



SEATTLE CITY COUNCIL

Finance and Housing Committee

Agenda

Wednesday, May 18, 2022

9:30 AM

Remote Meeting. Call 253-215-8782; Meeting ID: 586 416 9164; or
Seattle Channel online.

Teresa Mosqueda, Chair
Lisa Herbold, Vice-Chair
Alex Pedersen, Member
Sara Nelson, Member
Andrew J. Lewis, Member

Chair Info: 206-684-8808; Teresa.Mosqueda@seattle.gov

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SEATTLE CITY COUNCIL
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Agenda
May 18, 2022 - 9:30 AM

Meeting Location:

Remote Meeting. Call 253-215-8782; Meeting ID: 586 416 9164; or Seattle Channel online.

Committee Website:

<http://www.seattle.gov/council/committees/finance-and-housing>

This meeting also constitutes a meeting of the City Council, provided that the meeting shall be conducted as a committee meeting under the Council Rules and Procedures, and Council action shall be limited to committee business.

Pursuant to Washington State Governor's Proclamation No. 20-28.15 and Senate Concurrent Resolution 8402, this public meeting will be held remotely. Meeting participation is limited to access by the telephone number provided on the meeting agenda, and the meeting is accessible via telephone and Seattle Channel online.

Register online to speak during the Public Comment period at the 9:30 a.m. Finance and Housing Committee meeting at <http://www.seattle.gov/council/committees/public-comment>.

Online registration to speak at the Finance and Housing Committee meeting will begin two hours before the 9:30 a.m. meeting start time, and registration will end at the conclusion of the Public Comment period during the meeting. Speakers must be registered in order to be recognized by the Chair.

Submit written comments to Councilmember Mosqueda at Teresa.Mosqueda@seattle.gov

Sign-up to provide Public Comment at the meeting at <http://www.seattle.gov/council/committees/public-comment>

Watch live streaming video of the meeting at <http://www.seattle.gov/council/watch-council-live>

Listen to the meeting by calling the Council Chamber Listen Line at 253-215-8782 Meeting ID: 586 416 9164

One Tap Mobile No. US: +12532158782,,5864169164#

Please Note: Times listed are estimated

A. Call To Order**B. Approval of the Agenda****C. Public Comment****D. Items of Business****1. Office of Housing Annual Levy Report and Investment Report**

Supporting Documents:

[Presentation](#)
[Annual Housing Investments 2021 Report](#)
[Seattle Housing Levy 2021 Report](#)

Briefing and Discussion

Presenters: Maiko Winkler-Chin, Acting Director, Kelli Larsen, Stephanie Velasco, Becky Guerra, and Laurie Olson, Office of Housing; Traci Ratzliff, Council Central Staff

- 2. [CB 120318](#) 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.**

Supporting Documents:

[Summary and Fiscal Note](#)
[Office of Housing Memo](#)

Briefing, Discussion, and Possible Vote

Presenters: Maiko Winkler-Chin, Acting Director, Office of Housing; Traci Ratzliff, Council Central Staff

3. [CB 120317](#) AN ORDINANCE amending Ordinance 126237, which adopted the 2021 Budget, including the 2021-2026 Capital Improvement Program (CIP); changing appropriations to various departments and budget control levels, and from various funds in the Budget; and ratifying and confirming certain prior acts; all by a 3/4 vote of the City Council.

Supporting

Documents:

[Summary and Fiscal Note](#)

[Summary Att A – 2021 Budget Exceptions Ordinance Summary Detail Table](#)

Briefing, Discussion, and Possible Vote

Presenters: Ally Pennucci and Tom Mikesell, Council Central Staff

4. [CB 120316](#) AN ORDINANCE amending Ordinance 126490, which adopted the 2022 Budget, including the 2022-2027 Capital Improvement Program (CIP); changing appropriations to various departments and budget control levels, and from various funds in the Budget; and ratifying and confirming certain prior acts; all by a 3/4 vote of the City Council.

Supporting

Documents:

[Summary and Fiscal Note](#)

[Summary Att A – 2021 Carry Forward Ordinance Summary Detail Table](#)

[Central Staff Memo 5/18/22](#)

Briefing, Discussion, and Possible Vote

Presenters: Ally Pennucci and Tom Mikesell, Council Central Staff

E. Adjournment



Legislation Text

File #: Inf 2053, **Version:** 1

Office of Housing Annual Levy Report and Investment Report

2021 Seattle Housing Levy Report

Office of Housing Presentation to Finance & Housing Committee
May 18, 2022



City of Seattle 

2016 Seattle Housing Levy Programs

1. Rental Production and Preservation
2. Acquisition & Preservation
3. Operating & Maintenance
4. Homeownership and Home Repair
5. Homelessness Prevention & Housing Stability Services



2016 Housing Levy Outcomes (2017-2021)

Rental Production and Preservation Program: New Production

Exceeded goal of 2,150 units of rental housing produced (126%)

Rental Production and Preservation Program: Reinvestment

Exceeded goal of 350 units of rental housing preserved (127%)

Operating and Maintenance Program

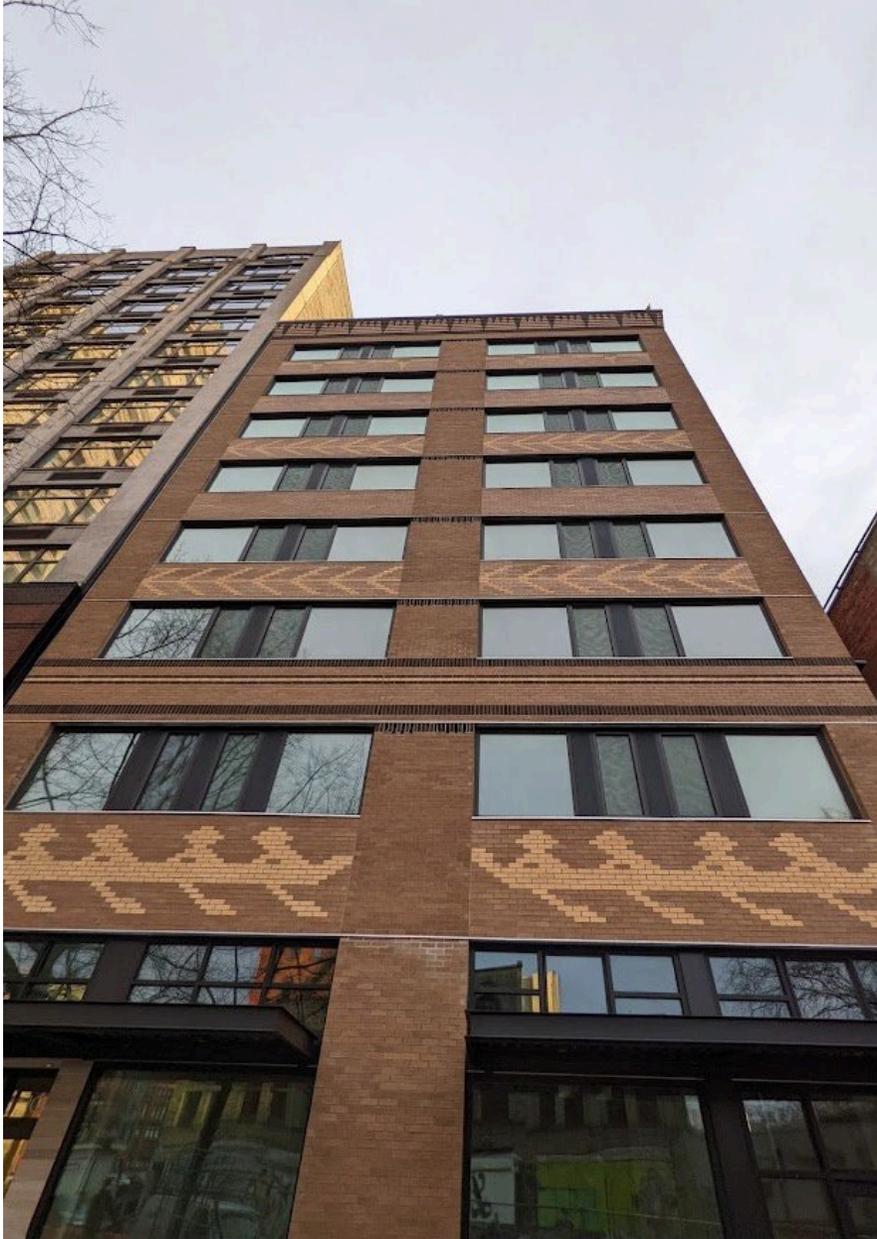
481 of 510 rental housing units supported with operating and maintenance funds (94%)

Homelessness Prevention and Housing Stability Services Program

3,312 of 4,500 individuals and families assisted (74%)

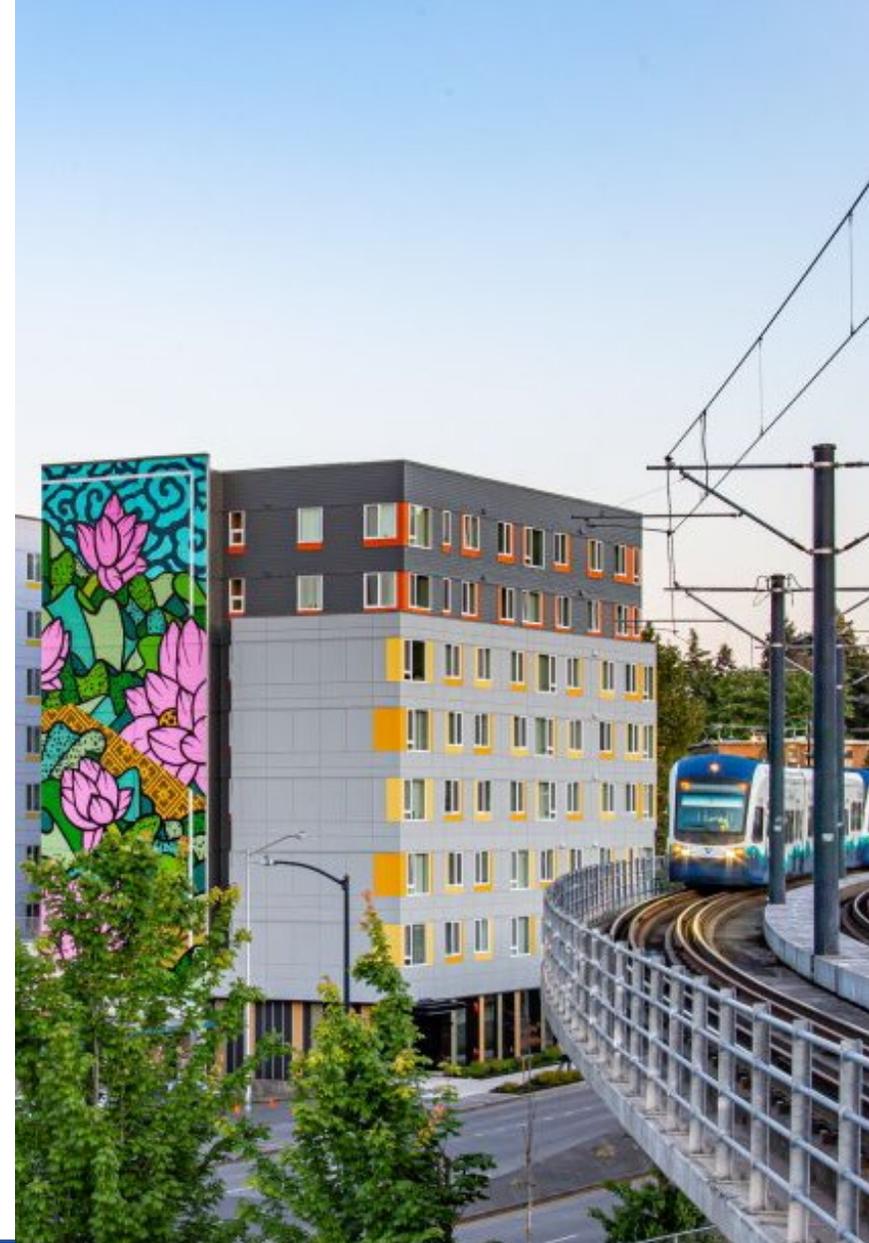
Homeownership Program

Exceeded goal of 280 low-income homeowners assisted (112%)



2016 Housing Levy Outcomes (2017-2021)

Levy Program	Funding		Housing Outcomes	
	7-year Funds Allocated 2017-23	5-year Funds Committed 2017-21	7-year Goals 2017-23	5-year Outcomes 2017-21
Rental Housing Production	\$201 M	\$152.2 M	2,150 homes added	2,709 homes added
Rental Housing Preservation			350 homes preserved	445 homes preserved
Operating and Maintenance	\$42 M	\$35.4 M	510 homes	481 homes
Homelessness Prevention / Housing Stability Services	\$11.5 M	\$7.5 M	4,500 households	3,312 households
Homeownership	\$14.3 M	\$16.4 M	280 homeownership opportunities added or maintained	314 homeownership opportunities added or maintained
Acquisition and Preservation	N/A	\$77.7 M total / \$20.5 M loans repaid	N/A	1,802 added or preserved



Rental Production & Preservation

2016 Housing Levy-supported buildings that opened in 2021



Rise at Yancy Street

- **Neighborhood:** West Seattle
- **Developer:** Transitional Resources
- **Number of Homes:** 44
- **Population:** Homeless and low-income individuals with a focus on mental health



Kristin Benson Place

- **Neighborhood:** Uptown
- **Developer:** Plymouth Housing
- **Number of Homes:** 91
- **Population:** Adults experiencing homelessness



Filipino Community Village

- **Neighborhood:** Rainier Valley
- **Developer:** Filipino Community of Seattle/HumanGood
- **Number of Homes:** 94
- **Population:** Low-income seniors

Rental Production & Preservation

- 2021 investments:
 - \$14.2 M to support the creation of 213 affordable homes across two buildings
 - \$1 M to support rehabilitation and repair at two buildings, preserving 172 affordable homes
- Progress toward 7-year Goals:
 - Exceeded goals at 126% for Rental Production and 127% for Rental Preservation

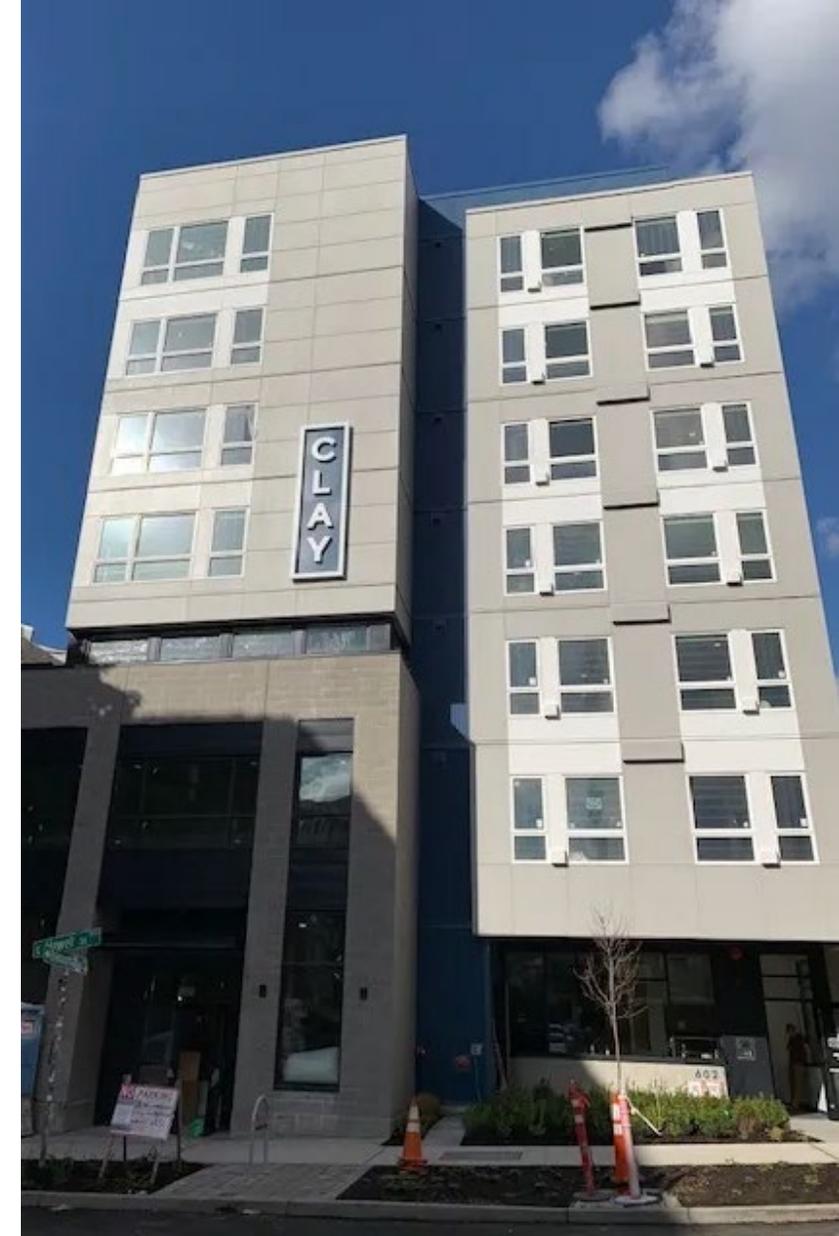


Pacific Apartments (Plymouth Housing) in Downtown

Acquisition & Preservation (A&P)

A&P loans closed in 2021:

- Aurora Heights Housing
 - Acquisition of a site in Bitter Lake for future development
- Clay Apartments (pictured)
 - Acquisition of newly constructed 75-unit building in Capitol Hill
- Thunderbird Site
 - Acquisition of a transit-oriented site in Rainier Beach for future development

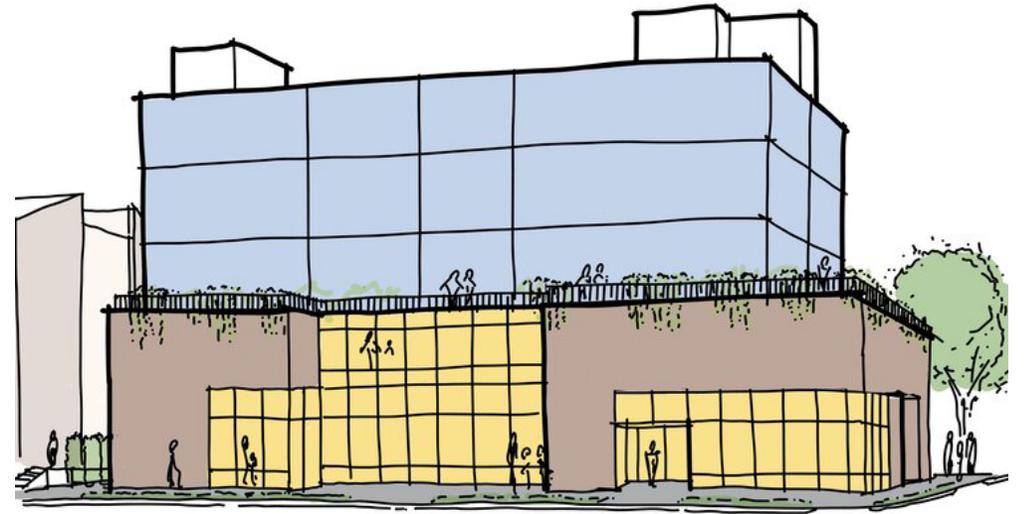


Operating & Maintenance (O&M)

- O&M contracts executed in 2021:
 - \$14.3 M to support up to 195 units of permanent supportive housing across three buildings for 20 years
- O&M contracts anticipated to be executed by 2023:
 - \$10.8 M to support up to 148 units of permanent supportive housing across two buildings for 20 years
- 300 SHA vouchers will support operations in 8 buildings
- Progress toward 7-year Goals:
 - 94% complete

Homeownership

- 2021 investments in new permanently affordable for-sale homes:
 - \$3.4 M for creation of 33 new homes across 3 developments
- Low-income homebuyers and homeowners assisted in 2021:
 - 9 new homebuyers purchased homes through affordable resales or purchase assistance loans
 - 26 current homeowners stayed in their homes through home repair grants or foreclosure prevention loans
- Progress toward 7-year Goals:
 - Exceeded goals at 112%



Rendering of PAHO (Homestead Community Land Trust) by Schemata Workshop

Homeownership

2016 Housing Levy-supported buildings that opened in 2021



South Park Cottages

- **Developer:** Habitat for Humanity
- **Number of Homes:** 13



Lake City Townhomes, Phase 1

- **Developer:** Habitat for Humanity
- **Number of Homes:** 8

Homelessness Prevention & Housing Stability Services

Homelessness Prevention

- \$1.57 M of Housing Levy funds supported 352 households at imminent risk of homelessness

Rapid Rehousing

- \$497,000 of Housing Levy funds supported 120 households to move into stable housing from homelessness
- Progress toward 7-year Goals:
 - 74% complete

