

SUMMARY and FISCAL NOTE*

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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

a. Legislation Title: AN ORDINANCE relating to the use of federal HOME Investment Partnerships Program funds; amending the 2013 Consolidated Plan annual action plan to reallocate funds out of homebuyer activities into rental housing activities.

b. Summary and background of the Legislation:

This legislation amends the Consolidated Plan annual action plans for the year 2013 moving \$220,015 from homebuyer assistance activities and \$495,848 of accumulated underspend to rental housing preservation and development activities.

The use of HOME Investment Partnerships funds from the United States Department of Housing and Urban Development are governed by the Consolidated Plans and annual action plans submitted by the City. Any change in use of funds greater than \$50,000 is considered “substantial amendments” to the plans and must be formally approved by Council.

The Office of Housing originally budgeted HOME dollars for both homebuyer activities and rental housing preservation and development. The homebuyer activities provided qualifying low- and moderate-income families with down payment assistance to purchase their first homes. Due to recent changes in HOME program rules and the current housing market, these funds can no longer be used effectively for homebuyer activities. The Office of Housing is therefore requesting the funds to be reprogrammed to affordable rental housing preservation and development activities, where they can be used quickly and effectively. In addition, the department has identified an accumulated underspend of \$495,848. Federal rules have recently changed to mandate all uncommitted funding from previous years be committed by June 30, 2017. The Office of Housing will commit this additional amount to rental housing preservation and development activities.

2. CAPITAL IMPROVEMENT PROGRAM

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

3. SUMMARY OF FINANCIAL IMPLICATIONS

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

- 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?**

By allocating an additional \$715,863 to rental housing preservation and development activities through the redirection of a combination of funds that were unable to be spent on homebuyer activities and identified underspend, OH will be able to add these funds to an upcoming NOFA for rental housing development.

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

If HOME funds are not expended in a timely manner on qualifying activities, they are subject to recapture by US HUD and the City would lose access to those dollars.

4. OTHER IMPLICATIONS

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

Yes. HOME funds are administered by the Office of Housing and are a regular part of their budget. HSD is involved as the coordinator of the Consolidated Plans and the annual action plans that are submitted to US HUD.

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

Yes. The public hearing will be held on May 17, 2017.

- 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?**

Legal notice sent out for public comment period and public hearing on April 25, 2017.

- 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?**

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 non-white.

- 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).**

This legislation contains funding for HOME-eligible activities to assist with affordable rental housing preservation and development, which is an existing program defined in the Office of Housing's annual action plan.

h. Other Issues: