/#*	2022 Appropriation Change
Housing Opportunity for Persons with AIDS 16200	Human Services Department	BO-HS-H3000 - Addressing Homelessness	\$206,832

Community Development Block Grant 16200	Human Services Department	BO-HS-H1000 - Supporting Affordability & Liv	\$145,744
Community Development Block Grant 16200	Human Services Department	BO-HS-H5000 - Leadership and Administration	\$48,420
Emergency Solutions Grant 16200	Human Services Department	BO-HS-H3000 - Addressing Homelessness	\$106
Low Income Housing Fund / HOME Subfund 16400	Executive	BO-HU-3000 - Multifamily Housing	\$346,098
TOTAL			\$747,200

Significant Changes:

One-time CDBG:

- Federal fund allocations included a one-time decrease for PY2022 in CDBG funding of 4.5%. However, 2021 revenue estimates anticipated an approximate 3.2% decrease resulting in a variance of \$194,489 of unallocated funds. This amount is allocated in the 2022 Annual Action Plan submitted as Attachment 1 to this Ordinance.

Appropriations Notes:

The 2022 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.

Fund Name & Appropriation Source	2022 Adopted Appropriation	2022 Actual Approp.	Difference
CDBG Main Fund (16200): Community Development Block Grant Program entitlement	\$9,207,578	\$9,401,742	\$194,164
Low Income Housing Fund / HOME subfund (16400): HOME Investment Partnership Program entitlement	\$3,304,427	\$3,650,525	\$346,098
Human Services Operating Fund (16200): Housing Opportunities for Persons with AIDS Program	\$3,150,304	\$3,335,136	\$206,832
Human Services Operating Fund (16200): Emergency Solutions Grant Program	\$801,321	\$801,427	\$106
TOTAL	\$16,463,630	\$17,210,830	\$747,200

3.e. Revenues/Reimbursements

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

Anticipated Revenue/Reimbursement Resulting from this Legislation:

Fund Name and Number	Dept	Revenue Source	2022 Revenue
CDBG Main Fund (17810)	CDBG	US HUD Community Development Block Grant Program entitlement	\$9,401,742
Low Income Housing Fund / HOME subfund (16490)	Office of Housing	US HUD HOME Investment Partnership Program entitlement	\$3,650,525
Human Services Operating Fund (16200)	HSD	US HUD Housing Opportunities for Persons with AIDS Program	\$3,357,136
Human Services Operating Fund (16200)	HSD	US HUD Emergency Solutions Grant Program	\$801,427
TOTAL			\$17,210,830

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. The other departments affected by this legislation are:
 - Office of Housing
 - Office of Economic Development
 - Seattle Parks and Recreation
 - Office of Immigrant and Refugee Affairs
 - Office of Planning and Community Development

- b. Is a public hearing required for this legislation?**
Yes, a hearing before the Affordable Housing, Neighborhoods and Finance Committee is expected on August 3, 2022.

- c. Is publication of notice with *The Daily Journal of Commerce* and/or *The Seattle Times* required for this legislation?**
Yes, publication is required in *The Daily Journal of Commerce*. HSD staff will send the public hearing notice to the DJC in time to provide 15 day advance notice.

- d. Does this legislation affect a piece of property?**
No

- e. Please describe any perceived implication for the principles of the Race and Social Justice Initiative. Does this legislation impact vulnerable or historically disadvantaged communities?**
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.

- f. Climate Change Implications**

- 1. Emissions: Is this legislation likely to increase or decrease carbon emissions in a material way?**
No.

 - 2. Resiliency: Will the action(s) proposed by this legislation increase or decrease Seattle's resiliency (or ability to adapt) to climate change in a material way? If so, explain. If it is likely to decrease resiliency in a material way, describe what will or could be done to mitigate the effects.**
No.
- 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 and must meet the HUD requirements of serving low- and moderate-income individuals and households to provide for low-income housing and services, support economic development activities, fund public facilities improvements, and a wide range of public services (including for the City primary emphasis on assisting people with lived experience of homelessness).