Housing Levy Engagement Timeline



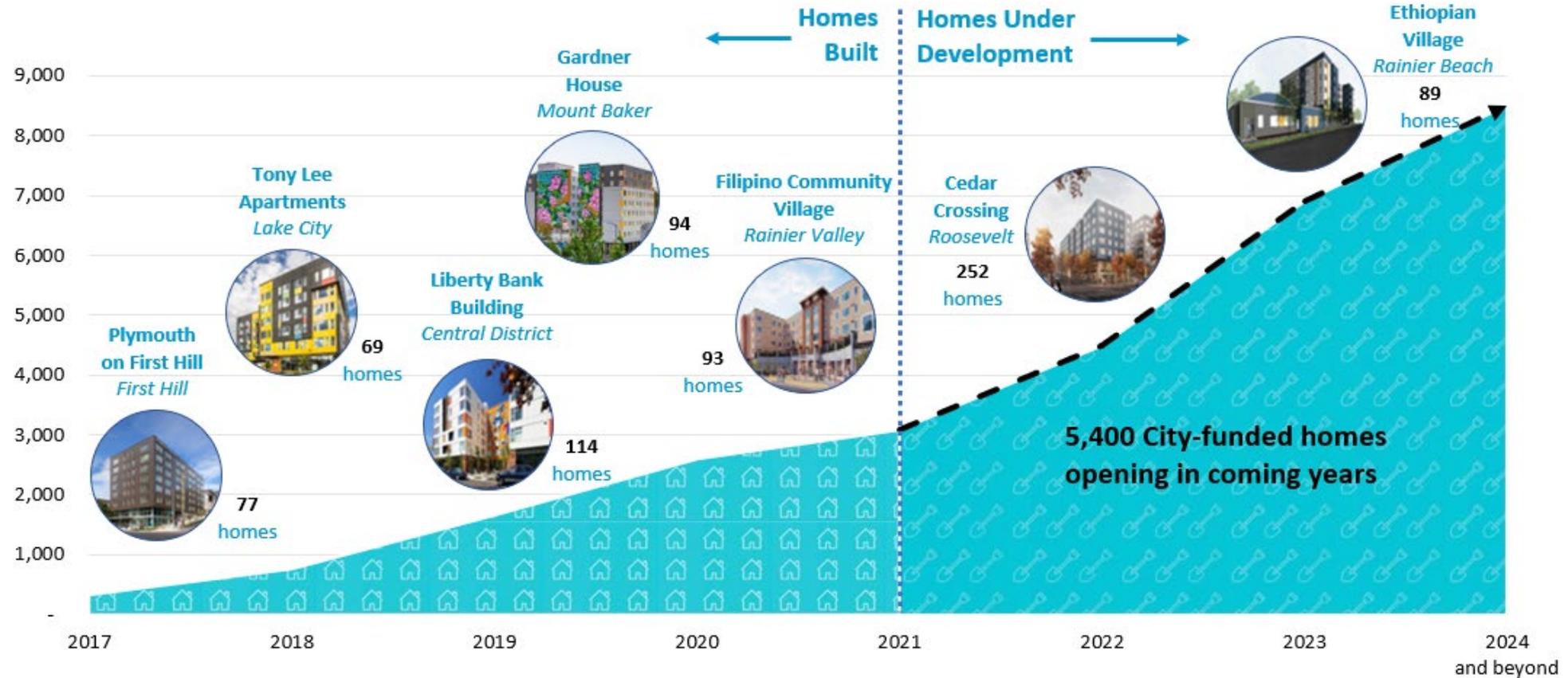
2021 Housing Investments Report

Office of Housing Presentation to Finance & Housing Committee
May 18, 2022



City-Funded Affordable Rental Housing

Recently Opened (2017-2021) and Under Development



City-Funded Affordable Rental Housing

Opened in 2021 - supported by funds other than Housing Levy



Encore Apartments

- **Address:** 3010 1st Ave
- **Neighborhood:** Belltown
- **Developer:** GMD Development
- **Units:** 60
- **Population:** Low-income individuals



George Fleming Place

- **Address:** 7357 43rd Ave S
- **Neighborhood:** Othello
- **Developer:** Low Income Housing Institute
- **Units:** 106
- **Population:** Low-income individuals and families



Broadway Hall Apartments

- **Address:** 506 10th Ave E
- **Neighborhood:** Capitol Hill
- **Developer:** Low Income Housing Institute
- **Units:** 36
- **Population:** Individuals experiencing homelessness

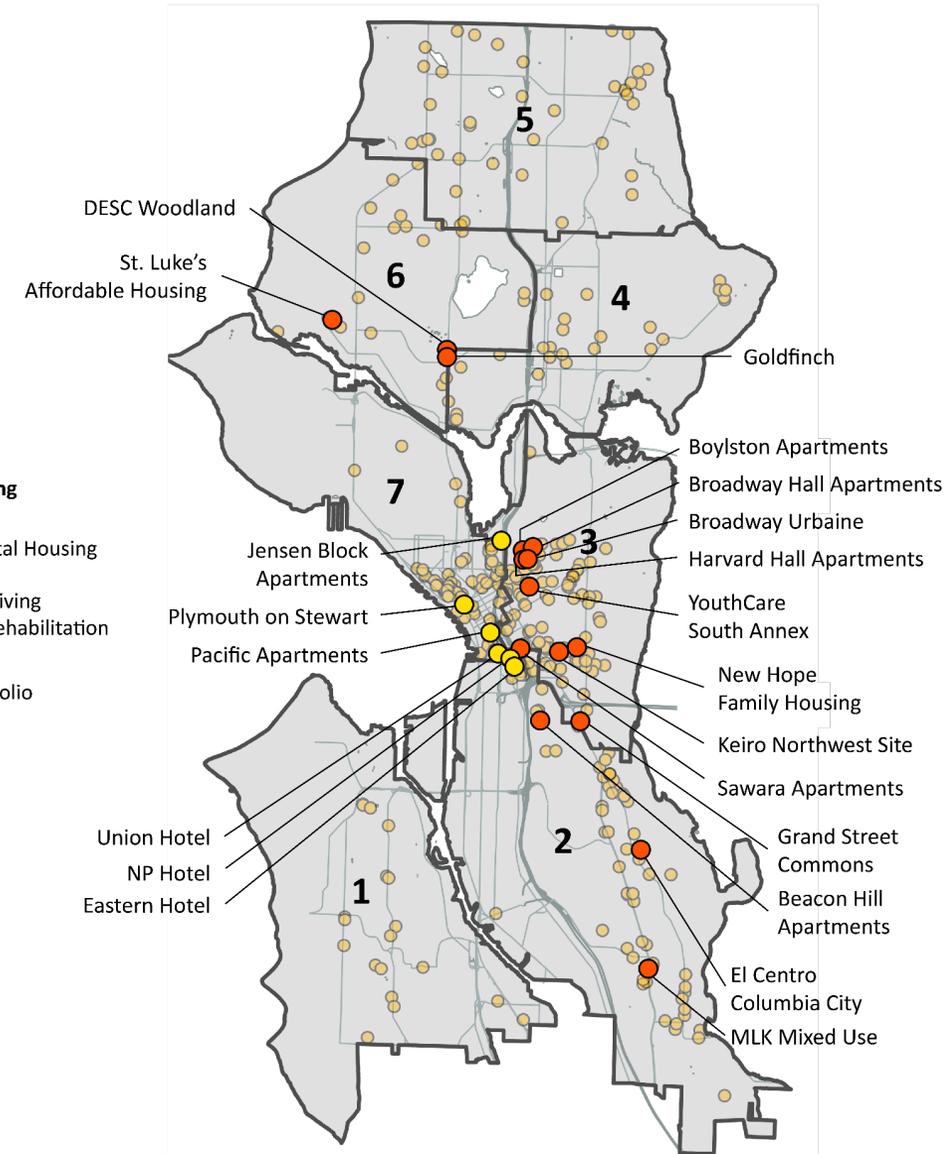
2021 Rental Housing Investments

- Creation of 1,551 new affordable rental units
 - 9 new construction projects
 - 5 newly constructed buildings
 - 1 site acquired for future development
- Preservation of 339 existing affordable rental units
 - Rehabilitation and necessary updates to 6 affordable housing buildings

2021 Investments in Affordable Rental Housing

- New Affordable Rental Housing
- Rental Housing Receiving Reinvestment and Rehabilitation
- Previously Funded Rental Housing Portfolio

Source: Office of Housing (2022)



2021 Funds Awarded

Rental Housing

Fund Source	2021 Funding Awarded
Seattle Housing Levy	\$15.2 M
Mandatory Housing Affordability (MHA) payments	\$50.0 M
Incentive Zoning / Bonus payments	\$0.4 M
Other local funds, including Payroll Expense Tax	\$71.4 M
Federal funds, which may include HOME, CLFR, or other fund sources	\$16.0 M
TOTAL	\$153.0 M



Eastern Hotel (InterIm CDA) in Chinatown-International District

Rental Housing Funded in 2021

Rapid Acquisition to quickly house individuals experiencing homelessness



Beacon Hill Apartments

- **Neighborhood:** Beacon Hill
- **Developer:** Sea Mar Community Health
- **Homes:** 39

Partnerships with faith-based institutions in neighborhoods throughout the city



St. Luke's Affordable Housing

- **Neighborhood:** Ballard
- **Developer:** Bridge Housing Corporation
- **Homes:** 85

Coordination of housing, services, and programming to support broader community well-being



YouthCare South Annex

- **Neighborhood:** Capitol Hill
- **Developer:** Community Roots Housing
- **Homes:** 84

Rental Housing Funded in 2021

Support for projects and developers grounded in BIPOC communities



New
Hope
Community
Development
Institute

BUILDING HOPE
AND A FUTURE



CHIEF
SEATTLE
CLUB



2021 Homeownership Development

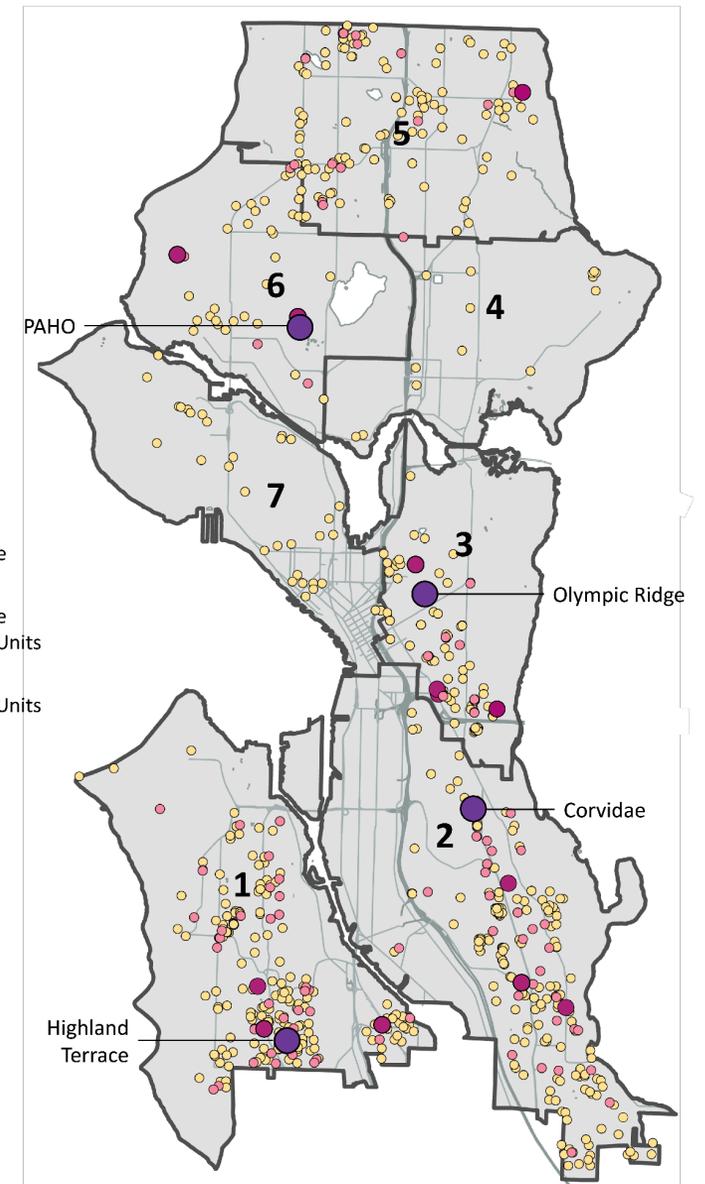
4 developments creating a total of 50 new permanently affordable for-sale homes

- 36 condo units
- 2 limited equity cooperative homes
- 12 cottages

City-Funded Affordable Homeownership

- 2021 Permanently Affordable Multi-Unit Homeownership Projects
- Previously Funded Permanently Affordable Multi-Unit Homeownership Projects
- Previously Funded Permanently Affordable Single-Family Homes or Individual Condo Units
- Downpayment Assistance Loans for Single-Family Homes or Individual Condo Units

Source: Office of Housing (2022)



2021 Funds Awarded

Homeownership

Fund Source	2021 Funding Awarded
Seattle Housing Levy	\$4.08 M
Mandatory Housing Affordability (MHA) payments	\$1.70 M
TOTAL	\$5.78 M



Highland Terrace (Habitat for Humanity) in Delridge

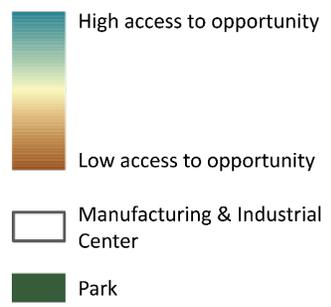
Locations of Housing Investments

- Geographic distribution throughout Seattle
- Access to reliable public transit, jobs, schools, other amenities
- Areas with high access to opportunity
- Areas with high risk of displacement



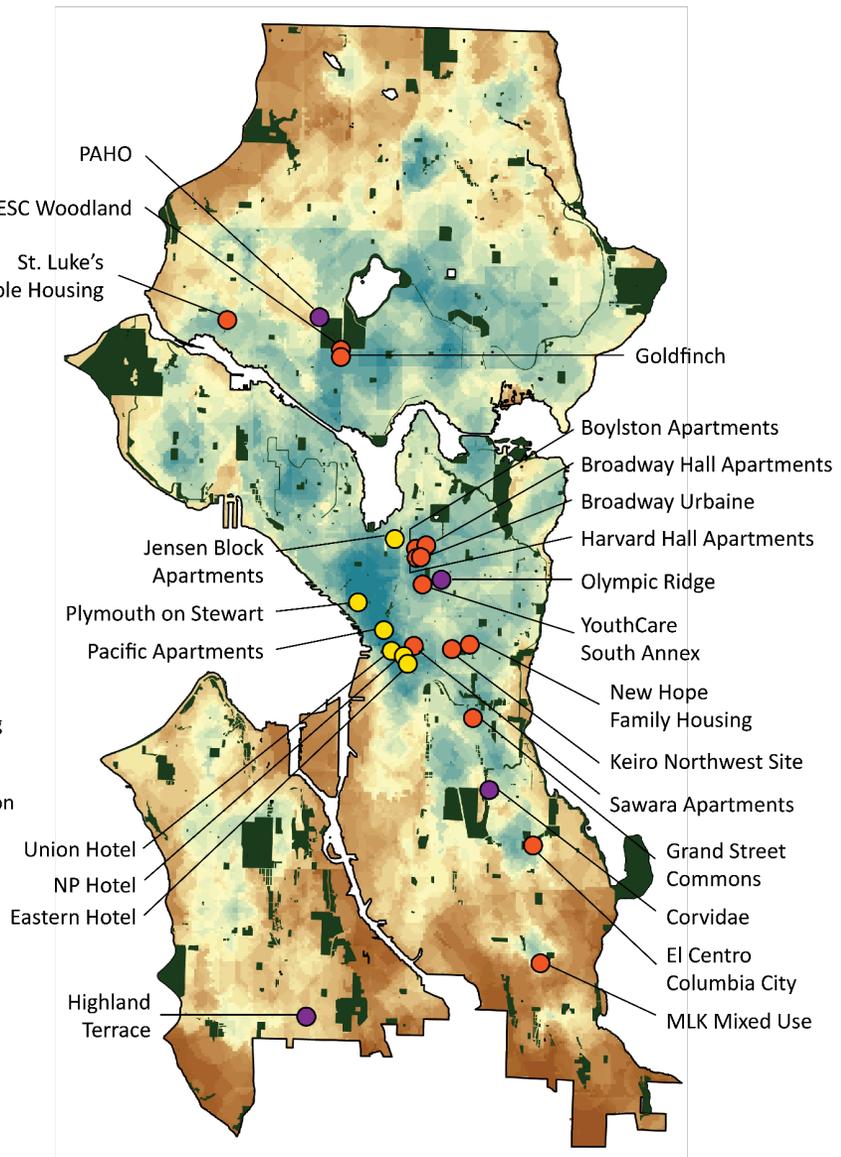
Rendering of Grand Street Commons (Mount Baker Housing)
near future Judkins Park light rail station

Access to Opportunity Index

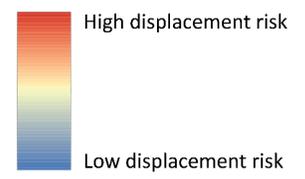


- New Affordable Rental Housing
- Rental Housing Receiving Reinvestment and Rehabilitation
- New Affordable Multi-Unit Homeownership Project

Sources: Office of Planning and Community Development (2016), Office of Housing (2022)



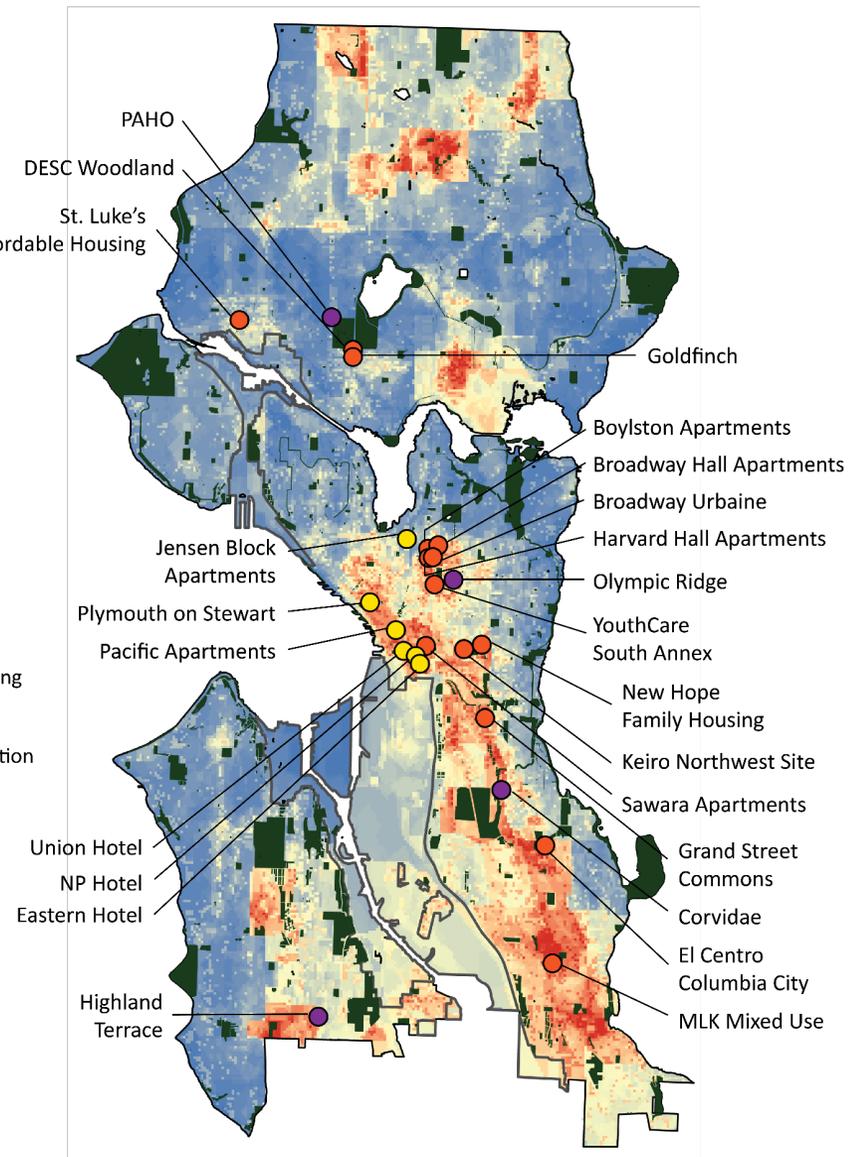
Displacement Risk Index



- Manufacturing & Industrial Center
- Park

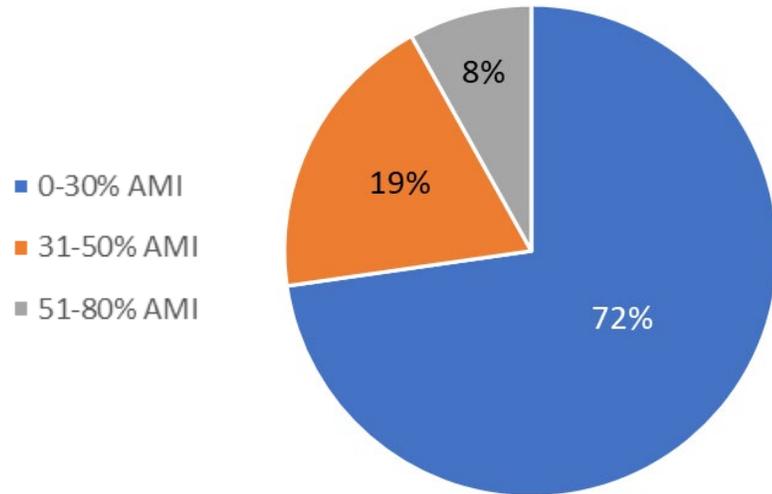
- New Affordable Rental Housing
- Rental Housing Receiving Reinvestment and Rehabilitation
- New Affordable Multi-Unit Homeownership Project

Sources: Office of Planning and Community Development (2016), Office of Housing (2020)



