

## SUMMARY and FISCAL NOTE\*

<b>Department:</b>	<b>Dept. Contact/Phone:</b>	<b>CBO Contact/Phone:</b>
Office of Housing	Rebecca Guerra/3-0066	Miguel Jiménez/4-5805

*\* 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 appropriations for the Executive Department; amending Ordinance 126490, which adopted the 2022 Budget; changing appropriations and creating new positions in the Office of Housing; all by a 3/4 vote of the City Council.

**Summary and Background of the Legislation:** The Office of Housing (OH) proposes new position authority and related budget authority for 12.5 new FTE positions within OH and the authority for OH to fund an additional 1.5 FTE positions in the Law Department and Department of Finance and Administrative Services, as well as related increases in space and equipment costs to accommodate new staff. Funding will come from the administrative portion of payroll tax revenue already appropriated in OH’s budget. The total funding for these positions represents 2.3% of OH’s total payroll tax allocation in 2022, far under the 5% threshold, allowing for room should payroll tax deductions decline in the future.

In recent years, OH’s budget has quadrupled – from \$50 million in the 2014 Adopted Budget to \$208 million in the 2022 Adopted Budget. While the budget has increased by 316%, staffing has only increased by 23%. Added staff demands include:

- Higher transactional volume, including the number of loans closing, more complicated funding vehicles, and more activity in the incentive programs
- New policy analysis and programmatic responsibilities, such as community-focused funding, increased homeownership activity, and oil heat conversion
- Demand for specialized expertise

This legislation also increases budget authority to cover the costs of initial work related to the renewal of the Seattle Housing Levy, to be paid for with existing OH fund balance, including:

- Designing and transmitting levy renewal legislation
- Convening stakeholder and community conversations
- Developing in-language communication tools to illustrate the success of the 2016 Housing Levy

### **2. CAPITAL IMPROVEMENT PROGRAM**

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

### **3. SUMMARY OF FINANCIAL IMPLICATIONS**

**Does this legislation amend the Adopted Budget?**        X   Yes     No

Appropriation change (\$):	General Fund \$		Other \$	
	2022	2023	2022	2023
			\$392,000	\$283,000
Estimated revenue change (\$):	Revenue to General Fund		Revenue to Other Funds	
	2022	2023	2022	2023
Positions affected:	No. of Positions		Total FTE Change	
	2022	2023	2022	2023
			12.5	

**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?**

Yes. On an annual and ongoing basis, \$2.2 million of Payroll Expense Tax will be necessary to cover the staffing costs proposed in this legislation. These funds are not reflected in the above table because they are already appropriated in OH’s 2022 Adopted Budget as part of the \$84 million of payroll tax in the Multifamily Housing BSL. Pending approval of this legislation, OH will shift the necessary funds to other BSLs within the payroll tax fund to cover the related staffing costs.

**Are there financial costs or other impacts of *not* implementing the legislation?**

If this legislation is not implemented, OH will be extremely limited in its ability to effectively administer the \$84 million of Payroll Expense Tax added to its budget in 2022. In addition, the requested authority to begin Housing Levy renewal work is critical to ensure continued levy resources beyond 2023.

**3.a. Appropriations**

X This legislation adds, changes, or deletes appropriations.

Fund Name and Number	Dept	Budget Control Level Name/#	2022 Appropriation Change	2023 Estimated Appropriation Change
Office of Housing Operating Fund (16600)	OH	Leadership & Administration (BO-HU-1000)	\$392,000	\$283,000
<b>TOTAL</b>			<b>\$392,000</b>	<b>\$283,000</b>

**Is this change one-time or ongoing?**

The change in the above table relates only to the use of fund balance to pay for costs of work related to renewing the Seattle Housing Levy. These costs will impact 2022 and 2023 only.

**Appropriations Notes:**

As previously noted, payroll tax will be the ongoing source of funding the position adds in this legislation. There is no appropriation change in this table, because payroll tax has already been appropriated in OH’s 2022 Adopted Budget.

