

2020 Seattle City Council Budget Action

Agenda

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OH	4	B	2

Budget Action Title: Add \$12.75 million GF of one-time funding in OH to the Rental Production and Preservation program to make financing commitments for the 2019 Notice of Funding Availability

Ongoing: No Has Budget Proviso: No

Has CIP Amendment: Yes Has Attachment: No

Primary Sponsor: Teresa Mosqueda

Council Members: Lisa Herbold, Kshama Sawant, Abel Pacheco, Mike O'Brien, Sally Bagshaw, Lorena González

Staff Analyst: Traci Ratzliff

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	\$0	
General Fund Expenditures	\$12,750,000	
Net Balance Effect	\$(12,750,000)	
Total Budget Balance Effect	\$(12,750,000)	

Budget Action Description:

This Council Budget Action adds \$12.75 million GF in funding (one-time) to the Office of Housing (OH) to make financing commitments to affordable rental housing projects (affordable to households with incomes between 30 percent and 60 percent of Area Median Income) that applied for funding in OH's 2019 Notice of Funding Availability (NOFA) process. This funding increase will be accomplished by reducing funding of several programs supported by Mercer Sales Proceeds. Council Budget Action OH-9-A-1 makes these reductions to those programs.

In addition, this CBA states the Council's intent to appropriate \$7 million in additional REET II from 2021-2026. The \$7 million in REET II will be funded from REET II revenues received that are above the REET II forecasts reflected in the 2020-2025 Capital Improvement Program (CIP). If REET II revenues do not

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come in above forecast, up to \$5 million in REET II reserve funds will be used and/or REET II revenues currently programmed for the Seattle Parks and Recreation (SPR) Major Maintenance Backlog and Asset Management CIP project (MC-PR-41001) will be redirected. Specific appropriations by source will be made in the 2021 Proposed Budget.

Background:

The Mayor's 2020 Endorsed Budget included \$45 million of funding to make financing commitments to projects applying to OH's 2019 NOFA. The 2020 Proposed Budget adds \$46 million for the NOFA. Of this \$46 million, \$21 million is supported by revenues from the new authorization granted by the State Legislature for local jurisdictions to implement a local sales tax to fund affordable housing and \$25 million is supported by a \$5 million appropriation of REET II funds annually from 2021 to 2025. This brings total funding available for the 2019 NOFA in the proposed budget to \$91 million. This budget action will increase this amount by \$19.75 million (as detailed above) for a total of approximately \$110.75 million.

Budget Action Transactions

#	Transaction Description	Position Title	Number of Positions	FTE	Dept	BSL	Fund	Year	Revenue Amount	Expenditure Amount
1	Add funding to rental production and preservation program		0	0	OH - HU000	OH - BO-HU-3000 - Multifamily Housing	00100 - General Fund	2020	\$0	\$12,750,000