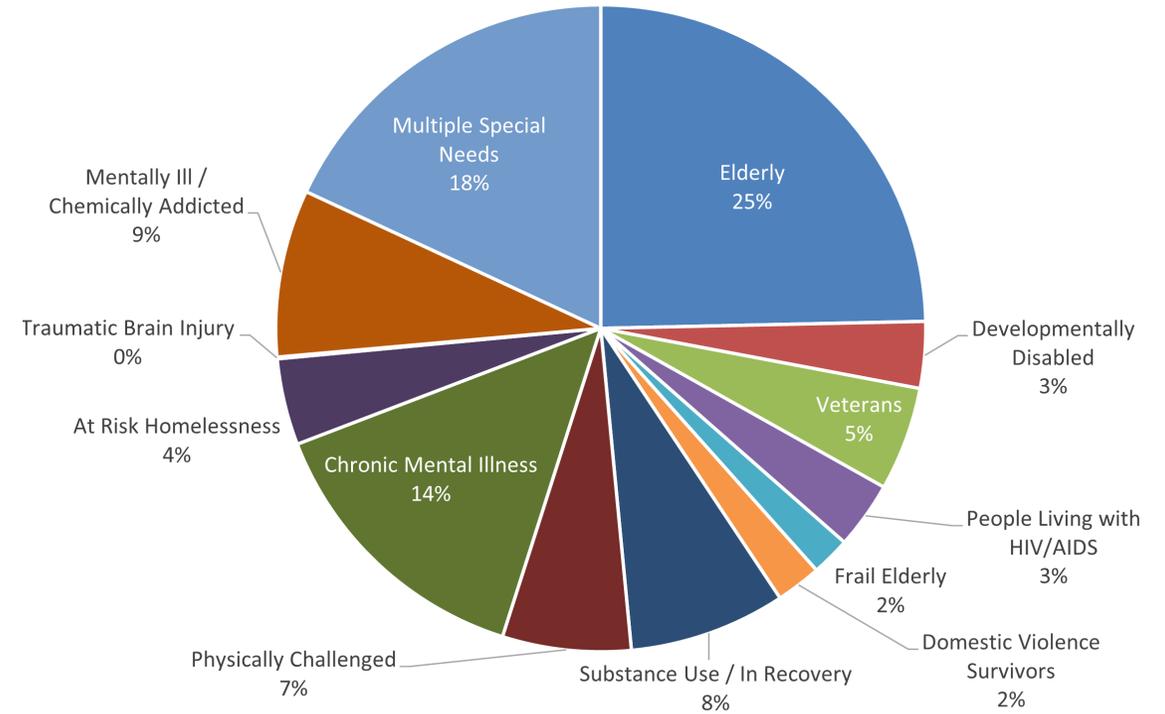
Demographics of Households Served

Incomes of Renter Households
15,819 total renter households, 2020



Selected 2021 Income Levels AMI = Area Median Income			
	30% AMI	50% AMI	80% AMI
Single Person	\$24,300	\$40,500	\$64,790
3-Person Household	\$31,250	\$52,100	\$83,300

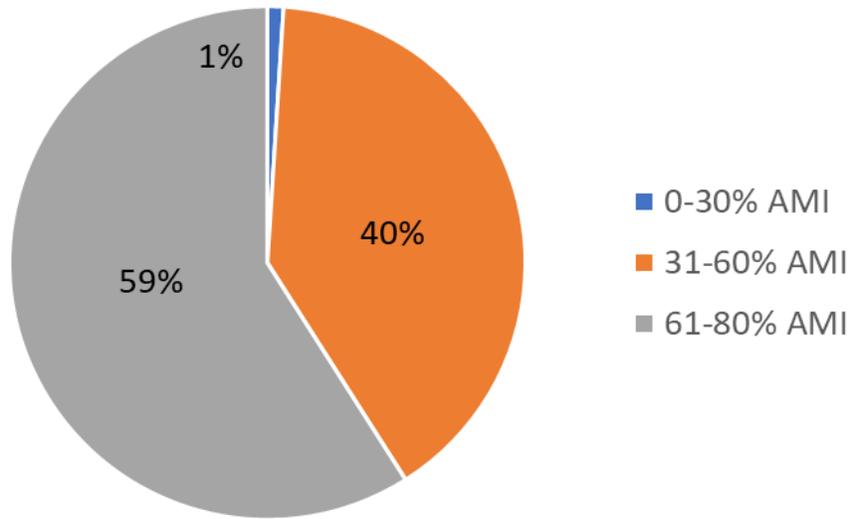
Special Needs Households Served
6,708 households (of 15,819 total renter households), 2020



Demographics of Households Served

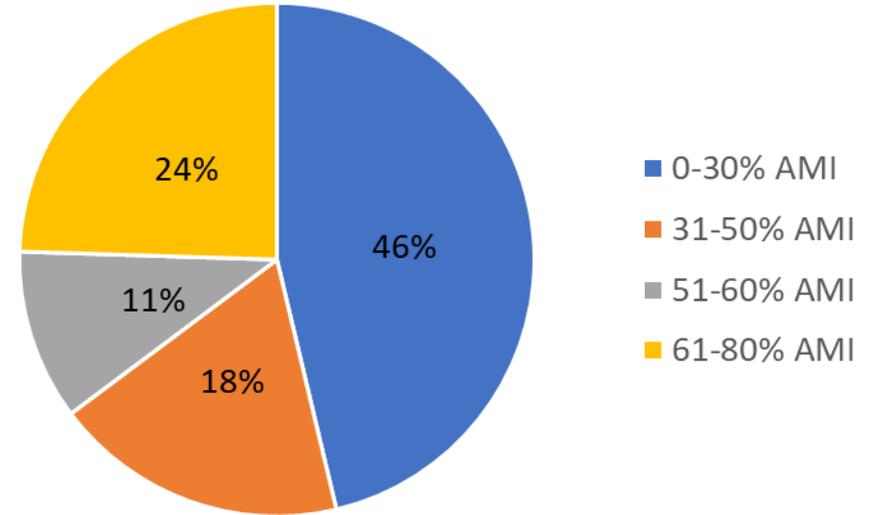
Incomes of Homebuyers Assisted

347 first-time homebuyers assisted, 2010-2021



Home Repair & Weatherization Programs

111 homeowners assisted, 2021



Selected 2021 Income Levels | AMI = Area Median Income

	30% AMI	50% AMI	60% AMI	80% AMI
Single Person	\$24,300	\$40,500	\$48,590	\$64,790
3-Person Household	\$31,250	\$52,100	\$62,480	\$83,300

Demographics of Households Served

- 57% of renter households and 46% of homebuyers and homeowners assisted are led by a person of color.
- More detailed information on race/ethnicity of households served will be shared at June 1 presentation to this committee.



Seattle Office of Housing Staffing to support our mission

Office of Housing Presentation to Finance & Housing Committee
May 18, 2022



2022 Budget Ordinance

- CB 120318 authorizes 12.5 new FTE in the Office of Housing funded by the PET
- Funding was authorized during 2022 Budget
- OH conducted detailed analysis to determine ongoing staffing needs
- This legislation assigns the appropriation to the correct BSL

OH Workload Increasing

- Additional position authority responds to the substantial increase in workload associated with the new investments from PET
- PET added approximately \$100 million to the OH budget in 2022, and is an ongoing funding source

OH Workload Impacts - Lending and Assets

- Increased number of loans for new development, preservation and acquisition of affordable housing – both rental and homeownership
- Compliance monitoring and asset management for completed projects
- Transactional work, including approval and implementation of new projects

OH Workload Impacts - Community Engagement

- Increasing equitable community outreach and neighborhood engagement
- Technical assistance for BIPOC organizations and developers exploring housing projects
- Thoughtful equity work and stakeholder process in policy and program development

OH Workload Impacts - Policy and Program

- Performance measurement and metrics
- Intentional racial equity analysis and monitoring
- Climate resiliency
- Equitable place-based development
- Key policy and program development

OH Partnership With Other Departments

- Financial support to FAS for wage monitoring
- Financial support to LAW for loan document preparation and closings
- FAS and LAW not currently requesting additional position authority

Cost of Proposal

- Total annual cost for proposed 12.5 FTEs is \$2.1 million
- Represents 2.3% of the 5% allowed for OH administrative costs for PET
- Unused administrative funds will be deployed as program loans for new rental housing and homeownership projects

Cost to Develop 2023 Housing Levy Proposal

This legislation also proposes to use existing Housing Levy fund balance of \$392,000 for costs related to the development of the 2023 Housing Levy proposal, including:

- Evaluating 2016 Housing Levy outcomes
- Developing and proposing 2023 Housing Levy legislation
- Convening stakeholder and community conversations to inform 2023 Housing Levy proposal
- Developing in-language communication tools about the Housing Levy

Annual Housing Investments 2021 Report

SEATTLE OFFICE OF HOUSING

APRIL 2022



Mayor Bruce Harrell

Teresa Mosqueda, Chair
Finance and Housing Committee,
Seattle City Council

Maiko Winkler-Chin, Interim Director
Seattle Office of Housing

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OFFICE OF HOUSING

ANNUAL INVESTMENTS REPORT – 2021

EXECUTIVE SUMMARY

New investment strategies, paired with exceptional levels of state and federal funding, create and sustain an unprecedented number of affordable rental and for-sale homes in 2021

The impacts of the coronavirus pandemic have underscored, more than ever, the link between health and housing stability. The pandemic's economic fallout and disproportionate effect on the well-being of communities of color has underscored the interconnectedness of housing stability and racial equity. Investing in permanent affordable housing is one of the most critical actions our City performs to address homelessness and public health, prevent residential displacement, and reverse historic and ongoing harms to communities of color as a result of institutionalized discriminatory policies and practices.

The Office of Housing's Annual Investments Report provides a comprehensive look at the City of Seattle's production and preservation of affordable housing through the Office of Housing's direct investment of tax revenue, proceeds from developer payments, and special funding. This year's report recaps financial activity and associated production numbers for investments made under four programs: Rental Housing, Homebuyer, Home Repair, and Weatherization. It also provides information on a category of spending unique to 2020 and 2021: emergency rental assistance in response to the economic impacts of the coronavirus pandemic.

For the second year in a row, the Office of Housing ran three rental housing funding rounds, including a new rolling funding round for rapid acquisition that remains open into 2022. Given the unique real estate market conditions brought about by the pandemic and the exceptional availability of state and federal funding to supplement local funding in 2021, the Office of Housing pursued a new rapid acquisition investment strategy. Under that strategy, OH supported the acquisition of five recently-completed market-rate apartment buildings, which facilitated the lease-up of 260 new rent- and income-restricted homes in a matter of months, greatly accelerating the timeline for creating new homes compared to traditional affordable housing development.

City capital investments also supported acquisition of large development sites for future rental housing, development of permanently affordable for-sale housing, and the stability of existing low-income residents through OH's home repair and weatherization programs. All are featured in this report along with, as noted above, information on expenditures for pandemic-responsive emergency rental assistance. Information on 2021 activity for other OH spending programs, such as operating and maintenance support, down payment assistance for first-time homebuyers, foreclosure prevention, and homelessness prevention and rapid rehousing, appear in a companion report on the Seattle Housing Levy.

As in past years, Section VI of this report describes how City investment in affordable housing infrastructure advances racial equity. Affordable housing investment promotes racial equity and fair access to housing. People of color, particularly African Americans and American Indian and Alaskan Natives, are more likely to experience housing cost burden, displacement, and homelessness. Affordable housing is a critical way for the City to address these and other long-standing racial disparities that exist both in Seattle and across the county. Each of the housing programs discussed in this report makes special efforts to reach people of color and immigrant and refugee communities. Fifty-seven percent of the households in City-funded rental housing are led by a person of color, and 17 percent of all renter households are Hispanic. Forty-five percent of the households served by the City's homebuyer programs are led by a person of color.

Housing equity is also advanced through City location priorities for housing investment. Seattle housing policies emphasize a balanced approach that ensures housing choice and affirmatively furthers fair housing. Some investments promote new affordable housing options in neighborhoods where low-income residents, including many people of color, face the risk of displacement due to rising rents and gentrification. This affordable housing helps sustain cultural communities and enables residents to stay in their neighborhoods as transit and other improvements are made. Seattle housing policies also promote investments in higher cost areas where many opportunities are available, including schools, transportation, and amenities. Section IV of this report provides a series of maps illustrating how housing investments align with transit access, areas rich in amenities, areas at high risk for displacement, and more.

Affordable housing is a critical cornerstone for broader equitable community development. By supporting housing development organizations grounded in communities that have historically been harmed by institutionalized racist policies and practices, the Office of Housing continues to demonstrate its commitment to racial equity through housing justice. Of the 12 housing development organizations supported through 2021 investments in new rental housing development, five are explicitly rooted in, led by, and serve communities of color. Another three housing development organizations are led at the highest level by people of color.

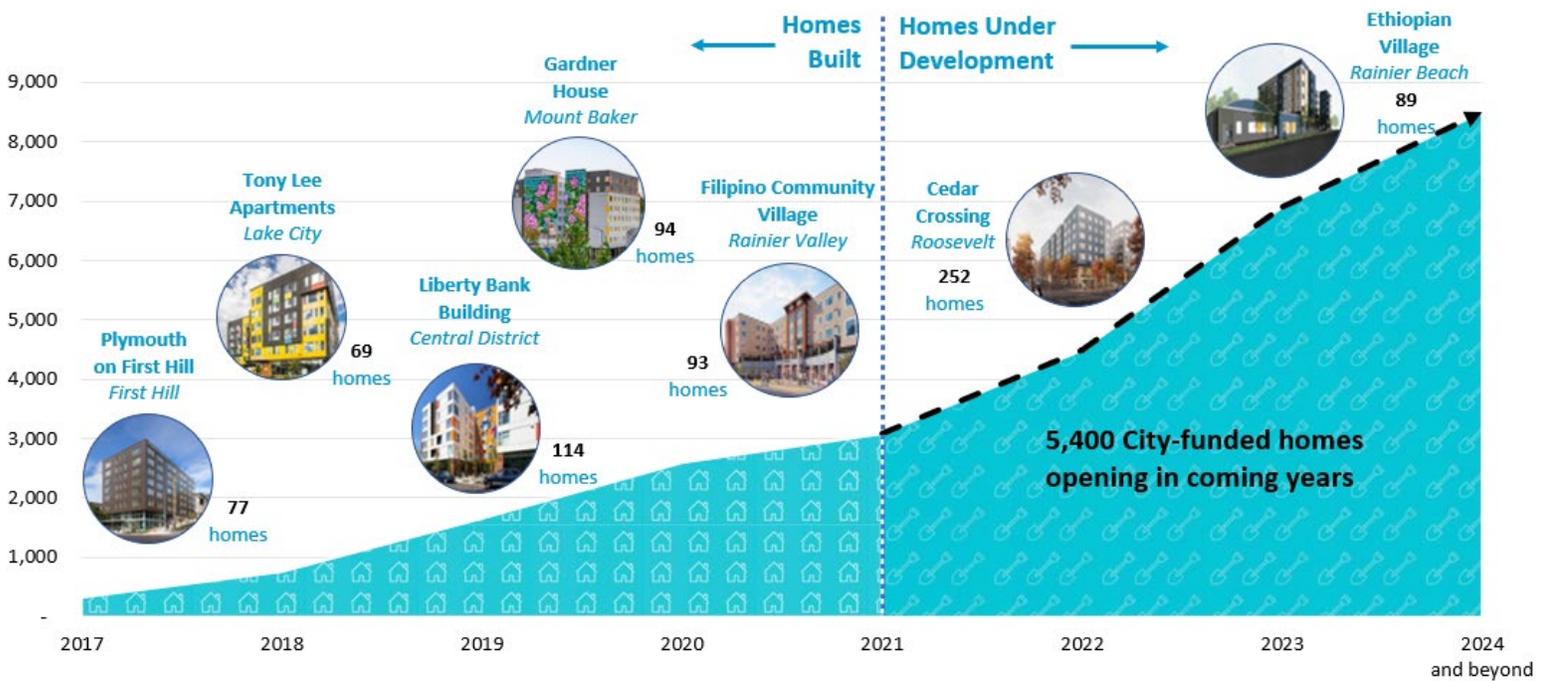
Through investments over the past 40 years, Seattle now has over 15,600 City-funded rental housing units in operation across 328 buildings. In 2021, 489 new City-funded rental housing units were placed in service and welcomed renters, and 21 new City-funded permanently affordable homes were built and sold to low-income first-time homebuyers. An additional 5,400 City-funded affordable apartments and 179 permanently affordable for-sale homes are under development (i.e., under construction, in permitting, or preparing for permitting) and will be completed in the coming years. Each home represents safety and stability for an individual or family, a step toward creating more inclusive communities throughout Seattle, and a victory for housing justice.

New Housing Opening and Under Construction

The City’s longstanding track record of investment helps secure a steady supply of new affordable homes.

- In 2021, seven OH-funded rental housing buildings were opened, providing 489 affordable rent- and income-restricted homes. Two OH-funded homeownership developments were completed, with 21 permanently affordable homes sold to income-eligible first-time homebuyers.
- Prior- and current-year OH funding awards will culminate in 43 newly completed rental buildings comprising over 5,400 new affordable apartments in 2022 and the coming years. Prior- and current-year OH funding awards will yield 179 new permanently affordable for-sale homes across 11 homeownership developments.

City-Funded Affordable Rental Housing Recently Opened (2017-2021) and Under Development



2021 Housing Investments

Even as prior-year funding was delivering completed affordable housing in 2021, OH funding programs set a new cohort of affordable homes in motion. For the second year in a row, OH replaced its once-a-year notice of funding availability with three separate funding rounds, in order to adapt to shifting real estate market conditions and take advantage of unique affordable rental housing development, acquisition, and preservation opportunities throughout the year. In addition to offering spring and fall funding rounds, OH created a Rapid Acquisition program that, in partnership with the Washington State Department of Commerce, supports the purchase of newly constructed, private market buildings to provide affordable

housing on an accelerated timescale. Funds awarded for preservation of existing affordable rental housing and development of for-sale housing for first-time homebuyers also combined to make 2021 a year of unprecedented investment activity.

Rental Housing Program: This program funds production and preservation of rental housing that will serve low-income Seattle residents for a minimum of 50 years.

- \$138 million awarded for rental housing production
- 1,551 new affordable rental apartments will be produced through those awards
- \$15 million to preserve 359 permanent supportive housing units
- \$24.4 million acquisition loans to secure three sites that will support future development of 657 new rental units

Homeownership Program: This program funds the development of new for-sale housing stock that will be sold to low-income, first-time buyers at affordable prices for a minimum of 50 years.

- \$5.78 million for permanently affordable homeownership development
- 50 new permanently affordable for-sale homes at four sites

The Office of Housing also made investments to stabilize low-income homeowners and improve the environmental sustainability and performance of existing affordable housing stock. Investment in OH's longstanding home repair and weatherization programs provided direct service to achieve these safety, health, and affordability outcomes for housing owners and renters.

Home Repair Program: This program funds critical health and safety repairs, helping low-income homeowners preserve what is often their greatest financial asset and remain in their homes.

- Approximately \$830,000 provided as loans and grants
- 59 low-income homeowners assisted

Weatherization Program: This program funds energy conservation and related indoor air quality improvements, enhancing health and living conditions and lowering utility bills for low-income homeowners and renters

- \$4 million in grant funds expended
- Completed upgrades in 112 single family homes, which includes 30 oil-to-electric heating system conversions under new Clean Heat Program.
- Completed upgrades in 5 affordable apartment buildings, with a total of 370 affordable units

Beyond capital investment in housing development and preservation, the Office of Housing manages several ongoing programs funded by the Seattle Housing Levy and, in 2021, continued to administer special emergency rental assistance funds through programs initiated in 2020 as part of the City of Seattle's COVID-19 pandemic relief efforts.

Finally, OH also administers several programs that promote the inclusion of affordable set-aside units in otherwise market-rate buildings.

Multifamily Tax Exemption Program: This program provides multifamily building owners a property tax exemption in exchange for a set-aside of units affordable to low- and middle-income households for up to 12 years.

- The Office of Housing issued Final Certificates of Tax Exemption for 19 market-rate multifamily rental housing properties with 494 rent- and income-restricted MFTE units. Eight permanently affordable for-sale homes were also issued Final Certificates of Tax Exemption. Tax exemptions for properties with Final Certificate issued in 2021 became effective on January 1, 2022.
- Between January 1, 2010 - December 31, 2022, the cumulative amount of foregone property tax revenue in Seattle, due to the deferral of the new construction value for active MFTE properties, is \$146.7 million. For 2022 alone, \$65.9 million of tax savings for MFTE property owners is shifted to be an additional tax burden for non-exempt taxpayers. Due to MFTE, the additional amount of property tax paid in 2022 by each homeowner, assuming the home has the median value of \$760,000 for Seattle, is approximately \$72.

Mandatory Housing Affordability Performance Option: Under a program that requires most new real estate development to contribute to production of new affordable housing, developers may choose to make a payment to support the housing investments described in this report or choose to pursue the performance option, under which they create affordable set-aside units in otherwise market-rate buildings.

- One building using the performance option was placed in service in 2021 (7 MHA units out of a total 95 units), bringing the total number of performance option buildings placed in service since MHA was implemented to 6.
- Developers made commitments for construction of 95 additional MHA performance units (out of 1,286 total units) in 13 new buildings in 2021, a sharp increase from prior years.

Supplementary Reports on Housing Programs and Investments

Three supplementary reports are produced and published simultaneously with this Investment Report.

1. Seattle Housing Levy: Seattle’s voter-approved \$290 million, 7-year levy made its fifth round of funding awards in 2021. This report covers Levy performance in relation to adopted goals and affordability requirements for each of the five Levy-funded programs, including several spending programs not addressed in this report: operating and maintenance support for OH-funded buildings, down payment assistance for first-time homebuyers, foreclosure prevention, and homelessness prevention services.