**3.b. Revenues/Reimbursements**

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

**3.c. Positions**

**X** This legislation adds, changes, or deletes positions.  
**Total Regular Positions Created, Modified, or Abrogated through This Legislation, Including FTE Impact:**

Position # for Existing Positions	Position Title & Department	Fund Name & #	Program & BCL	PT/FT	2022 Positions	2022 FTE	Does it sunset?
n/a	Admin Staff Analyst, OH	Payroll Expense Tax (14500)	Finance & Admin	FT	1	1.0	no
n/a	Comm Dev Spec, OH	Payroll Expense Tax (14500)	Asset Management	FT	1	1.0	no
n/a	Comm Dev Spec, OH	Payroll Expense Tax (14500)	Multifamily Lending	FT	1	1.0	no
n/a	G & C Spec, Sr, OH	Payroll Expense Tax (14500)	Policy & Planning	FT	1	1.0	no
n/a	Mgmt Syst Analyst, OH	Payroll Expense Tax (14500)	Communications	FT	1	1.0	no
n/a	Mgmt Syst Analyst, Sr, OH	Payroll Expense Tax (14500)	Policy & Planning	FT	1	1.0	no
n/a	Mgr 1, OH	Payroll Tax (Payroll Expense Tax (14500))	Multifamily Lending	FT	1	1.0	no
n/a	Plng & Dev Spec, OH	Payroll Expense Tax (14500)	Homeownership	FT	1	1.0	no
n/a	Plng & Dev Spec, OH	Payroll Expense Tax (14500)	Policy & Planning	FT	1	1.0	no
n/a	Plng & Dev Spec, Sr, OH	Payroll Expense Tax (14500)	Policy & Planning	FT	1	1.0	no

Position # for Existing Positions	Position Title & Department	Fund Name & #	Program & BCL	PT/FT	2022 Positions	2022 FTE	Does it sunset?
n/a	Public Relations Specialist, OH	Payroll Expense Tax (14500)	Communications	FT	1	1.0	no
n/a	Strat Adv 1, OH	Payroll Expense Tax (14500)	Policy & Planning	FT	1	1.0	no
n/a	Strat Adv 1, OH	Payroll Expense Tax (14500)	Multifamily Lending	PT	1	0.5	no
<b>TOTAL</b>					<b>13</b>	<b>12.5</b>	

**Position Notes:**

In addition to the positions above, the legislation also includes the appropriation authority for OH to increase its payment to the Law Department (LAW) for paralegal support and to the Department of Finance and Administrative Services (FAS) for wage monitoring support. OH estimates that this will require 0.5 FTE in LAW and 1.0 FTE in FAS. The position authority needs in FAS and LAW related to this growth will be addressed in the upcoming budget supplemental ordinance.

**4. OTHER IMPLICATIONS**

- a. Does this legislation affect any departments besides the originating department?**  
 Yes, as noted above, this proposal affects FAS and LAW. In addition, OH is in the process of exploring space options to accommodate this staffing growth; it is unknown at this time if the identification of additional office space will impact another department.
- b. Is a public hearing required for this legislation?**  
 No.
- c. Is publication of notice with *The Daily Journal of Commerce* and/or *The Seattle Times* required for this legislation?**  
 No.
- 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? What is the Language Access plan for any communications to the public?**  
 High housing costs and homelessness disproportionately affect people of color nationwide and in Seattle. Increased workload within OH directly converts to more housing available to close the racial housing gap; program development and evaluation to achieve anti-racist housing outcomes. In 2019, 62 percent of renters in OH-supported housing were non-White

or Hispanic; additional funding and new policy initiatives such as community preference suggests that these outcomes will drive the number higher.

**f. Climate Change Implications**

**1. Emissions: Is this legislation likely to increase or decrease carbon emissions in a material way?**

The position adds in this legislation include a Planning & Development Specialist, Sr, who will serve as the Green New Deal (GND) Portfolio Specialist. This position will analyze properties in the OH portfolio to advance GND goals through electrification and other technology advances; advise OH Asset Management and Weatherization staff on best practices; and help developers respond to new Code requirements. It is OH's intent that these efforts will decrease the City's carbon footprint.

**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)?**

This legislation does not represent a new initiative or programmatic expansion. However, the position adds in this legislation will equip OH to implement the Payroll Expense Tax-funded expansions appropriated in the 2022 Adopted Budget.

**Summary Attachments:**