

2020 Seattle City Council Budget Action

Agenda

Tab	Action	Option	Version
OH	6	A	1

Budget Action Title: Increase funding to OH for affordable housing through issuance of \$500 million LTGO Bond; add \$15 million for debt issuance costs; redirect \$22.45 million GF from one-time land sales proceeds for partial year debt service costs.

Ongoing: No Has Budget Proviso: No

Has CIP Amendment: No

Primary Sponsor: Kshama Sawant

Council Members:

Staff Analyst: Tom Mikesell

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)
General Fund		
General Fund Revenues	\$(22,450,000)	
General Fund Expenditures	\$(22,450,000)	
Net Balance Effect	\$0	
Other Funds		
Low Income Housing Fund (16400)		
Revenues	\$22,450,000	
Expenditures	\$22,450,000	
Net Balance Effect	\$0	
2020 LTGO Taxable Bond Fund (36710)		
Revenues	\$515,000,000	
Expenditures	\$515,000,000	
Net Balance Effect	\$0	
Total Budget Balance Effect	\$0	

2020 Seattle City Council Budget Action

Agenda

Tab	Action	Option	Version
OH	6	A	1

Budget Action Description:

This budget action adds \$500 million to the Office of Housing (OH) for development of affordable housing (meaning affordable to households with incomes less than 80 percent of Area Median Income). This will be funded by issuing \$500 million in Limited Tax General Obligation (LTGO) bonds in 2020.

In addition, this budget action appropriates \$22,450,000 GF (one-time) for partial year debt service payments on the bond issuance, using funds from the sale of the Mercer Mega block in the 2020 Proposed Budget reserved in Finance General to create a Strategic Investment Fund for mixed-use and mixed-income projects that include housing, and \$15 million to cover issuance costs that will be incurred. The entire \$500 million in LTGO bonds would be issued in 2020 if there are affordable housing projects identified. This will require funding to cover \$44,900,000 in debt service starting in 2021 and annually thereafter for the balance of the 20-year term.

This proposal will require amending Council Bill 119673, which authorizes the City's 2020 LTGO bond issuance.

Budget Action Transactions

#	Transaction Description	Position Title	Number of Positions	FTE	Dept	BSL	Fund	Year	Revenue Amount	Expenditure Amount
1	Increase expenditure for bond issuance costs for LTGO bond sale for affordable housing.		0	0	FAS - FA000	FAS - BO-FA-DEBTISS-L - Debt Issuance Cost - LTGO	36710 - 2020 LTGO Taxable Bond Fund	2020	\$0	\$15,000,000
2	Reduce amount proposed for Strategic Investment Fund		0	0	FG - FG000	FG - BO-FG-2QD00 - Reserves	00100 - General Fund	2020	\$0	\$(22,450,000)
3	Reduce amount received in Finance General from Mercer Mega block.		0	0	FG - FG000	FG - BR-FG-REVENUE - Finance General - Revenue	00100 - General Fund	2020	\$(22,450,000)	\$0
4	Increase revenue for bond issuance costs for LTGO bond sale for affordable housing		0	0	FG - FG000	FG - BR-FG-REVENUE - Finance General - Revenue	36710 - 2020 LTGO Taxable Bond Fund	2020	\$15,000,000	\$0
5	Increase revenue from LTGO Bond sale for affordable housing		0	0	FG - FG000	FG - BR-FG-REVENUE - Finance General - Revenue	36710 - 2020 LTGO Taxable Bond Fund	2020	\$500,000,000	\$0
6	Increase expenditure for debt service Principal		0	0	OH - HU000	OH - BO-HU-3000 - Multifamily Housing	16400 - Low Income Housing Fund	2020	\$0	\$22,450,000
7	Increase revenue from Mercer Megablock		0	0	OH - HU000	OH - BR-HU-REVENUE - Office of Housing - Revenue	16400 - Low Income Housing Fund	2020	\$22,450,000	\$0
8	Increase OH spending on affordable housing		0	0	OH - HU000	OH - BO-HU-3000 - Multifamily Housing	36710 - 2020 LTGO Taxable Bond Fund	2020	\$0	\$500,000,000