2. Mandatory Housing Affordability and Incentive Zoning: This report compiles information on both the voluntary and mandatory programs, including information on participating properties and resulting production of affordable housing, as required in the Council-adopted OH Housing Funding Policies.

3. Multifamily Tax Exemption Program: Participating multifamily buildings can receive a property tax exemption on residential improvements in exchange for placing income and rent restrictions on 20 or 25 percent of the units. This annual report is required under Ordinance 124877 and addresses data points such as housing production and tax impacts.

I. AFFORDABLE HOUSING OPENING AND UNDER CONSTRUCTION

Seven OH-funded rental housing projects leased up and began operations in 2021, comprising 489 new affordable apartments. Twenty-one OH-funded permanently affordable for-sale homes were also completed in 2021, and homes were sold to low-income first-time homebuyers.

Table 1: OH-Funded Housing Opened in 2021

Project name <i>Project Sponsor</i> Neighborhood	Description
Rental Apartments	
Filipino Community Village <i>Filipino Community of Seattle, HumanGood</i> Rainier Valley	93 studio and one- and two-bedroom apartments for extremely low-, very low-, and low-income seniors and senior-led households
Encore Apartments <i>GMD</i> Belltown	60 studio and one-bedroom apartments for low-income individuals
Kristin Benson Place <i>Plymouth Housing</i> Uptown	91 studio and one-bedroom apartments for formerly homeless individuals
George Fleming Place <i>Low Income Housing Institute</i> Othello	92 studio, one-, two-, and three-bedroom apartments for extremely low-, very low-, and low-income families and individuals
Rise at Yancy Street <i>Transitional Resources</i> West Seattle	44 units of permanent supportive housing for formerly homeless individuals with significant supportive services needs
Clay Apartments¹ <i>Low Income Housing Institute</i> Capitol Hill	75 units of permanent housing for veterans and formerly homeless individuals with limited supportive services needs
Broadway Hall Apartments <i>Low Income Housing Institute</i> Capitol Hill	34 units of permanent housing for formerly homeless individuals with limited supportive services needs
Permanently Affordable For-Sale Homes	
Lake City Townhomes Phase 1 <i>Habitat for Humanity Seattle-King County</i> Lake City	8 resale-restricted, permanently affordable four-bedroom townhomes for low-income first-time homebuyers
South Park Cottages <i>Habitat for Humanity Seattle-King County</i> South Park	13 resale-restricted, permanently affordable two-bedroom cottages for low-income first-time homebuyers

¹ OH financing from the Seattle Housing Levy's Acquisition and Preservation program supported the acquisition of this newly constructed apartment building for use as affordable housing.

Table 2: OH-Funded Housing Under Development and Under Construction

Prior- and current-year OH funding awards will culminate in 43 newly completed rental buildings comprising over 5,400 new affordable apartments in the coming years. Prior- and current-year OH funding awards will yield 179 new permanently affordable for-sale homes across 11 homeownership developments. The buildings and homes listed below were either under construction or preparing for permitting and construction as of December 31, 2021.

Project Name <i>Project Sponsor</i> Neighborhood	Description (Shading indicates projects funded in 2021)
Rental Apartments	
12th and Spruce <i>Plymouth Housing</i> First Hill	100 units of permanent supportive housing serving individuals experiencing chronic homelessness
ገልገል <i>Chief Seattle Club</i> Pioneer Square	75 units for a mix of extremely low-, very low-, and low-income individuals with an emphasis on urban native people experiencing homelessness
Africatown Plaza <i>Africatown Community Land Trust / Community Roots Housing</i> Central District	75 units for a mix of extremely low-, very low-, and low-income individuals with an emphasis on urban native people experiencing homelessness
Ballard Crossing PSH <i>Inland Group / Plymouth Housing</i> Ballard	79 units of permanent supportive housing serving individuals experiencing chronic homelessness
Beacon Hill Apartments <i>Sea Mar Community Health Centers</i> Beacon Hill	39 studio apartments for women experiencing chronic homelessness with an emphasis on Latinx women and women of color
Bitter Lake PSH <i>DESC</i> Bitter Lake	100 units of permanent supportive housing serving individuals experiencing chronic homelessness
Boylston Apartments <i>Low Income Housing Institute</i> Capitol Hill	55 studio apartments serving individuals experiencing homelessness
Broadway Urbaine <i>TAP Collaborative</i> Capitol Hill	100 studio and one-bedroom apartments and live-work units for individuals with low incomes
Bryant Manor <i>FAME Housing Association</i> Central District	58 two-, three-, and four-bedroom apartments for families with extremely low incomes
Cedar Crossing Apartments <i>Bellwether Housing / Mercy Housing Northwest</i> Roosevelt	245 studio, one-, two-, and three-bedroom apartments for a mix of extremely low-, very low-, and low-income individuals and families

Project Name <i>Project Sponsor</i> <i>Neighborhood</i>	Description (Shading indicates projects funded in 2021)
DESC Woodland <i>Woodland</i> Fremont	100 units of permanent supportive housing serving individuals experiencing chronic homelessness
Eclipse Fremont Apartments <i>GMD</i> Fremont	87 studio and one- and two-bedroom apartments for very low- and low-income families and individuals; 66 additional unrestricted units
El Centro Columbia City <i>El Centro de la Raza</i> Columbia City	87 one-, two-, and three-bedroom apartments for families and individuals with low, very low, and extremely low incomes
Elizabeth Thomas Homes <i>FAME/Equity Alliance of Washington / Catholic Housing Services</i> Rainier Beach	119 studio and one-, two-, and three-bedroom apartments for very low- and low-income families and individuals
Ethiopian Village <i>Ethiopian Community in Seattle / HumanGood</i> Rainier Beach	89 studio and one-bedroom apartments for older adults with extremely low, very low, and low incomes, with an emphasis on East African community
Flourish on Rainier <i>Bellwether Housing</i> Rainier Beach	185 studio, one-, two-, three-, and four-bedroom apartments for families and individuals with low and very low incomes
Goldfinch <i>Chief Seattle Club</i> Fremont	63 units of permanent supportive housing serving individuals experiencing homelessness and individuals with low incomes, with a focus on American Indian and Alaska Native elders
Good Shepherd Housing <i>Low Income Housing Institute</i> Central District	102 studio apartments for individuals experiencing homelessness and individuals with extremely low and very low incomes
Grand Street Commons <i>Mount Baker Housing Association</i> Mount Baker	204 studio, one-, two-, and three-bedroom apartments for families and individuals with low and very low incomes
Green Lake PSH <i>DESC</i> Green Lake	124 units of permanent supportive housing for individuals experiencing chronic homelessness
Harvard Hall Apartments <i>Low Income Housing Institute</i> Capitol Hill	69 studio apartments serving individuals experiencing homelessness
Hobson Place II <i>DESC</i> North Rainier	92 units of permanent supportive housing serving individuals experiencing homelessness
Lam Bow Apartments <i>Seattle Housing Authority</i> Delridge	79 one-, two-, and three-bedroom apartments for families and individuals with extremely low and very low incomes
Maddux Apartments <i>Mount Baker Housing Association</i> Mount Baker	165 studio, one-, two-, and three-bedroom apartments for very low- and low-income families and individuals

Project Name <i>Project Sponsor</i> <i>Neighborhood</i>	Description (Shading indicates projects funded in 2021)
Martina Apartments <i>Inland Group / Catholic Housing Services</i> Greenwood	66 units of permanent supportive housing serving individuals experiencing chronic homelessness
MLK Mixed Use <i>Low Income Housing Institute</i> Othello	147 studio, one-, two-, and three-bedroom apartments for young adults experiencing homelessness, and families and individuals with very low and extremely low incomes
Mount Zion Senior Housing at 19th <i>Mount Zion Housing Development</i> Central District	61 studio and one-bedroom rental apartments for low-income seniors
Nesbit Family Housing <i>Low Income Housing Institute</i> Licton Springs	117 studio, one-, and two-bedroom apartments, and three-bedroom townhomes for families and individuals with extremely low and very low incomes
New Hope Family Housing <i>New Hope Community Development Institute</i> Central District	86 studio, one-, two-, and three-bedroom apartments for families and individuals with low, very low, and extremely low incomes
North Lot <i>SCIDpda</i> Chinatown-International District, North Beacon Hill	153 studio, one-, two-, and three-bedroom apartments for individuals and families with very low incomes
Northaven III <i>Northaven / HumanGood</i> Northgate	85 studio and one-bedroom apartments for extremely low-, very low-, and low-income senior individuals and couples
Polaris at Lake City <i>Inland Group</i> Lake City	257 studio, one-, two-, and three-bedroom apartments for very low- and low-income families and individuals
Polaris at Rainier Beach <i>Inland Group</i> Rainier Beach	305 units for low-income families and individuals, with 20% set aside for people with disabilities
Pride Place <i>Community Roots Housing</i> Capitol Hill	118 units for low-income and extremely low-income seniors with an emphasis on the LGBTQ community
The Rise on Madison <i>Bellwether Housing / Plymouth Housing</i> First Hill	248 studio, one-, two-, and three-bedroom apartments for low-income families and individuals, and 112 units of permanent supportive housing for seniors who have experienced chronic homelessness
Sacred Medicine House <i>Chief Seattle Club</i> Lake City	117 units for extremely low-, very-low, and low-income individuals with an emphasis on urban native people experiencing homelessness
Sawara Apartments <i>Seattle Housing Authority</i> Yesler Terrace	113 one-, two-, three-, and four-bedroom apartments for families and individuals with low incomes

Project Name <i>Project Sponsor</i> Neighborhood	Description (Shading indicates projects funded in 2021)
St. Luke's Affordable Housing <i>Bridge Housing Corporation</i> Ballard	85 studio, one-, two-, and three-bedroom apartments for families and individuals with low and very low incomes
Uncle Bob's Place <i>Interlm Community Development Association</i> Chinatown-International District	126 studio, one-, two-, and three-bedroom apartments for families and individuals with low incomes
Via 7 <i>Mount Baker Housing Association</i> Rainier Beach	220 studio, one-, two-, and three-bedroom apartments for individuals and families with very low incomes
Willow Crossing <i>GMD</i> Othello	213 one-, two-, and three-bedroom apartments for families and individuals with low incomes
Yesler Family Housing <i>Seattle Chinatown International District PDA / Community Roots Housing</i> Yesler Terrace	158 studio, one-, two-, and three-bedroom apartments for families and individuals with extremely low and low incomes
YouthCare South Annex <i>Community Roots Housing</i> Capitol Hill	84 studio and one-bedroom apartments for young adults experiencing homelessness and young adults with very low and extremely low incomes
Permanently Affordable For-Sale Homes	
Capitol View <i>Habitat for Humanity</i> Capitol Hill	13 resale-restricted, permanently affordable condominiums through renovations to a 1901 apartment building
Copper Pines <i>Habitat for Humanity</i> Loyal Heights	7 resale-restricted, permanently affordable townhomes for low-income first-time homebuyers
Corvidae <i>Habitat for Humanity / Frolic</i> Columbia City	2 limited equity cooperative homes, within a project of 10 total, for low-income first-time homebuyers
Highland Terrace <i>Habitat for Humanity</i> Highland Park	12 resale-restricted, permanently affordable two-bedroom cottages for low-income first-time homebuyers
Lake City Townhomes Phase 2 <i>Habitat for Humanity</i> Lake City	8 resale-restricted, permanently affordable four-bedroom townhomes for low-income first-time homebuyers
Olympic Ridge <i>Habitat for Humanity</i> Central District	17 resale-restricted, permanently affordable one and two-bedroom condo units for low-income first-time homebuyers
PAHO <i>Homestead Community Land Trust / Edge Developers</i> Phinney Ridge	19 resale-restricted, permanently affordable one, two, and three-bedroom condo units for low-income first-time homebuyers

Project Name <i>Project Sponsor</i> <i>Neighborhood</i>	Description (Shading indicates projects funded in 2021)
Phinney Condos <i>Homestead Community Land Trust / Edge Developers</i> Phinney Ridge	19 resale-restricted, permanently affordable one, two, and three-bedroom condo units for low-income first-time homebuyers
Trenton Townhomes <i>Habitat for Humanity</i> Westwood	4 resale-restricted, permanently affordable three- and four-bedroom townhomes for low-income first-time homebuyers
U-Lex at Othello Square <i>HomeSight</i> Othello	68 limited equity cooperative homes for low-income first-time homebuyers
Village Gardens <i>Homestead Community Land Trust</i> Leschi	10 resale-restricted, permanently affordable three-bedroom townhomes for low-income first-time homebuyers plus 6 unrestricted townhomes

II. FUNDS AWARDED IN 2021

The Office of Housing awarded \$153 million in 2021 to build, acquire, and preserve 1,910 affordable rental homes in neighborhoods across Seattle. These investments support a spectrum of housing types for low-income residents, including supportive housing for those experiencing homelessness and apartments for low-income individuals and families.

Table 3: Rental Housing Program Funds Awarded

New production, reinvestment, and preservation

Fund Source	2021 Funding Awarded	Description
Seattle Housing Levy	\$15.2 M	The voter-approved Seattle Housing Levy avails approximately \$29 million per year for the rental housing program. In 2020, a pilot initiative accelerated Levy resources, by designating two years of Rental Production and Preservation into a single year. As a result, the total Levy funds awarded in 2021 for rental production and preservation was markedly smaller than in previous years.
Seattle Mandatory Housing Affordability (MHA) payments	\$50.0 M	In areas subject to MHA requirements, residential and commercial developers' make financial contributions toward affordable housing in cases when they do not opt to pursue a performance option.
Seattle Incentive Zoning / Bonus payments	\$0.4 M	Residential and commercial developers whose developments received permits prior to MHA implementation continue to make payments to the City under the Incentive Zoning program.
Other local funds, including Seattle Payroll Expense Tax	\$71.4 M	The Seattle Payroll Expense Tax is a business excise tax applicable to business with a local annual payroll of at least \$7,386,494 in the prior calendar year.
Federal funds, which may include HOME, CLFR, or other	\$16 M	The HOME Investment Partnerships Program (HOME) provides formula grants to states and municipalities to fund a wide range of activities including building, buying, and/or rehabilitating affordable housing. Coronavirus Local Fiscal Recovery Funds (CLFR), a part of the American Rescue Plan Act (ARPA), provide local governments resources to support households, businesses, and public services impacted by the pandemic.
Total	\$153.0 M	

OH awarded an additional \$5.78 million to develop 33 permanently affordable homes for first-time homebuyers. OH's Home Repair Program provided nearly \$830,000 in loans and grants to low-income homeowners to address critical health, safety, and structural issues. OH's HomeWise Weatherization Program expended \$4 million to provide energy efficiency and indoor air quality improvements in affordable apartment buildings serving low-income renters and single-family homes with low-income owners.

Table 4: Homeownership Development Funds
Permanently affordable, resale-restricted for-sale housing

Fund Source	2021 Funding	Description
Seattle Housing Levy	\$4.08M	The 7-year Seattle Housing Levy dedicates \$14.3 million to a variety of homeownership programs, including development of new permanently affordable for-sale housing and downpayment assistance loans for income-qualified first-time homebuyers
Mandatory Housing Affordability (MHA) payment	\$1.70M	A portion of the developer payment proceeds under the MHA program (see description above, under Rental Housing) is intended for development of permanently affordable, resale-restricted for-sale housing.
Total	\$5.78M	

Table 5: Home Repair Program Funds

Fund Source	2021 Funding	Description
Seattle Housing Levy (program income)	\$394,236	Loans made with 1995 Levy home repair loan repayments
Community Development Block Grant	\$284,310	Loans made with CDBG home repair loan repayments
Seattle Housing Levy	\$151,451	Grants made with 2016 Levy funding
Total	\$829,997	

Table 6: Low-Income Weatherization Program Funds

Fund Source	2021 Funding*	Description
Seattle City Light	\$1.69M	Energy efficiency improvements to electrically heated homes and apartments in Seattle City Light's service area
Seattle Housing Levy (program income)	\$0.15M	Oil to electric heat conversions; funding comes from 1995 Housing Levy home repair loan repayments

Fund Source	2021 Funding*	Description
Washington State Capital Budget	\$0.79M	Energy efficiency, asthma reduction and indoor air quality improvements in homes and apartments; funding is provided through the State Energy Matchmaker Program
Federal	\$1.20M	Energy efficiency and indoor air quality improvements in homes and apartments; funding from Department of Health and Human Services, Department of Energy, and Bonneville Power Administration
Puget Sound Energy	\$0.26M	Energy efficiency and health and safety improvements for gas heated buildings
Total	\$4.09M	

* Indicates capital funds expended in 2021. Grants may have been awarded in an earlier year.

Emergency Rental Assistance

In 2021, the City continued its work to administer emergency rental assistance to provide stability for renters with low incomes who were economically impacted by the COVID-19 pandemic.

To distribute available funds, the City employed a three-pronged strategy that reached more than 6,300 Seattle renters whose housing stability was jeopardized by the pandemic’s economic impacts. This approach to program implementation emphasized efficient and trusted partnerships, through:

- a direct contract with United Way of King County, building on their strong foundation of existing eviction prevention work;
- innovative delivery by the Seattle Office of Housing’s direct support to nonprofits that operate city-funded affordable housing; and
- intentionality with respect to communities who were most negatively impacted by COVID-19, through direct engagement with community-based organizations, including agencies led by and serving BIPOC, immigrant, and refugee communities.

By the end of 2021, approximately \$27.6 million in rental assistance had been paid out to 6,355 households. For households served from October to December 2021, of those who provided such data 53% lived in a home that had children. The three-program strategy ensured that federal funding could be quickly disbursed in a streamlined yet equitable manner: across the Community-Based Organizations, United Way, and Office of Housing programs, about 63% of rental assistance recipients identified as people of color, and 17% of Hispanic ethnicity.

Capital Funds Leveraged

Rental Housing Development: Of the City’s total capital investment in rental housing production and reinvestment, \$138 million is dedicated to new housing development. This \$138 million in OH investment will result in a total investment of \$572 million in new low-income housing, not including funds that pay for ground floor commercial or community spaces. The \$434 million that augments City funding derives from multiple sources, with the largest being private activity bonds and private equity investment through the

federal Low-Income Housing Tax Credit program, both of which are administered by the Washington State Housing Finance Commission.

Homeownership Development: Development of homeownership housing typically leverages between \$4 and \$5 per dollar spent of City funding. The homebuyer's mortgage, borrowed from a conventional mortgage lender, and their down payment amount constitutes the largest share of that leverage, averaging roughly two-thirds of the cost of each home. Other subsidy sources include State Housing Trust Fund, Federal Home Loan bank and HUD's Self-Help Homeownership, Program (SHOP) along with philanthropic and volunteer labor contributions.

