

Department of Neighborhoods (DON)

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Budget Summary (\$ in 1,000s)

	2018 Adopted	2019 Proposed	% Change 2018 Adopted to 2019 Proposed	2020 Proposed	% Change 2019 Proposed to 2020 Proposed
Appropriations by BSL					
<i>Leadership and Administration</i>	\$3,267	\$3,736	14.4%	\$3,549	(5.0%)
<i>Community Building</i>	\$5,046	\$5,370	6.4%	\$5,187	(3.4%)
<i>Neighborhood Matching Fund</i>	\$4,230	\$4,092	(3.3%)	\$4,100	0.2%
Total Appropriation	\$12,542	\$13,198	5.2%	\$12,837	(2.7%)
Total FTEs	62.5	56.5	(9.6%)	56.5	0%
Revenues					
<i>General Fund</i>	\$12,542	\$13,198	5.2%	\$12,837	(2.7%)
<i>Other Sources</i>	0	\$0	N/A	\$0	N/A
Total Revenues	\$12,542	\$13,198	5.2%	\$12,837	(2.7%)

Background:

The Department of Neighborhoods (DON) serves the residents of Seattle to support equitable access to government and opportunities to build community. DON does this through several programs broken into three broad categories of work:

1. *Community Investments*, which includes the Neighborhood Matching Fund and Duwamish River Opportunity Fund programs;
2. *Community Assets*, which includes the Historic Preservation, Major Institutions and Schools, and P-Patch programs; and
3. *Community Engagement*, which includes the Community Liaisons, Strategic Initiatives (HALA, Sound Transit 3, Homelessness, and Transportation), External Relations (Community Outreach Coordinators), Your Choice Your Voice Participatory Budgeting, and PACE civic leadership programs, as well as the Seattle Youth Commission, Seattle’s Renters’ Commission, and Community Involvement Commission.

After a 30 percent increase in FTEs and appropriations in DON between 2014 and 2018, the proposed 2019 and 2020 budgets include a 10 percent decrease in the FTEs in 2019 followed by a three percent reduction in appropriations in 2020. In 2019, the DON would lose four positions that are currently vacant. These positions supported the Community Liaisons program, the Duwamish

River Opportunity Fund, and the Community Engagement Coordinators program. A position that supported the Your Voice Your Choice Participatory Budgeting program is sunseting at the end of 2018. In addition, the proposed budget would move two FTEs providing accounting support to the Department of Education and Early Learning (DEEL), to the DEEL.

Non-staff funding changes in the proposed 2019 budget generally reflect one-time changes:

- **Community satisfaction survey - (\$80,000)**
DON will no longer have funding for an annual citywide survey of community satisfaction.
- **Community based fellowships in the Rainier Valley - (\$150,000)**
DON will no longer have funding to support fellowships at community-based organizations that provide leadership development opportunities and increase organizational capacity in the Rainier Valley.
- **Chinatown International District community outreach and engagement - \$200,000**
DON will have funding in 2019 to support Chinatown/International District community outreach and engagement, including: \$67,000 for schematic design for the Under I-5 Activation project, \$40,000 to support community participation in the planning process, \$63,000 for community liaison outreach assistance in language, and \$30,000 for project management.
- **Census Outreach – \$150,000**
DON will have \$150,000 in 2019 and 2020 for grants to community-based organizations to undertake outreach and engagement for the 2020 US Census.

Technical and accounting changes related to the citywide accounting standards account for the rest of the changes to appropriations in the Department (\$703,000 in 2019 and \$545,000 in 2020).

Budget Legislation

1. Neighborhood Matching Fund Guidelines

The Mayor proposes a Council Bill related to Neighborhood Matching Fund (NMF) policies and processes. The NMF, as its name suggests, provides funds to support community improvement efforts. Those funds are matched through community time and fundraising. The proposed budget for 2019 includes \$3,102,000 for NMF grants.

The proposed legislation would bring the legislative foundation for the NMF program in line with current practice. Key changes to the NMF program are reflected in the new Neighborhood Matching Fund Guidelines attached to the Council Bill include:

- Using two funding categories: Small Sparks (up to \$5,000) and Community Partnership (up to \$100,000) instead of three, eliminating the Small and Simple grant category which provided grants up to \$25,000;
- Accepting applications for Small Sparks grants on a rolling basis throughout the year, rather than four times a year;
- Accepting applications for Community Partnership grants three times a year, rather than

once a year;

- Speeding up the timeline for notice of decisions from three months to six weeks;
- Relying entirely on Executive staff to review grant proposals, previously Neighborhood District Councils had a defined role in the review of NMF grant proposals; and
- Reducing the number of rating criteria from five (builds community, community benefit, match, project feasibility and project effectiveness) to two (building community partnerships and project readiness).

Consistent with past practice, the proposed legislation would provide for an automatic carry-forward of funds to allow unexpended appropriations for NMF-funded community projects to remain available in the following year.

2. Third Quarter 2018 Supplemental

The 3rd Quarter Supplemental to the 2018 Adopted Budget includes two changes of note: (1) a reduction of over \$3.9 million in the Neighborhood Matching Fund's budget authority to match the cash available balance and (2) the addition of \$100,000 to support review of the historical significance of the Showbox Theater and its relationship to the Pike Place Market Historical District.

3. Fee Ordinance

In response to the findings of [SLI 183-1-A-1](#), related to DON fees for new construction projects in historic districts, the Mayor proposes to amend the Fee Ordinance to increase fees for review of new development in historic districts from a maximum of \$4,000 to a maximum of \$20,000. Publicly-financed housing projects will be exempt from this fee change. This change is expected to increase revenues to the Historic Preservation program by \$114,970 a year. The Mayor's Proposed Budget would decrease the General Fund allocation to DON by an equivalent amount.

Budget Actions Proposed by Councilmembers as of October 10, 2018:

- 1. Historic Preservation Seed Funding (Council President Harrell)** – This proposal would provide up to \$500,000 seed money for community acquisition of historic structures by Historic Seattle, a Public Development Authority. Among Historic Seattle's successful projects are community anchors such as Washington Hall and the Good Shephard Center, which preserve historic structures and provide space for community activities and homes for non-profits. This funding would allow Historic Seattle to capture opportunities to acquire and preserve historic resources in communities in which Historic Seattle currently does not have a presence, such as Council District 2.
- 2. Census Coordination (Councilmember Mosqueda)** – The federal government uses census-driven data to direct at least \$800 million in federal assistance to states, localities, and families, including an estimated \$1,900 per person in Seattle. The Mayor's Proposed Budget includes \$150,000 in funding to support community outreach efforts to make sure that there is an

accurate count of the City's residents. This proposal would add a term-limited Strategic Advisor I position and funding to DON through 2020 to support the City's outreach effort (\$132,202 in 2019 and \$138,982 in 2020).

- 3. Urban Village Strategy Racial Equity Toolkit (Councilmember Mosqueda)** – The Urban Village Strategy was adopted in 1994 as the foundation for Seattle's first Comprehensive Plan under the Growth Management Act. In the 24 years since, communities of color have been displaced. This proposal requests DON and the Office of Planning and Community Development (OPCD) to prepare a racial equity toolkit (RET) on the impacts of the Urban Village Strategy. DON would lead community outreach regarding the RET, in consultation with the Equitable Development Initiative team in OPCD, while OPCD would lead the technical and interdepartmental analysis. A term-limited Strategic Advisor I at half time (\$74,010) would be funded in DON in 2019 only to support the outreach work.