III. PROJECTS FUNDED IN 2021

Table 7: Rental Housing, New Development Projects, 2021

Project Name <i>Project Sponsor</i> Neighborhood	Project Description	Restricted Units			Capital Funding (City Only, \$M)			
		Total	Levy	MHA	Total City	Levy	MHA	Other
DESC Woodland <i>DESC</i> Fremont	<ul style="list-style-type: none"> Construction of permanent supportive housing (studio apartments) serving individuals who are disabled and experiencing chronic homelessness (0-30% AMI) Robust on-site supportive services provided 	100	100	--	10.7	10.7	--	--
Sawara Apartments <i>Seattle Housing Authority</i> Yesler Terrace	<ul style="list-style-type: none"> Construction of one-, two-, three-, and four-bedroom apartments serving families and individuals with incomes up to 30% and 60% AMI Funding for this project fulfills Office of Housing commitments in Yesler Terrace Cooperative Agreement Participant in Housing Development Consortium's Exemplary Building Program, which explores new technologies and practices to enhance energy efficiency of affordable housing buildings 	113	113	--	3.5	3.5	--	--
Grand Street Commons <i>Mount Baker Housing Association</i> Mount Baker	<ul style="list-style-type: none"> Construction of studio, one-, two-, and three-bedroom apartments serving families and individuals with incomes up to 50% and 60% AMI Located two blocks from future Judkins Park light rail station on remediated brownfield site, within a larger mixed-income, mixed-use community 	204	--	204	14.4	--	2.3	12.1

Project Name Project Sponsor Neighborhood	Project Description	Restricted Units			Capital Funding (City Only, \$M)			
		Total	Levy	MHA	Total City	Levy	MHA	Other
Beacon Hill Apartments <i>Sea Mar Community Health Centers</i> Beacon Hill	<ul style="list-style-type: none"> Acquisition of newly constructed studio apartments serving women experiencing chronic homelessness (0-30% AMI), with a focus on Latinx women and women of color On-site case management services with access to Sea Mar Community Health Center's specialized and culturally responsive supportive services 	39	--	39	5.4	--	5.4	--
Boylston Apartments <i>Low Income Housing Institute</i> Capitol Hill	<ul style="list-style-type: none"> Acquisition of newly constructed studio apartments serving individuals experiencing homelessness (0-30% AMI and up to 50% AMI) On-site case management services 	55	--	55	9.1	--	5.6	3.5
Broadway Hall Apartments <i>Low Income Housing Institute</i> Capitol Hill	<ul style="list-style-type: none"> Acquisition of newly constructed studio apartments serving individuals experiencing homelessness (0-30% AMI and up to 50% AMI) On-site case management services 	34	--	34	6.5	--	3.0	3.5
Harvard Hall Apartments <i>Low Income Housing Institute</i> Capitol Hill	<ul style="list-style-type: none"> Acquisition of newly constructed studio apartments serving individuals experiencing homelessness (0-30% AMI and up to 50% AMI) On-site case management services 	69	--	69	11.6	--	7.7	3.9
Broadway Urbaine <i>TAP Collaborative</i> Capitol Hill	<ul style="list-style-type: none"> Construction of studio and one-bedroom apartments and live-work units serving individuals with incomes up to 60% AMI Ground-floor uses include retail space 	100	---	100	4.0	--	3.0	1.0
El Centro Columbia City <i>El Centro de la Raza</i> Columbia City	<ul style="list-style-type: none"> Construction of one-, two-, and three-bedroom apartments serving families and individuals with incomes up to 30%, 50%, and 60% AMI Development will include Church of Hope community church and a child development center managed by El Centro de la Raza 	87	--	87	11.6	--	4.5	7.1

Project Name <i>Project Sponsor</i> Neighborhood	Project Description	Restricted Units			Capital Funding (City Only, \$M)			
		Total	Levy	MHA	Total City	Levy	MHA	Other
MLK Mixed Use <i>Low Income Housing Institute</i> Othello	<ul style="list-style-type: none"> Construction of studio, one-, two-, and three-bedroom apartments serving young adults experiencing homelessness, families, and individuals with incomes up to 30% and 50% AMI Development will include an early learning center managed by Refugee Women’s Alliance (ReWA) 	147	--	147	11.3	--	4.5	6.8
New Hope Family Housing <i>New Hope Community Development Institute</i> Central District	<ul style="list-style-type: none"> Construction of studio, one-, two-, and three-bedroom apartments serving families and individuals with incomes up to 30%, 50%, and 60% AMI New Hope Missionary Baptist Church has been a presence in the Central District since 1949; this development leverages existing church-owned property and may use additional density provided by Ordinance 126445 	86	--	86	13.4	--	5.6	7.8
St. Luke’s Affordable Housing <i>Bridge Housing Corporation</i> Ballard	<ul style="list-style-type: none"> Construction of studio, one-, two-, and three-bedroom apartments serving families and individuals with incomes up to 50% and 60% AMI St. Luke’s Episcopal Church has been a presence in Ballard for over 130 years; this development leverages existing church-owned property and may use additional density provided by Ordinance 126445 	85	--	85	9.7	--	4.0	5.7
YouthCare South Annex <i>Community Roots Housing</i> Capitol Hill	<ul style="list-style-type: none"> Construction of studio and one-bedroom apartments serving young adults experiencing homelessness and young adults with incomes up to 30%, 50%, and 60% AMI Development will include 30,000 square foot facility for YouthCare’s Workforce Development HUB, which will provide education and employment training services for young adults 	84	--	84	9.7	--	4.0	5.7

Project Name <i>Project Sponsor</i> Neighborhood	Project Description	Restricted Units			Capital Funding (City Only, \$M)			
		Total	Levy	MHA	Total City	Levy	MHA	Other
Goldfinch <i>Chief Seattle Club</i> Fremont	<ul style="list-style-type: none"> Acquisition of permanent supportive housing (studio apartments) serving individuals experiencing homelessness and individuals with low incomes (0-30% and up to 50% AMI), with a focus on American Indian and Alaska Native elders Chief Seattle Club will provide culturally relevant supportive services for Native elders through on-site case management 	63 ²	--	--	11.2	--	--	11.2
Keiro Site <i>Africatown Community Land Trust</i> Central District	<ul style="list-style-type: none"> Acquisition of former Keiro Nursing and Rehabilitation Center for future development of rental housing serving individuals and families with incomes up to 60% AMI Prior to development, the site's interim use is as a 125-unit shelter for individuals experiencing homelessness 	285 ³	--	--	5.8	--	--	5.8
Total – New Development		1,551	213	990	\$138.0 M	\$14.2 M	\$50.0 M	\$74.2 M

² The Goldfinch project received neither Housing Levy nor MHA funds, and thus its 63 units are not assigned to either Levy or MHA production totals.

³ The Keiro Site project received neither Housing Levy nor MHA funds, and thus its 285 units are not assigned to either Levy or MHA production totals.

Table 8: Rental Housing, Reinvestment and Preservation, 2021

Project Name <i>Project Sponsor</i> Neighborhood	Project Description	Restricted Units			Capital Funding (City Only, \$M)			
		Total	Levy	MHA	Total City	Levy	MHA	Other
Union Hotel⁴ <i>DESC</i> Pioneer Square	<ul style="list-style-type: none"> Interior and exterior health and safety updates, replacement of obsolete building systems in building constructed in 1905 Building currently provides studio apartments and on-site supportive services to individuals who have experienced homelessness (0-30% AMI) 	50	--	--	1.0	--	--	1.0
NP Hotel & Eastern Hotel <i>InterIm Community Development Association</i> Chinatown-International District	<ul style="list-style-type: none"> Safety, sustainability, and operational efficiency updates to two historic buildings constructed in the early 1900s Buildings currently provide studios, one-, two-, and four-bedroom apartments serving families and individuals with incomes up to 30%, 40%, and 50% AMI 	107	--	--	2.9	--	--	2.9
Jensen Block <i>Low Income Housing Institute</i> South Lake Union	<ul style="list-style-type: none"> Repair exterior stairs Building currently provides studio and one-bedroom apartments to individuals with incomes up to 30% and 40% AMI 	30	--	--	2.0	--	--	2.0
Pacific Apartments <i>Plymouth Housing</i> Downtown	<ul style="list-style-type: none"> Rehabilitation of historic building, originally constructed in 1916, to support long-term building operation Conversion of single-room occupancy units to studios 	88	88	--	8.1	0.5	--	7.6
Plymouth on Stewart <i>Plymouth Housing</i> Downtown	<ul style="list-style-type: none"> Emergency repair of sidewalk in public right-of-way adjacent to building 	84	84	--	1.0	0.5	--	0.5
Total – Reinvestment and Preservation		359	172	--	\$15.0 M	\$1.0 M	--	\$14.0 M

⁴ OH is partnering with other public funders to fund necessary updates and preserve affordable homes not previously part of OH portfolio.

Table 9: Rental Housing, Short-Term Financing, 2021

Project Name <i>Project Sponsor</i> Neighborhood	Project Description	Restricted Units			Capital Funding (City Only, \$M)			
		Total	Levy	MHA	Total City	Levy	MHA	Other
Aurora Heights Housing <i>Low Income Housing Institute</i> Bitter Lake	<ul style="list-style-type: none"> Acquisition of a site for future development of affordable apartments serving individuals earning a range of incomes up to 30%, 50%, and 60% AMI 	350	350	--	6.0	6.0	--	--
Clay Apartments <i>Low Income Housing Institute</i> Capitol Hill	<ul style="list-style-type: none"> Acquisition of a newly constructed multifamily residential building to rapidly serve veterans and individuals experiencing homelessness 	75	75	--	11.9	11.9	--	--
Thunderbird Site <i>Mt. Baker Housing Association</i> Rainier Beach	<ul style="list-style-type: none"> Acquisition of a transit-oriented site for future development of affordable apartments serving families and individuals earning at or below 60% AMI 	232	232	--	6.4	6.4	--	--
Total – Short-Term Financing		657	657	--	\$24.3 M	\$24.3 M	--	--

Table 10: Homeownership Program, New Development Projects, 2021

Project Name <i>Project Sponsor</i> Location	Project Description	Total Funded Units	Levy Units	MHA Units	Capital Funding (\$M)			
					Total City \$	Levy \$	MHA \$	Other \$
PAHO <i>Homestead Community Land Trust and Edge Community Developers</i> Phinney Ridge	<ul style="list-style-type: none"> New construction of 19 resale-restricted, permanently affordable one-, two-, and three-bedroom condo units for low-income first-time homebuyers 	19	19	--	1.9	1.9	--	--
Corvidae <i>Habitat for Humanity, Seattle-King County and Corvidae</i> Columbia City	<ul style="list-style-type: none"> 2 limited equity cooperative homes, within a project of 10 total homes, for sale to low-income first-time homebuyers 	2	2	--	0.2	0.2	--	--
Habitat 15th Highland Park <i>Habitat for Humanity, Seattle-King County</i> Westwood-Highland Park	<ul style="list-style-type: none"> New construction of 12 resale-restricted, permanently affordable two-bedroom cottages for low-income first-time homebuyers 	12	12	--	1.3	1.3	--	--
Habitat 14th <i>Habitat for Humanity, Seattle-King County, Green Canopy</i> Capitol Hill	<ul style="list-style-type: none"> New construction of 17 resale-restricted, permanently affordable one- and two-bedroom condo units for low-income first-time homebuyers 	17	--	17	1.7	--	1.7	--
Total		50	33	17	\$5.1	\$3.4	\$1.7	--

Table 11: Home Repair Program, Loans and Grants, 2021

Type of Assistance	Project Description	Awards Made*	Total Funding	Average Assistance
Loans	Repairs that address critical health, safety, and structural integrity issues. Typical repairs include roof replacements, side sewers, plumbing, and electrical work. 0% interest loans, with option for deferred payment for some borrowers. Homeowners often also receive additional grants for weatherization improvements.	37	\$678,546	\$18,339
Grants	Repairs that address immediate health, safety, and structural integrity issues, and repairs needed to access weatherization grants. Grants are provided to owners unable to access a home repair loan.	23	\$151,451	\$6,585
Total		60	\$829,997	

*The 60 awards shown above supported 59 households, as one household participated in two transactions in 2021.

Table 12: Low-Income Weatherization Program, Completed Single-Family Projects, 2021

Project Name	Owner	Project Description	Units	Funding
Single-Family Home Weatherization	Low-income homeowners citywide	Energy efficiency and indoor air quality upgrades at single-family homes, such as insulation, air sealing, new heating systems, hot water heaters, and bathroom fans Average grant amount: \$16,534	82	\$1,355,761
Single-Family Oil-to-Electric Conversions	Low-income homeowners citywide	Convert single-family homes from oil furnaces to efficient electric heat pump systems	30	\$366,715
Single-Family Weatherization Total			112	\$1,722,476

Table 13: Low-Income Weatherization Program, Completed Multifamily Projects, 2021

Project Name	Owner	Project Description	Units	Funding
Morrison Hotel	DESC	Boiler replacement, centralized ventilations systems, energy recovery venting, upgraded exhaust fans and efficient LED lighting	215	\$839,911
Stone Way Apartments	Bellwether Housing	Redesigned and installed energy recover ventilation system and efficient LED lighting	70	\$125,545
Kerner Scott House	DESC	Efficient LED Lighting & ductless heat pumps	40	\$79,835
3904 MLK	SEED	Air Sealing, ventilation, ductless heat pumps & heat pump water heaters	33	\$272,954
Cascade Shelter Project	Cascade Shelter Project	Insulation, air sealing, window replacements, ductless heat pumps & ventilation upgrades	12	\$192,700
Multifamily Weatherization Total			370	\$1,510,946

IV. HOUSING INVESTMENTS THROUGHOUT SEATTLE

Housing equity and equitable development are advanced through City location priorities for housing investment. Seattle housing policies direct investments to neighborhoods where low-income residents, including many people of color, face displacement due to rising rents and gentrification. This affordable housing helps sustain cultural communities and enables residents to stay in their neighborhoods as transit and other improvements are made. Seattle housing policies also direct investments to higher cost areas where many opportunities are available, including schools, transportation, and amenities.

OH prioritizes investments in locations that:

- Provide access to frequent transit
- Provide access to opportunity
- Advance equitable development goals and address displacement
- Serve needs of residents



Rendering: Mount Zion Housing Development's Senior Housing at 19th, funded 2020

In addition, for purposes of investing payment funds from the Mandatory Housing Affordability program, OH considers a project's proximity to areas where development activity has generated payment contributions.

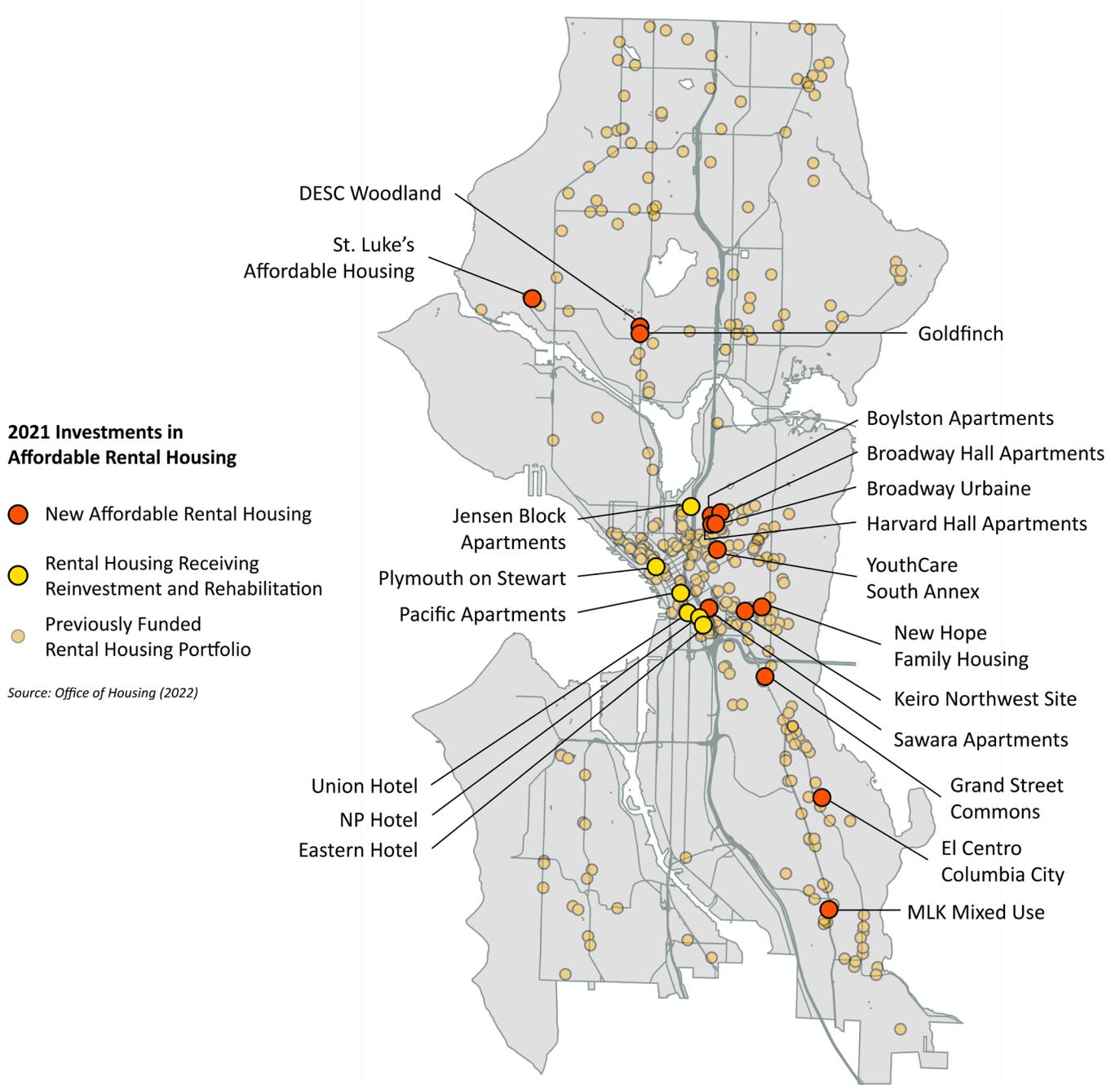
The following maps and table illustrate how the location of OH-funded affordable housing addresses City priorities.

- Map A: Rental Housing Investments
- Map B: Homeownership Investments
- Map C: Location Within Urban Center/Urban Village Boundaries
- Table 14: OH Investments by Urban Center/Urban Village
- Map D: Access to Frequent Transit Service
- Map E: Access to Opportunity Index⁵
- Map F: Displacement Risk Index

⁵ Maps E-F overlay OH-funded projects on maps produced for the [Office of Planning and Community Development's Growth and Equity Analysis \(May 2016\)](#), which describes the data and methodology used to create the Displacement Risk and Access to Opportunity Indices.

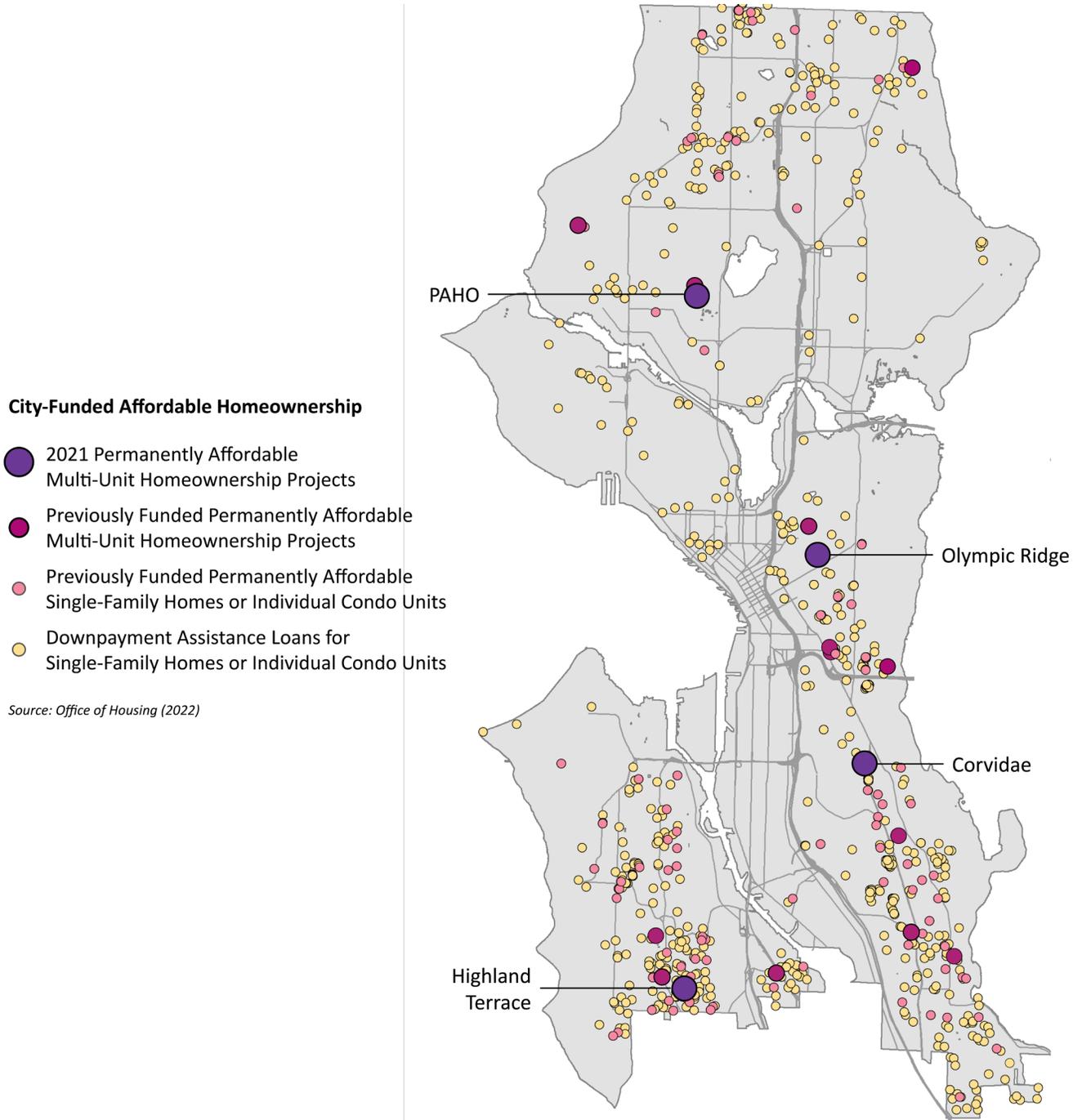
Map A: Rental Housing Investments

OH funds production and preservation of rental housing that will serve low-income Seattle residents for a minimum of 50 years.



Map B: Homeownership Investments

OH creates opportunities for first-time homebuyers through investments in permanently affordable homes as well as down payment assistance loans.



Map C: Location Within Urban Village Boundaries

OH prioritizes investments throughout the city, including in Seattle’s most amenity-rich neighborhoods in terms of transit, schools, parks, retail and other services, in alignment with the City’s Urban Village strategy.

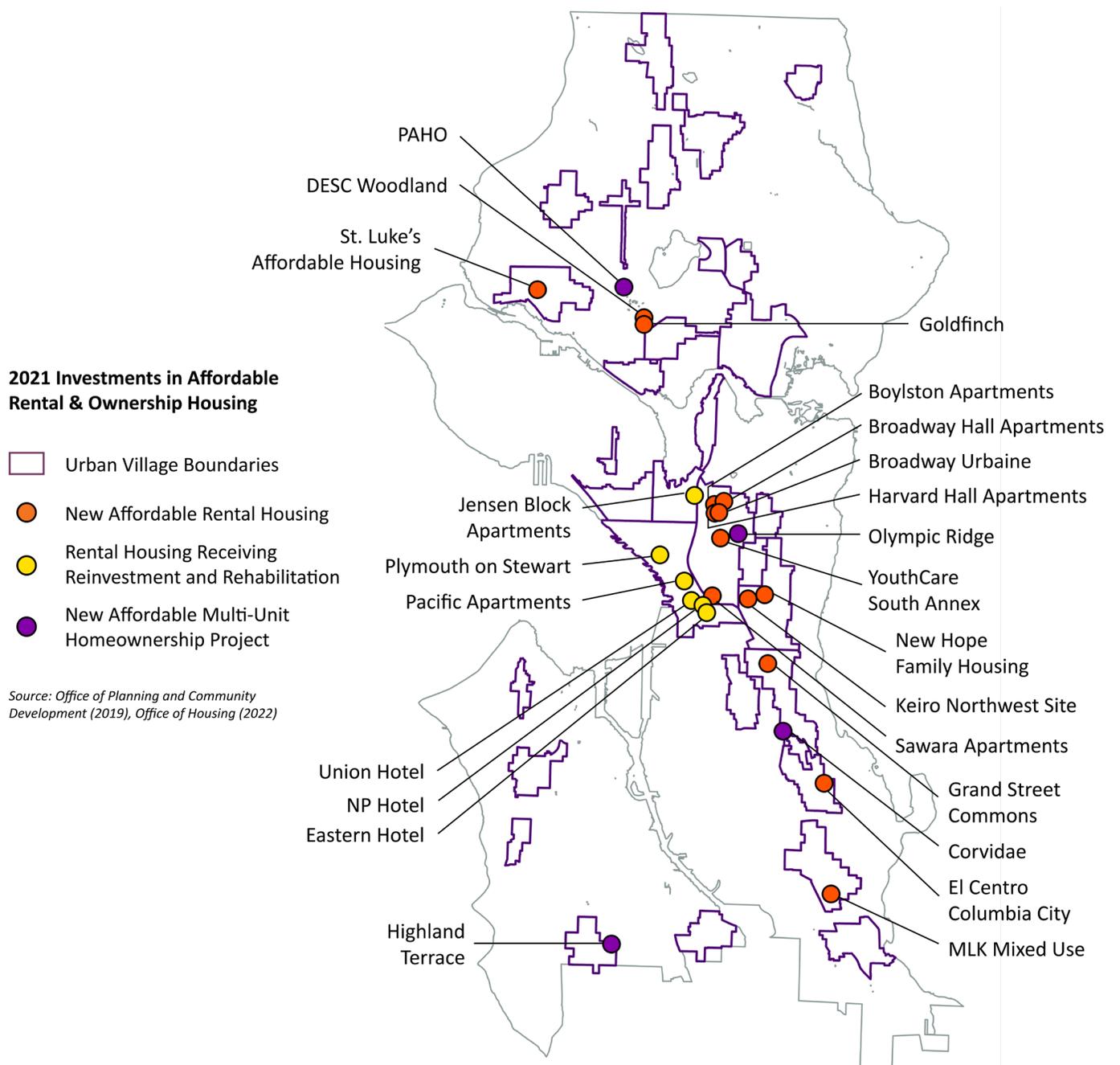


Table 14: OH Investments by Urban Center/Urban Village

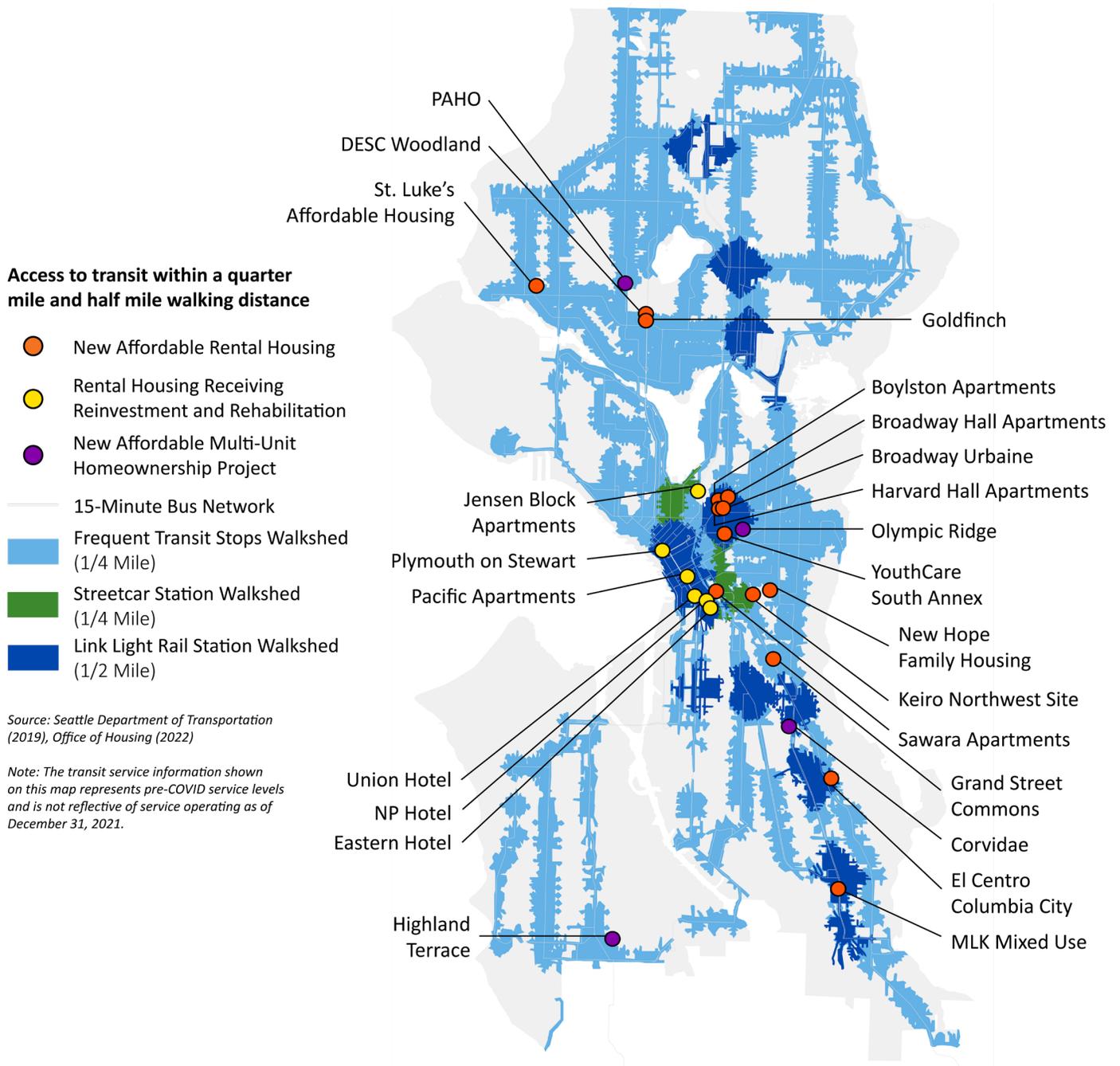
For new development of affordable rental and for-sale housing

Urban Center and Urban Village Groupings ¹	Projects Funded in 2021		
	Project Name(s)	Funded Units	Total City \$M
12th Avenue, Capitol Hill, Eastlake, First Hill	Boylston Apartments (55 rental) Broadway Hall Apartments (34 rental) Broadway Urbaine (100 rental) Harvard Hall Apartments (69 rental) Olympic Ridge (17 for-sale) Sawara (113 rental) YouthCare South Annex (84 rental)	455 rental 17 for-sale	\$44.4 rental \$1.7 for-sale
23rd & Union-Jackson, Madison-Miller	Keiro Site (285 rental) New Hope Family Housing (86 rental)	371 rental	\$19.2 rental
Admiral, Morgan Junction, South Park, West Seattle Junction, Westwood-Highland Park	Highland Terrace (12 for-sale)	12 for-sale	\$1.3 for-sale
Aurora-Licton Springs, Bitter Lake Village			
Ballard, Crown Hill, Greenwood-Phinney Ridge	PAHO (19 for-sale) St. Luke's Affordable Housing (85 rental)	85 rental 19 for-sale	\$9.7 rental \$1.9 for-sale
Belltown, Chinatown-ID, Commercial Core, Denny Triangle, Pioneer Square			
Columbia City, Mt. Baker, North Beacon Hill, Othello, Rainier Beach	Corvidae (2 for-sale) El Centro Columbia City (87 rental) Grand Street Commons (204 rental) MLK Mixed Use (147 rental)	438 rental 2 for-sale	\$37.3 rental \$0.2 for-sale
Fremont, Green Lake, Wallingford	DESC Woodland (100 rental) Goldfinch (63 rental)	163 rental	\$21.9 rental
Lake City, Northgate			
Queen Anne, Uptown			
Ravenna, Roosevelt, University District			
South Lake Union			
Total		1,551 rental 33 for-sale	\$138.0 rental \$5.1 for sale

¹These geographic areas are defined in the Council-adopted Housing Funding Policies. Investments made outside urban center and urban village boundaries are grouped with the nearest urban center or village.

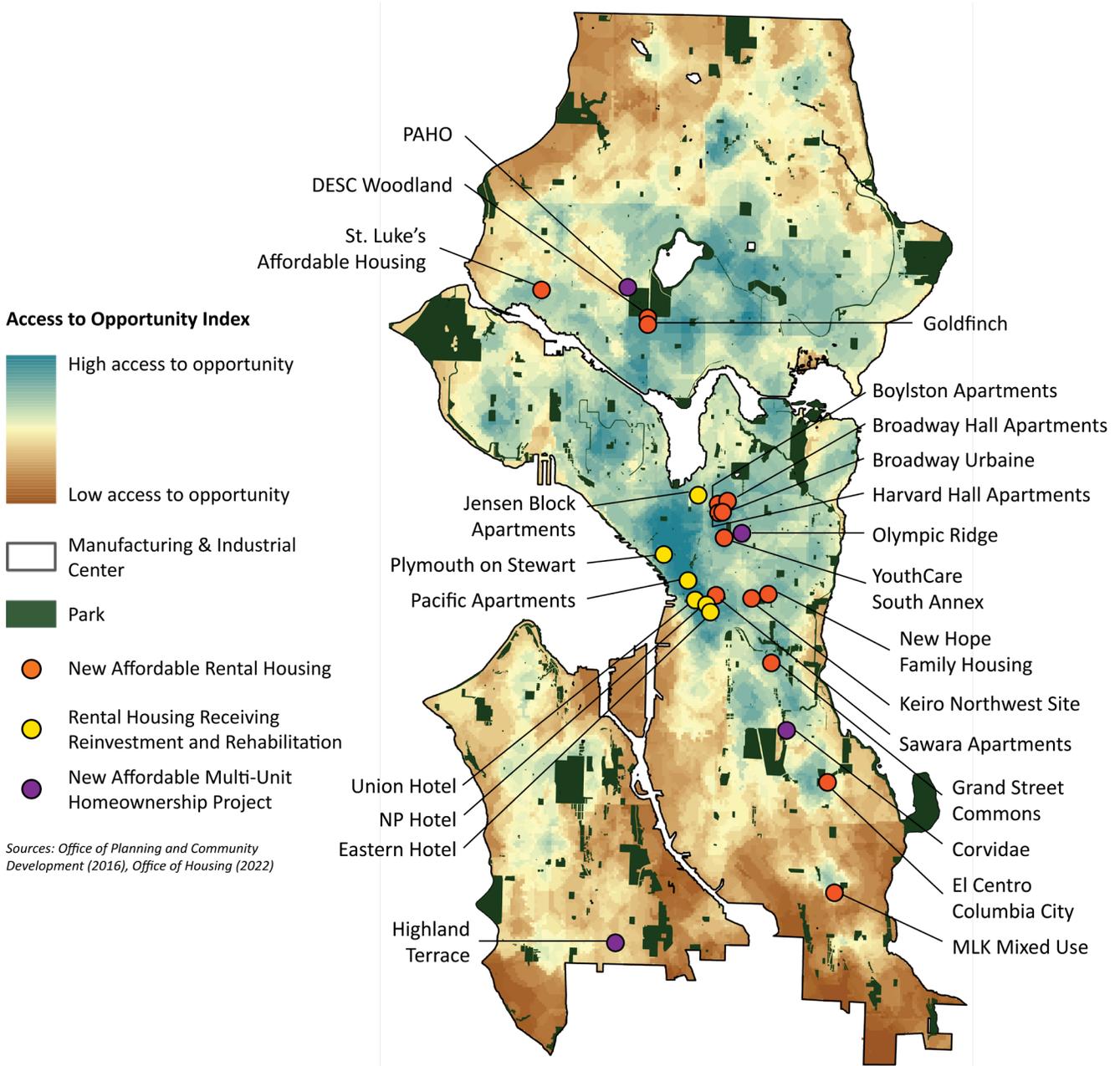
Map D: Access to Frequent Transit Service

Access to transit is a priority for all OH investments, as transportation costs are second only to housing costs for most low-income households and many low-income households do not own a car. In particular, OH prioritizes locations near high-capacity transit and light rail station areas, both existing and planned.



Map E: Access to Opportunity Index⁶

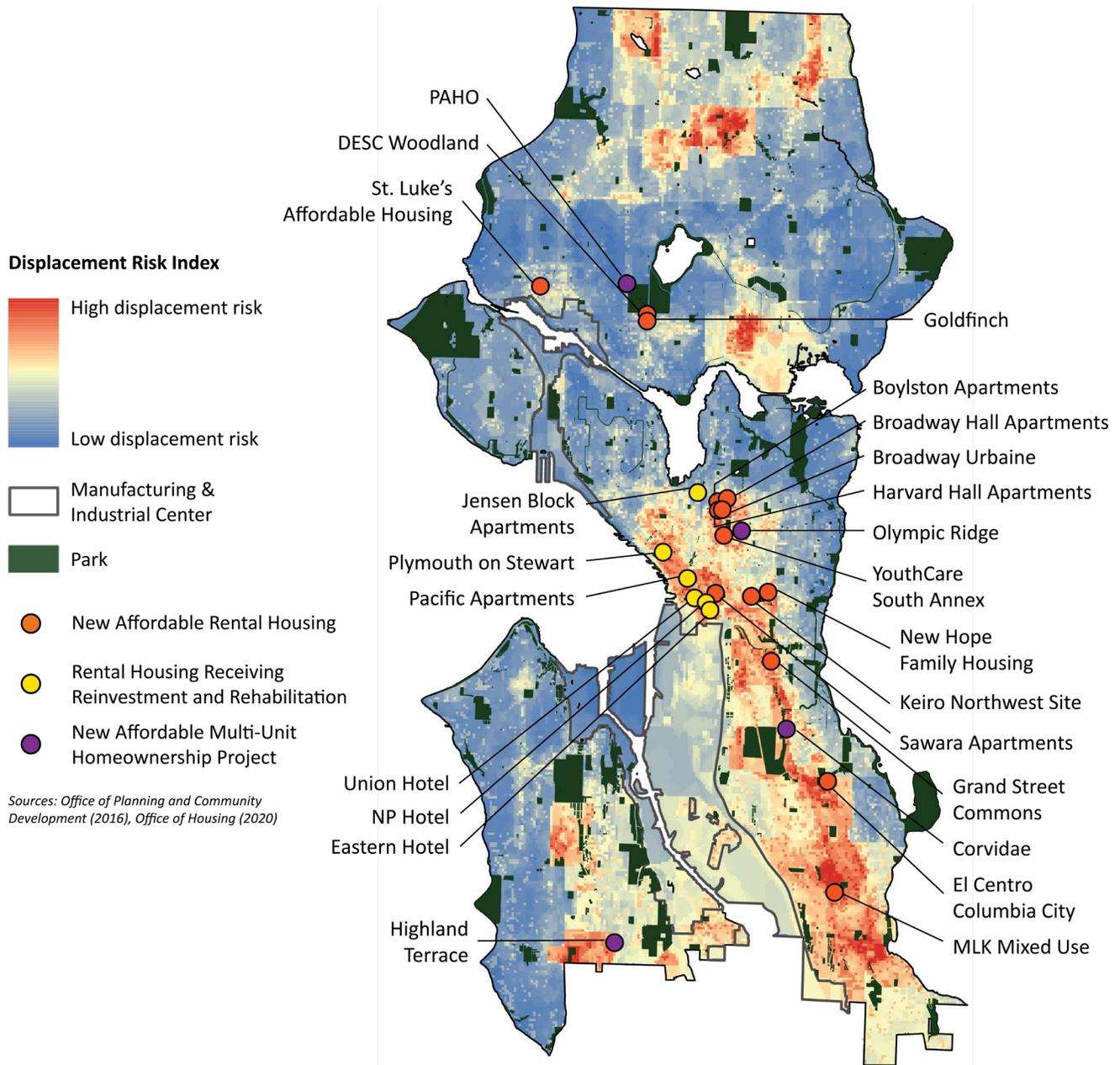
OH prioritizes investments in locations that afford low-income residents the greatest access to opportunities such as jobs, quality education, parks and open space, and services.



⁶ “The Access to Opportunity Index considers marginalized populations’ access to key determinants of social, economic, and physical well-being. (...) The access to opportunity index includes measures related to education, economic opportunity, transit, civic infrastructure, and public health.” Office of Planning and Community Development “Growth and Equity Analysis” Report (May 2016)

Map F: Displacement Risk Index⁷

OH prioritizes locations that support community development investments in low-income communities, including neighborhoods where marginalized groups have historic roots or access to culturally relevant business and services, and locations where low-income residents have a high risk of displacement.



⁷ “The Displacement Risk Index focuses on both physical (direct) and economic and cultural (indirect) displacement that affects marginalized populations. By combining data on vulnerability, amenities, development potential, and rents, the displacement risk index identifies areas where displacement of marginalized populations may be more likely.” Office of Planning and Community Development “Growth and Equity Analysis” Report (May 2016)

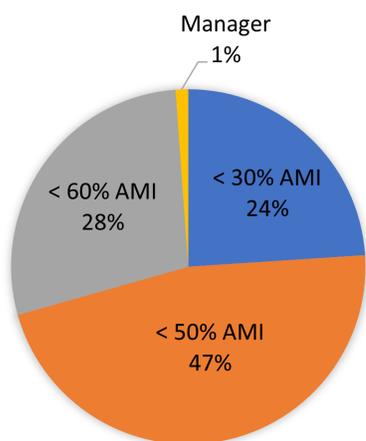
V. NEW RENTAL HOUSING FUNDED IN 2021: FUNDING PRIORITIES & CHARACTERISTICS

New rental housing projects funded in 2021 include both population-specific housing and buildings that are open to any income-eligible resident. The projects serve the range of populations prioritized in the OH Housing Funding Policies adopted by City Council. Projects sponsored by organizations grounded in Black, Indigenous, and People of Color (BIPOC) communities also reflect Citywide racial equity goals.

- **Homeless individuals and families:** Seven buildings will provide 375 apartments serving people experiencing homelessness, with varying levels of on-site supportive services offered;
- **Seniors and people with disabilities:** One building (DESC Woodland) will provide 100 apartments serving people with multiple special needs, and one building (Goldfinch) will provide 63 apartments for seniors, with a focus on American Indian and Alaska Native elders;
- **Low-wage working families and individuals:** Nine buildings and one site for future affordable housing development will provide 1,176 apartments to serve a range of household incomes and family types;
- **Support for project sponsors grounded in BIPOC communities:** Of the 12 development sponsors supported through 2021 investments in new rental housing development, five are explicitly rooted in, led by, and serve communities of color. Africatown Community Land Trust, Chief Seattle Club, El Centro De La Raza, New Hope Community Development Institute, and Sea Mar Community Health Centers are deeply embedded in the communities they serve and are committed to providing culturally-specific housing and services that are responsive to their communities’ unique needs. Another three development sponsors—Seattle Housing Authority, Low Income Housing Institute, and Mount Baker Housing Association—are led at the highest level by people of color.

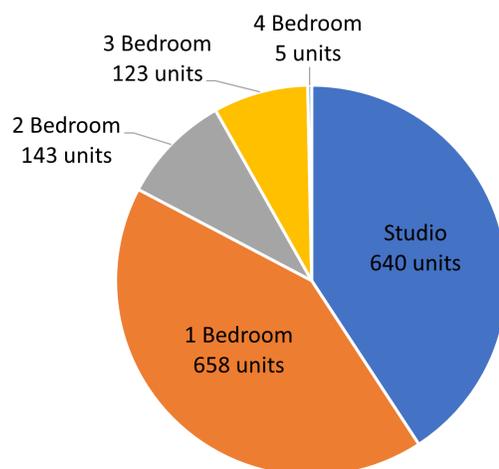
Unit Affordability

New Multi-Family Rental Housing - Funded in 2021
1,569 Total Units / 15 Buildings



Bedroom size

New Multi-Family Rental Housing - Funded in 2021
1,569 Units / 15 Projects



VI. DEMOGRAPHICS OF HOUSEHOLDS SERVED, BY PROGRAM

Rental Housing

In 2020, the year of the latest available data⁸, 14,552 OH-funded affordable apartments were in operation. This number includes apartments that were newly placed in service in 2020, and thus had not been in operation for a full year at the time of data collection. This housing served 15,819 resident households over the course of the year.

- **Race / ethnicity:** 57% of households reporting demographic information (89% of total households served) are led by a person of color; 17% of all households served are led by an individual who identified as Hispanic.
- **Low-Income households:**
 - 72% Extremely Low-Income (up to 30% AMI)
 - 19% Very Low-Income (31% - 50% AMI)
 - 8% Low-Income/Moderate Income (51% - 80% AMI)
- **Special needs:** 42% of all renter households served (6,708 households) were identified as having a head of household with special needs; 18% of those heads of household were identified as having multiple special needs.

Race/Ethnicity of Renter Households, 2020
Percentages are based on the number of households reporting (14,048 – 89% of total)

- 40% White
- 33% Black/ African American
- 13% Asian/ Pacific Islander
- 3% American Indian/ Alaska Native
- 8% Multi-racial

Hispanic Renter Households, 2020
Percentage is based on the total number of households (15,819)

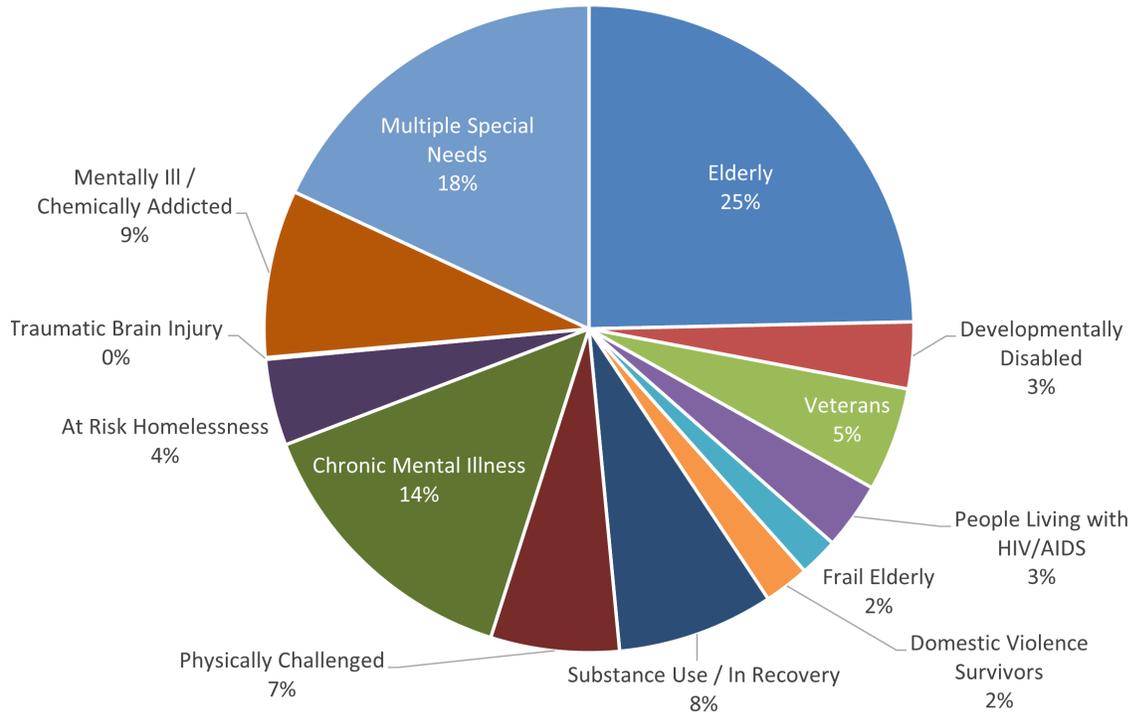
- 17% Hispanic
- 83% Not Hispanic

Selected 2021 Income Levels			
AMI = Area Median Income			
	30% AMI	50% AMI	60%AMI
Single Person	\$24,300	\$40,500	\$48,600
3-person Household	\$31,250	\$52,100	\$62,500

⁸ The Office of Housing imports racial and demographic information from a web based annual reporting application that is administered by the Washington State Housing Finance Commission. Data are available only for households residing in units where the Commission or the State Housing Trust Fund joined the Office of Housing as a capital funder.

Special Needs Households Served

6,708 households (of 15,819 total renter households), 2020



Homebuyer Assistance

OH has provided purchase assistance for first-time homebuyers since the early 1990's, using Housing Levy proceeds, federal grants, and other fund sources. Households with incomes up to 80% AMI are eligible, although some homeownership development organizations chose to serve a lower-income population. In recent years, OH has increasingly funded the development of new permanently affordable for-sale housing, which is available at an affordable price upon initial sale and resale for eligible home buyers for at least 50 years.

Home purchase assistance promotes more diverse and equitable neighborhoods, and provides opportunity for households with lower incomes, and for racial and ethnic groups with lower rates of homeownership, to access greater housing stability and build intergenerational wealth. Demographic data is based on 347 first-time homebuyers assisted over the course of the past two housing levies.

Home purchase assistance has been provided to:

- **Race / ethnicity:** 45% of homebuyers reporting demographic data identified as people of color or of Hispanic ethnicity
- **Low-income households:**
 - 1% Extremely Low-Income (up to 30% AMI)
 - 40% Very Low-Income and Low-Income (31% - 60% AMI)
 - 59% Low-Income/Moderate Income (61% - 80% AMI)

Race/Ethnicity of Homebuyer Households 2011 - 2021
• 55% White
• 19% Asian/ Pacific Islander
• 19% Black/ African American
• 4% Hispanic
• 2% Multi-racial
• 1% American Indian/ Alaska Native

Home Repair

The Home Repair program assists low-income homeowners to make critical repairs that address safety concerns or threats to their homes' physical condition. The program also acts as an important anti-displacement tool, enabling low-income homeowners to stay in their homes even in the face of a cracked side sewer or a failing roof. Forms of financial aid include loans to homeowners with incomes up to 80% AMI and grants to homeowners with incomes up to 50% AMI.

In 2021, the program provided 37 loans and 23 grants to 59 homeowners (one household participated in two transactions).

- **Race / ethnicity:** 45% of those homeowners reporting demographic data identified as people of color or of Hispanic ethnicity
- **Low-income households:**
 - 58% Extremely Low-Income (up to 30% AMI)
 - 18% Very Low-Income (31% - 50% AMI)
 - 7% Low-Income (51% - 60% AMI)
 - 17% Low-Income/Moderate Income (61% - 80% AMI)

Race/Ethnicity of Reporting Homeowners Receiving Home Repair Grants and Loans, 2021
• 55% White
• 11% Asian/ Pacific Islander
• 27% Black/ African American
• 2% Hispanic
• 4% Multi-racial
• 2% American Indian/ Alaska Native

Weatherization Grants

The Weatherization Program provides grants for energy conservation and indoor air quality improvements, resulting in lower energy bills and healthier homes. Assistance is available for low-income homeowners up to 80% AMI. In rental housing at least half the residents must be low-income, generally up to 60% AMI. Household eligibility requirements and allowable uses of funds vary somewhat depending on the fund source used. Demographic data of households served is reported for buildings that passed inspections in 2021 but not necessarily reaching the point of project completion.

Multifamily Housing

Program investments in multifamily buildings orient primarily to subsidized housing properties, including buildings owned and operated by nonprofit or other mission-driven housing providers, Seattle Housing Authority, and King County Housing Authority. These investments improve residents' living conditions, reduce operating costs for housing providers, and help preserve the buildings for the long-term.

Demographic analysis reflects data for approximately 773 renter households:

- **People of Color:** 85% of reporting households
- **Low-income households** (94 Households did not report):
 - 2% Extremely Low-Income (up to 30% AMI)
 - 37% Very Low-Income (31% - 50% AMI)
 - 59% Low-Income (51% - 60% AMI)
 - 2% Low-Income/Moderate Income (61% - 80% AMI)

Single Family Homes

In 2021, OH staff inspected and approved energy efficiency and health and safety upgrades at 52 single family homes, most of which were owner-occupied. Residents of these homes, all of whom were low-income, benefit from improved health and quality of life, lower utility bills, and home upgrades that will improve the durability and sustainability of their homes.

Demographic analysis reflects data for approximately 52 single-family households:

- **People of color:** 50% of reporting households
- **Low-income households** (10 households did not report):
 - 33% Extremely Low-Income (up to 30% AMI)
 - 19% Very Low-Income (31% - 50% AMI)
 - 15% Low-Income (51% - 60% AMI)
 - 33% Low-Income/Moderate Income (61% - 80% AMI).

Race/Ethnicity
Residents of Multifamily Homes
receiving Weatherization Grants
729 reporting households, 2021

- 15% White
- 27% Black/ African American
- 41% Asian/ Pacific Islander
- 3% Hispanic
- 2% Multi-racial
- 13% American Indian/Alaskan Native

Race/Ethnicity
Residents of Single-Family Homes
receiving Weatherization Grants
52 households reporting, 2021

- 50% White
- 7% Black/ African American
- 33% Asian/ Pacific Islander
- 7% Hispanic
- 2% Multi-racial
- 2% American Indian/Alaskan Native

MORE INFORMATION

For more information, contact the City of Seattle Office of Housing or visit www.seattle.gov/housing.

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PO Box 94725
Seattle, WA 98124-4725

Phone: 206.684.0721

Email: housing@seattle.gov

Seattle Housing Levy 2021 Report

SEATTLE OFFICE OF HOUSING

APRIL 2022



HOUSING LEVY OVERSIGHT COMMITTEE, 2022

Ann T. Melone, Chair, U.S. Bancorp Community Development Corporation

Beth Boram, Beacon Development Group

Vallerie Fisher, Southeast Seattle Resident

Joel C. Ing, Edge Developers

Erin Christensen Ishizaki, Mithun

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Denise Rodriguez, Washington Homeownership Resource Center

Pradeepta Upadhyay, Inter*Im Community Development Association

Dan Wise, Catholic Community Services of King County

Cara Kadoshima Vallier, Acting Representative for the Office of Mayor Bruce Harrell

Traci Ratzliff, Seattle City Council Central Staff



Seattle Office of Housing

The Office of Housing produces an annual report on the progress toward the goals of the Seattle Housing Levy, passed in 2016. The 2019 report led off with a reference to the emergent COVID-19 crisis: “At the time of writing, we are just beginning to glimpse the impacts of this global crisis on local and national economies.... [It] will require bold, unprecedented action to ensure families and individuals are stably housed and not displaced or forced into homelessness.”

Today, two years later, the impacts of the pandemic continue to place exceptional strains on those who face health crises and economic insecurity. It has exposed the precariousness of many of our neighbors’ housing stability, potentially jeopardized by just a few missed paychecks. It has underscored that homelessness, which had already reached a crisis level in Seattle and other major cities throughout the country, is also a health care emergency. And it has made clear, more than ever, that our collective health depends on people being stably housed.

The Levy has been an important instrument to deliver the kind of bold, unprecedented action that we called for in 2019. Over the past two years, City staff leveraged the Levy’s capacity to respond quickly and nimbly to evolving conditions while continuing to deliver on its goals. As we near the expiration of the 2016 Housing Levy period in 2023, we reflect on the incredible, and necessary, accomplishments of these Levy investments thus far, while recognizing that the need for more affordable housing throughout the city is greater than ever.

This report describes all Levy investments made in 2021 and demonstrates that each of the Levy programs remains on track to meet or exceed the production goals set forth in the Levy ordinance, with the following programs already exceeding their goals in the fifth year of the 2016 Levy.

- The Rental Production and Preservation Program has exceeded its seven-year goals by 26%, supporting the creation of over 2,700 new affordable rental homes and the preservation 445 existing rental homes through reinvestment.
- The Homeownership Program has exceeded its seven-year goals by 12%, assisting 314 low-income homeowners and first-time homebuyers.

The companion **2021 Annual Housing Investments Report** provides detailed demographic data along with maps showing the locations of Levy-funded and other housing investments throughout the city. We hope that this information is helpful to all readers and conveys the Housing Levy’s role in positioning Seattle to deliver not only housing affordability, but also resiliency in times of crisis.

Sincerely,

A handwritten signature in blue ink that reads "Ann T. Melone".

Ann T. Melone
Chair, Housing Levy Oversight Committee

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HOUSING LEVY ACCOMPLISHMENTS IN 2021

The Seattle Housing Levy passed in 2016 provides \$290 million over seven years for housing production, preservation, and assistance. The current Housing Levy builds on a history of voter support that has provided a significant, consistent resource for affordable housing in Seattle for the past 40 years. Housing Levy funding has complemented investments by other public and private fund sources and created affordable housing that serves thousands of Seattle residents each year. This report presents Levy-supported housing development and programs; a full summary of City housing investments, including demographics of households served, can be found in the **Office of Housing 2021 Investments Report**.

Rental Production and Preservation

In 2021, this program awarded \$14.2 million in Levy funds to two housing development projects that will provide 213 affordable apartments, as well as \$1 million for two affordable housing preservation projects. To achieve these rapid results in the midst of the COVID-19, in 2020 a pilot initiative accelerated one year of Levy resources, such that almost two years of Levy proceeds designated for the Rental Production and Preservation Program were dedicated to this pilot initiative last year. As a result, the total Levy funds awarded in 2021 for rental production and preservation was markedly smaller than in previous years. However, the Rental Production and Preservation Program has already exceeded its 7-year goals, and will continue to do so in the final years of the 2016 Housing Levy program period.

Operating and Maintenance

From the inception of the 2016 Levy through 2021, Operating and Maintenance contracts have been executed for seven Levy-funded buildings, including three contracts executed this year, serving extremely low-income and homeless residents. In 2021, Operating and Maintenance contracts were executed for three affordable housing developments, committing an estimated \$14.3 million to support the operation and maintenance of 195 affordable rental homes. As of the end of 2021, five years into the 2016 Housing Levy program period, the Operating and Maintenance Program is 94% of the way to meeting its 7-year goal.

In addition to these executed Operating and Maintenance contracts, OH has made preliminary commitments to two buildings that have been awarded Rental Production and Preservation Program funds, including one awarded in 2021, but that have not yet been completed. Those preliminary commitments include up to 148 homes that may be supported through this program. These preliminary commitments are provided as an “up to” amount demonstrating OH commitment to the project but recognizing that other operating subsidies may be secured.

Homelessness Prevention and Housing Stability Services

In 2021, Seattle’s Human Services Department provided \$2.07 million in Levy funds, combined with other City funds, to community-based agencies for homelessness services and rental assistance. The program assisted 421 households at imminent risk of eviction and homelessness to maintain stable housing, and 117 households to move into housing after living in their car, shelter, or on the street. As of the end of 2021, five

years into the 2016 Housing Levy program period, the Homelessness Prevention and Housing Stability Services Program is 74% of the way to meeting its 7-year goal.

Homeownership

In 2021, the Homeownership program awarded \$4.08 million for housing development, acquisition, and purchase assistance loans, and over \$151,000 in home repair grants. This program funded construction of 33 new permanently affordable for-sale homes, across three developments, that will be available for purchase by low-income, first-time buyers over the next few years. Nine low-income, first-time homebuyers achieved homeownership through Levy-funded purchase assistance loans and resales of permanently affordable homes that had received OH investment in the past. The Homeowner Stabilization Fund helped three existing homeowners avoid foreclosure while simultaneously positioning the City and the program administrator to respond quickly to potential foreclosures as pandemic-related legal protections conclude. The program also provided 23 grants for urgent home repairs to low-income homeowners, ensuring they can remain safely and affordably in their current homes.

The Homeownership Program has exceeded its 7-year goals in the fifth year of the 2016 Housing Levy program period. Over the next two years, the Office of Housing will continue to support low-income homeowners and first-time homebuyers through the Homeownership Program, while planning for a proposed renewal and expansion of the Housing Levy in 2023.

Acquisition and Preservation Loans

Three Acquisition and Preservation loans totaling \$24.4 million closed in 2021. Two of these loans supported two site acquisitions, and one loan supported the acquisition of a newly constructed multifamily residential building for the rapid creation of affordable apartments. In total, loans made through the Acquisition and Preservation Program in 2021 will support the creation of a total of 657 affordable apartments.

Over the course of the 2016 Levy reporting period thus far, OH has made twelve loans under the Acquisition and Preservation Program totaling approximately \$77.7 million, \$20.5 million of which have been repaid in prior years. In total these loans, which closed between 2017 and 2021 inclusive, will support the creation of 1,802 affordable apartments.

Administration

The Housing Levy ordinance sets aside 9% of Levy proceeds for administration. In 2021, OH expended \$3.08 million for overall Levy administration and the Human Services Department expended \$129,750 to administer the Rental Assistance program. Unspent funds are reserved for later years of the Levy when inflation is expected to push administrative costs above the annual allocation.

Summary of Levy Funding and Housing Outcomes

The 2016 Housing Levy ordinance set forth the total funding and housing goals for each program over the seven years of the levy, with the reporting period beginning in 2017. Based on cumulative outcomes over the first five years of the current levy period, two programs—the Rental Production and Preservation Program

and the Homeownership Program—have already exceeded their seven-year goals. The Operating and Maintenance Program is on track to exceed its seven-year goals, and the Homelessness Prevention and Housing Stability Services Program is on track to meet its seven-year goals by the end of 2023.

2016 Housing Levy Funding Allocations and Housing Outcomes

Levy Program	Funding		Housing Outcomes	
	7-year Funds Allocated 2017-23	5-year Funds Committed 2017-21	7-year Goals 2017-23	5-year Outcomes 2017-21
Rental Production and Preservation	\$201 M	\$152.2 M	2,150 units added 350 units reinvestment	2,709 units added 445 units reinvestment
Operating and Maintenance ¹	\$42 M	\$35.4 M contracted / up to \$10.8 M committed	510 units	481 units contracted / up to 148 units with preliminary commitments of funding support
Homelessness Prevention / Housing Stability Services	\$11.5 M	\$7.5 M	4,500 households	3,312 households
Homeownership ²	\$14.3 M	\$16.4 M	280 households	314 households
Acquisition and Preservation ³	No separate allocation for this program	\$77.7 M total / \$20.5 M loans repaid	No 7-year goal associated with this program	1,802 units

¹ Operating and Maintenance Program makes preliminary funding commitments to enable projects to proceed with pre-development. For some projects, the units and funding amounts will be reduced as rental vouchers and other operating subsidies are secured.

² Homeownership Program funding includes \$9.5 million in 2016 Levy funds and \$4.5 million carried forward from the 2009 Levy; additional funds may become available from loan repayments or reprogramming unspent funds.

³ The Acquisition & Preservation Program makes short-term loans for acquisition of buildings or development sites, using other Levy program funds that are not yet needed for their ultimate use.

Summary of 5-Year Progress Toward 7-Year Housing Levy Goals (2017-2021)

Rental Production & Preservation Program: New Production

Exceeded goal of 2,150 units of rental housing produced (126%)

Rental Production & Preservation Program: Reinvestment

Exceeded goal of 350 units of rental housing preserved (127%)

Operating & Maintenance Program

481 of 510 rental housing units supported with operating and maintenance funds (94%)

Homelessness Prevention & Housing Stability Services Program

3,312 of 4,500 individuals and families assisted (74%)

Homeownership Program

Exceeded goal of 280 low-income homeowners assisted (112%)

0% 10% 20% 30% 40% 50% 60% 70% 80% 90% 100%

RENTAL PRODUCTION AND PRESERVATION PROGRAM

The largest Levy program provides approximately \$29 million annually in capital funds to support development and preservation of affordable rental housing. Levy funds provide affordable opportunities in neighborhoods throughout the city and leverage other public and private investment for housing development and operations.

The program funds new construction, building acquisition and rehabilitation to preserve low-cost housing, and reinvestment in affordable housing when major upgrades are needed. The housing serves eligible residents for a minimum of 50 years.



AFFORDABLE HOUSING RENTAL PRODUCTION IN ACTION

Mercy Housing Northwest's Gardner House, a 95-apartment family project in the heart of the Mount Baker neighborhood opened in early 2021 with financing from the Seattle Housing Levy. The building serves lower wage working families and families leaving homelessness. Molly, a current resident of Gardner House, was living on the streets and pregnant with her baby, Miracle, when she learned about Gardner House. She put in her application and moved into the building just as the pandemic hit. "I love it. I'm attached to the people here. The staff makes it feel like it's home. I worked very hard to get into Gardner House and I'm proud of myself."

Housing Levy Impact

Rental Production & Preservation

2021 Outcome: 213 new rental units produced, 172 existing units preserved

Progress Toward 7-year Goal: Goal exceeded

At least 60% of total Rental Production and Preservation and Operating and Maintenance housing funds must serve extremely low-income households defined as those below 30% AMI. This policy is met by reserving all Operating & Maintenance funds to serve this income group and awarding at least 52% of Rental Production and Preservation funds to housing set-aside for extremely low-income residents.

Physical inspections and annual compliance reporting ensure that the housing is well maintained, serves the intended resident population, and remains financially viable.

2021 Summary

In 2021, this program awarded \$14.2 million in Levy funds to two housing development projects that will provide 213 affordable apartments, as well as \$1 million for two preservation projects representing a total of 172 affordable apartments. In 2020, as part of the Office of Housing's response to the COVID-19 pandemic and an increased urgency in the need for new permanent supportive housing, a pilot initiative accelerated one year of Levy resources, such that a portion of both 2020 and 2021's Levy proceeds designated for the Rental Production and Preservation Program were awarded and reported on last year. As a result, the total Levy funds awarded in 2021 for rental production and preservation was markedly smaller than in previous years.

The Rental Production and Preservation Program has exceeded its 7-year goals by over 26% in the fifth year of the 2016 Housing Levy program period. Over the next two years, the Office of Housing will continue to invest in the production and

preservation of rental housing while planning for a proposed renewal and expansion of the Housing Levy in 2023.

Project Name <i>Project Sponsor</i> Location	Project Description	Affordability (Units)			Capital Funding		
		<30% AMI	<50% AMI	<60% AMI	City \$M	Levy \$M	Other \$M
New Production							
DESC Woodland <i>DESC</i> Fremont	<ul style="list-style-type: none"> Construction of permanent supportive housing (studio apartments) serving individuals who are disabled and experiencing chronic homelessness (0-30% AMI) On-site supportive services 	50	50	--	10.7	10.7	--
Sawara Apartments <i>Seattle Housing Authority</i> Yesler Terrace	<ul style="list-style-type: none"> Construction of one-, two-, three-, and four-bedroom apartments serving families and individuals with incomes up to 30% and 60% AMI Funding for this project fulfills Office of Housing commitments in Yesler Terrace Cooperative Agreement Participant in Housing Development Consortium's Exemplary Building Program, which explores new technologies and practices to enhance energy efficiency of affordable housing buildings 	50	--	63	3.5	3.5	--
TOTAL, New Production		100	50	63	14.2	14.2	--
Preservation and Reinvestment							
Pacific Apartments <i>Plymouth Housing</i> Downtown	<ul style="list-style-type: none"> Rehabilitation of historic building, originally constructed in 1916, to support long-term building operation Conversion of single-room occupancy units to studios 	79	9	--	8.1	0.5	7.6
Plymouth on Stewart <i>Plymouth Housing</i> Downtown	<ul style="list-style-type: none"> Emergency repair of sidewalk in public right-of-way adjacent to building 	84	--	--	1.0	0.5	0.5
TOTAL, Preservation		163	9	--	9.1	1.0	8.1
GRAND TOTAL, Rental Production and Preservation		263	59	63	23.3	15.2	8.1

Selected 2021 Income Levels AMI = Area Median Income			
	30% AMI	50% AMI	60%AMI
Single Person	\$24,300	\$40,500	\$48,600
3-person Household	\$31,250	\$52,100	\$62,500

Funding Commitment to Extremely Low-Income Households

Under the Levy ordinance, at least 60% of the sum of Rental Production and Preservation funds, combined with Operating and Maintenance funds, must support housing affordable to people with incomes at or below 30% AMI. Over half of the funding awarded through the Rental Production and Preservation program in the first five years of the seven-year 2016 Levy will primarily serve extremely low-income households. Taken together with Operating and Maintenance Program funds, which are wholly dedicated to units regulated for extremely low-income tenants, over 60% of total program funds will support housing for people with incomes at or below 30% AMI.

External Leverage

From 2017 through 2021 inclusive, on average each City dollar invested in Levy-funded projects has been matched by over \$3.50 from other sources of public and private capital investment such as State and County funds, debt, and equity generated by the federal Low Income Housing Tax Credit program. As in past years, co-investment in Levy-funded projects from other public and private sources of capital will add to the purchasing power of Levy proceeds. Private equity investment through the 9% and 4% Low Income Housing Tax Credit programs continues to be the largest external fund source, with the two Levy-funded projects collectively anticipating equity investment of over \$56 million from this source. Other external sources of public capital investment in 2021 include the Washington State Housing Trust Fund.

OPERATING AND MAINTENANCE PROGRAM

The Operating and Maintenance (O&M) Program provides annual subsidies for buildings that serve extremely low-income and formerly homeless residents who pay very low rents. Levy funds, along with other critical operating subsidies, help ensure the housing is well maintained and financially viable.

Funds are available only to housing that received Housing Levy capital funds. O&M funds are typically matched with other funding for building operations and resident services.

Affordable housing projects receive a 20-year operating support commitment. Funds are allocated each year to fill the gap between a building’s income and expenses, up to a maximum of \$2,500 per unit in the first year, with annual adjustments thereafter for inflation.

**2016 Housing Levy Impact
Operating & Maintenance**

2021 Outcome: 195 rental units with executed O&M contract

Progress Toward 7-year Goal: 94% complete

2021 Summary

In the fifth year of the 7-year 2016 Housing Levy program period, the Operating and Maintenance Program is 94% of the way to meeting its goals for finalized O&M contracts, with 481 of 510 units supported across seven buildings. The estimated funding award over 20 years for these seven buildings is \$35.4 million. Over the next two years, the Office of Housing will continue to finalize contracts to meet, and likely exceed, the 7-year goals.

Finalized O&M Contracts

In 2021, O&M contracts were executed for three affordable housing developments, committing an estimated \$14.3 million to support the operation and maintenance of 195 affordable rental homes.

Project Name <i>Project Sponsor</i>	Population Served	Supported Units (maximum)	First Year Funding Estimate	Funding Award (20 years)
Kristin Benson Place <i>Plymouth Housing</i>	Supportive housing for individuals experiencing homelessness	91	\$227,500	\$6.7 M
Rise at Yancy <i>Transitional Resources</i>	Supportive housing for homeless and low-income individuals with serious and persistent mental illness	44	\$110,000	\$3.2 M
ʔáʔal <i>Chief Seattle Club</i>	Supportive housing for homeless and low-income adults, with a focus on Native people	60	\$150,000	\$4.4 M
TOTAL		195	\$487,500	\$ 14.3 M

Preliminary O&M Commitments

In advance of executing an O&M contract, OH makes preliminary commitments to projects that have been awarded Levy funds under the Rental Production and Preservation Program. Providing preliminary O&M funding commitments earlier in the development process is intended to assist project sponsors to secure other capital and operating funding. These funding commitments set the maximum number of housing units that will be supported; the final awards may be lower and will be based on the final number of eligible units affordable at or below 30% of median income, other operating subsidies secured, and projects’ operating budgets.

In 2021, one Levy-funded building serving extremely low-income and homeless residents was identified for a preliminary O&M funding commitment. One additional project funded in 2020, but not yet complete, received a preliminary commitment for O&M funding. Together, these preliminary commitments of up to \$10.8 M could provide annual operating subsidies for up to 148 rental units. The figures shown below set the maximum number of housing units that could be supported under these preliminary commitments; the final awards may be lower, as projects may ultimately secure other operating subsidies.

Operating Support Using Seattle Housing Authority Vouchers

In addition to Levy O&M Program funds, some projects that receive Levy capital funding also apply for vouchers from Seattle Housing Authority (SHA). SHA committed 300 Section 8 vouchers to Levy-funded projects at the inception of the 2016 Housing Levy. These vouchers are “project-based,” meaning that they will provide ongoing operating subsidies to buildings rather than to individual tenants. Levy vouchers are generally awarded the year before the building will begin operations – one or two years following the capital funding award.

OPERATING AND MAINTENANCE SUPPORT IN ACTION

Eighty-five formerly homeless single adults now have permanent housing at DESC’s Hobson Place I. Most contended with chronic mental illness or other special needs while living on the streets. A Levy-funded operating and maintenance subsidy of about \$212,500 per year helps DESC keep the building in good working condition even though the residents can pay little to no monthly rent. Though the O&M support provides only a shallow subsidy, at Hobson Place I it combines with 63 vouchers committed to the building by Seattle Housing Authority. These combined funds allow DESC to maintain the building in peak condition, ensuring that this housing can help residents have a safe alternative to tents, tarps, and emergency rooms.



Project Name <i>Project Sponsor</i>	Population Served	Supported Units (maximum)	First Year Funding Estimate	Funding Award (20 years)
Preliminary Commitment (2021)				
DESC Woodland <i>DESC</i>	Individuals experiencing homelessness	100	\$250,000	\$7.3 M
Preliminary Commitment (Prior Year)				

Good Shepherd PSH <i>Low Income Housing Institute</i>	Individuals experiencing homelessness	48	\$120,000	\$3.5 M
TOTAL		148	\$370,000	\$10.8 M

OH and SHA have assigned all 300 vouchers, which will support operations in eight buildings receiving funding through the 2016 Housing Levy. Separately, SHA will allocate additional vouchers to Sawara Apartments, which was awarded Levy capital funding in 2021. Funding for Sawara Apartments fulfills Office of Housing commitments in the Yesler Terrace Cooperative Agreement with SHA.

HOMELESSNESS PREVENTION AND HOUSING STABILITY SERVICES PROGRAM

The Seattle Human Services Department (HSD) administers the Homelessness Prevention and Housing Stability Services Program which serves families and individuals who are either at imminent risk of homelessness (Prevention) or experiencing homelessness (Rapid Rehousing).

The Program provides case management and rental assistance for eligible households at or below 50% of area median income (AMI). Program funding can be used for case management that includes landlord negotiations, connection to mainstream benefits, budgeting, direct referrals to legal eviction prevention resources, and financial assistance as needed. Financial assistance can include rental assistance, security and utility deposits, move in costs, rent and utility arrears, and moving fees paid directly to landlords and/or organizations, not households.

The Program funds two distinct interventions:

- **Homelessness Prevention** serves households at imminent risk of homelessness to maintain their housing. Households seeking homeless prevention services access services via referrals from 2-1-1, walk in, or direct contact with the agencies.
- **Rapid Rehousing** serves households experiencing homelessness to move into stable housing after living in a car, shelter, or a place not meant for human habitation. Household access Rapid Rehousing via the Coordinated Entry for All (CEA) System

Program activities and performance are monitored with the region's Homelessness Management Information System (HMIS) called Clarity.

2021 Summary

In 2021, HSD contracted with seven different community-based nonprofit agencies for \$2.07 million in Housing Levy funds. Each agency offers rich culturally and linguistically relevant services, targets services to historically underserved communities and communities with emerging needs and provides specialized programs for a range of household types.

In total, 472 households received case management and rental assistance, as needed, in six homelessness prevention and two rapid rehousing programs. In 2021, 259 households exited the programs, and 213 were still enrolled going into 2022.

In the fifth year of the 7-year 2016 Housing Levy program period, the Homelessness Prevention and Housing Stability Services Program is 74% of the way to meeting its goals for number of households assisted. Over the next two years, HSD will continue to contract with nonprofit agencies to meet the 7-year goals.



**2016 Housing Levy Impact
Homelessness Prevention &
Housing Stability Services**

2021 Outcome: 472 households supported

Progress Toward 7-year Goal: 74% complete

Homelessness Prevention

The programs offered by the following community-based nonprofit agencies assisted 352 households who were at imminent risk of homelessness. Households were enrolled an average of 168 days from initial case management appointment until both case management and rent assistance ended. Direct financial assistance averaged \$1,675 per household, which was fully funded with Housing Levy funds.

Homelessness Prevention	Contracted Levy Investment
Neighborhood House	\$491,173
YWCA	\$256,849
InterIm Community Development Association	\$373,714
El Centro de la Raza	\$144,813
Muslim Housing Services	\$160,300
St. Vincent de Paul	\$150,000
HP Total	\$1,576,849

Performance measures for Homelessness Prevention include:

- Retention of permanent housing: 90% of households successfully maintained their housing when they exited the program.
- Housing stability at 6 months: Of those households who received prevention assistance in 2021 alone, 99.7% retained their housing during the 6-month period after receiving that assistance.^[1]
- Housing stability at 12 months: Of those households who maintained their housing after receiving prevention assistance in 2020, 96% retained their housing during the 12-month period after receiving that assistance.

Household Demographics	Homelessness Prevention
Households below 30% AMI	85%
Households with minor children	35%
Number of household members that are minor children	220
Head of Household less than 25 years of age	4%
Head of Household with Race other than White	74%
Head of Household with Race as White	22%
Head of Household with Ethnicity as Hispanic/Latino	12%
Race Data Unknown, Refused, Not Collected	3%

^[1] Based on HMIS data of the number of households that exited a Prevention program and maintained their current housing situation at least 6 months after their exit from that program. The 6-month return rate could increase up until 6/30/2022 as this is a full 6 months after the last possible exit to permanent housing in 2021. Data capture if a household subsequently enrolls in a program in HMIS which indicates they are experiencing homelessness (e.g. enrolls in an emergency shelter). This number only includes individuals who consent to sharing their personally identifiable information in HMIS.

While Levy resources did not directly contribute to emergency rental assistance funding that HSD administered in response to pandemic-related financial hardships, five of the seven Levy-supported community-based nonprofit agencies were primed to deliver this federally funded assistance to impacted tenants. Using Federal CARES Act funds, these agencies rapidly coordinated across multiple programs to support communities most at risk of eviction due to COVID impacts to household incomes. Between January to December 2021 an additional 391 households at or below 50% AMI were supported with direct emergency rental assistance averaging \$1,931 per unduplicated eligible household to cover current rent and rent arrears.

Rapid Rehousing

Two agencies assisted 120 households to move into stable housing from homelessness – living in a car, shelter or a place not meant for human habitation. Households were enrolled an average of 271 days from the initial case management appointment until rent assistance and case management ended. Direct financial assistance averaged \$1,368 of Housing Levy funds per household; households received an average of \$1,865 in client assistance including other funds also administered by HSD.

Rapid Rehousing	Contracted Levy Investment
CCS	\$267,074
YWCA	\$229,629
RRH Total	\$496,703

Performance measures for Rapid Rehousing include:

- **Exits to Permanent Housing:** 84% of households successfully achieved permanent housing upon exiting the program.
- **Housing stability at 6 months after exit:** Of those households who exited to permanent housing in 2021, 1.64% returned to using the homeless system within 6 months of their program exit. We can report on returns to the homeless system for the 2021 households in July 2022.²
- **Housing stability at 12 months:** Of those households who exited to permanent housing in 2020, 4% returned to homelessness within 12 months of their program exit.

^[2] Based on HMIS data of the number of households that exited a Rapid Rehousing program to a permanent destination (e.g. rental by client, no ongoing housing subsidy) in 2021. The 6-month return rate could increase up until 6/30/2022 as this is a full 6 months after the last possible exit to permanent housing in 2021. Return to System data captures if a household subsequently enrolls in any HMIS. This number only includes individuals who consent to sharing their personally identifiable information in HMIS.

Household Demographics	Rapid Rehousing
Households below 30% AMI	89%
Households with minor children	93%
Number of household members that are minor children	196
Head of Household less than 25 years of age	14%
Head of Household with Race other than White	74%
Head of Household with Race as White	22%
Head of Household with Ethnicity as Hispanic/Latino	10%
Race Data Unknown, Refused, Not Collected	3%

HOMEOWNERSHIP PROGRAM

The Homeownership Program creates and sustains homeownership opportunities for low-income Seattle residents. Approximately \$1.4 million in new funding from the 2016 Housing Levy is available annually. Additional funds may become available each year from repayments of purchase assistance loans or reprogramming of unspent funds. Funds support four program areas, the latter two of which were newly introduced under the 2016 Levy.

- **Development:** Acquire or construct homes that are sold to first-time homebuyers with income up to 80% AMI. Homes are resale-restricted so that they are available and affordable for eligible buyers for a minimum of 50 years.
- **Purchase Assistance (also called Downpayment Assistance):** Assist first-time homebuyers with income up to 80% AMI to purchase a home anywhere in Seattle. Buyers access Levy funding through participating nonprofit housing agencies and mortgage lenders. Upon resale or refinancing, loans are repaid to the Program to assist additional homebuyers.
- **Home Repair:** Make grants to homeowners with income up to 50% AMI who need to make critical home repairs and are unable to access a home repair loan. Repairs improve living conditions, help owners access weatherization grants, and help preserve the home.
- **Foreclosure Prevention:** Assist homeowners with income up to 80% AMI to pay housing-related costs that are necessary to avert foreclosure and remain successfully in their homes and communities.



2016 Housing Levy Impact Homeownership

2021 Outcome: 68 low-income homeowners and first-time homebuyers assisted

Progress Toward 7-year Goal: Goal exceeded

2021 Summary

The Homeownership Program awarded \$4.08 million for housing development, acquisition, and purchase assistance loans, and over \$151,000 in home repair grants. Demographic and income information for all assisted homeowners is reported in the **2021 Office of Housing Investments Report**. Program milestones for 2021 included:

- 33 new, permanently affordable homes will be constructed as part of three different projects
- 6 new homebuyers purchased a home through the resale of permanently affordable homes previously funded by the Program
- 23 low-income homeowners received grants for urgent home repairs
- 3 current homeowners were able to avoid foreclosure and stay in their homes
- 3 new homebuyers purchased a home using purchase assistance loans

The Homeownership Program has exceeded its 7-year goals by 15% in the fifth year of the 2016 Housing Levy program period. Over the next two years, the Office of Housing will continue to support low-income

homeowners and first-time homebuyers through the Homeownership Program, while planning for a proposed renewal and expansion of the Housing Levy in 2023.

Homeownership Development

Project Name <i>Sponsor</i> Neighborhood	Description	Housing Units	Levy Funding
PAHO <i>Homestead Community Land Trust and Edge Community Developers</i> Phinney Ridge	New construction of 19 resale-restricted, permanently affordable one-, two-, and three-bedroom condo units for low-income first-time homebuyers	19	\$1.9 M
Corvidae <i>Habitat for Humanity, Seattle-King County and Corvidae</i> Columbia City	2 limited equity cooperative homes, within a project of 10 total homes, for sale to low-income first-time homebuyers	2	\$0.2 M
Highland Terrace <i>Habitat for Humanity, Seattle-King County</i> Westwood-Highland Park	New construction of 12 resale-restricted, permanently affordable two-bedroom cottages for low-income first-time homebuyers	12	\$1.3 M
Total		33	\$3.4 M

Permanently Affordable Homeownership Resales

Over the last 20+ years the Office of Housing has invested in the creation of homes for ownership that are permanently affordable or resale-restricted. First-time homebuyers with incomes at or below 80% AMI purchase these homes at affordable prices, and in exchange limit the price at which they can sell that home to another income-eligible homebuyer in the future. Six such resales occurred in 2021, serving income-eligible homebuyers without additional City subsidy. This is the power of permanent affordability: prior-year funding can continue to serve income-eligible homebuyers upon resale and will do so well into the future.

Purchase Assistance Loans

Also known as Downpayment Assistance (DPA), these purchase loans are often layered with other, non-City sources of subsidy so low-income, first-time homebuyers can afford to purchase a home on the open market.

In 2021, three down payment assistance loans were closed using 2016 Levy funds, supporting three new homebuyers in the purchase of their first homes. OH also awarded HomeSight \$440,000 and Parkview Services \$220,000 in 2021 to facilitate down payment assistance loans to 12 additional low-income households. These lending programs typically provide home purchase loans to eligible buyers over the 12 to 18 months following a Levy funding award. Homebuyers assisted using these funds will be reported in future years' reports.

Home Repair Grants

In 2021 OH awarded 23 grants totaling \$151,451 to 23 low-income homeowners. These grants funded small, urgent home repairs. The average grant was \$6,585; typical repairs addressed problems with windows, doors, roofs, electrical, plumbing, siding, exterior painting, and flooring. All homeowners served had extremely low or very low incomes (at or below 50% of area median income) and over half of the residents in these households were aged 60 or above.

The Levy-funded Home Repair Grant program, introduced for the first time under the 2016 Levy, allows OH staff to serve low-income homeowners who may otherwise be displaced or endure unsafe living conditions, due to the rising costs of necessary home repairs.

Foreclosure Prevention

In the spring of 2018, OH executed a contract for \$484,000 with local nonprofit HomeSight to administer a Levy-funded foreclosure prevention program. To date, HomeSight has made a total of nine loans, including three originated in 2021, that allowed homeowners to maintain ownership of their homes and prevent their displacement from the neighborhoods they call home.

Office of Housing will continue to work in collaboration with HomeSight's program administrator and local housing counselors to evaluate and best meet the need of low-income homeowners facing foreclosure.



HOME REPAIR GRANTS IN ACTION

Back in 1962 Willie and her husband bought this 1910 home in Seattle's Central District and raised a family. After her husband's death, Willie wanted to stay in her home of more than 50 years but one morning woke up to no hot water. An inspection showed a blocked sewer drain. Water had invisibly seeped through the clay sewer pipe, gradually damaging the adjacent porch. A \$10,000 Levy-funded grant covered the cost of the repairs and a new water heater. With City staff hiring the contractors and managing the work, Willie didn't have to oversee the project on her own – nor watch her beloved home fall into disrepair.

ACQUISITION AND PRESERVATION PROGRAM

The Acquisition and Preservation Program provides short-term financing for strategic acquisition of sites or buildings for low-income rental or ownership housing development or preservation. Loan terms of up to five years allow for strategic planning for use of the site, community engagement, formation of development partnerships, and securing funding for housing and other building uses.

The Office of Housing is authorized to have up to \$30 million in A&P Program loans outstanding at any time. Because they are to be repaid within a five-year timeframe, A&P loans are funded from Levy proceeds dedicated to other Housing Levy programs but are not yet needed for planned projects. Housing outcomes are tracked but the program does not have a housing production goal.

Project sponsors must demonstrate that acquisition financing is necessary for the project to proceed. Loans can be made for land or buildings, including occupied buildings where low-income residents are at risk of displacement. A minimum 20-year affordability period is required.

The loans are repaid when permanent project financing is secured. If long-term City financing is invested in the property, the affordability requirement is extended to 50 years.

2021 Summary

During the 2016 Levy period, OH has made twelve loans under the A&P Program totaling approximately \$77.7 million, \$20.5 million of which have been repaid in prior years. Three loans closed in 2021, financing the acquisition of one newly constructed multifamily residential building and two building sites which will support the creation of a total of 657 affordable apartments. No loans were repaid in 2021.

Project Name <i>Project Sponsor</i>	Description	Affordable Housing Units	Loan Amount (\$M)
Aurora Heights Housing <i>Low Income Housing Institute</i>	Acquisition of a site in Bitter Lake for future development of affordable apartments serving individuals earning a range of incomes up to 30%, 50%, and 60% AMI	350	6.0
Clay Apartments <i>Low Income Housing Institute</i>	Acquisition of a newly constructed multifamily residential building in Capitol Hill to rapidly serve veterans and individuals experiencing homelessness	75	11.9
Thunderbird Site <i>Mt. Baker Housing Association</i>	Acquisition of a transit-oriented site in Rainier Beach for future development of affordable apartments serving families and individuals earning at or below 60% AMI	232	6.4
TOTAL		657	\$24.3 M

2016 Housing Levy Impact Acquisition & Preservation

2021 Outcome: 657 homes to be developed

Progress Toward 7-year Goal: No 7-year goal associated with this program

LEVY FUNDING POLICIES AND ADMINISTRATION

Administrative and Financial Plan

Housing Levy programs are guided by policies in the Levy Administrative and Financial Plan adopted by the City Council every two years. The A & F Plan is prepared by the Office of Housing, with the participation of the Human Services Department and the Housing Levy Oversight Committee. Community members and stakeholders for each of the Levy programs can also participate in the biennial policy review.

Allocation of Levy Funds

All Levy programs award funds through a competitive application process. The Rental Production and Preservation Program and Operating and Maintenance Program funds are awarded via Notices of Fund Availability. Homeownership funds are also awarded to housing development projects and mortgage lending programs through a competitive NOFA process.

When a publicly owned site is available for affordable housing development, Rental and Homeownership funds may be awarded through a site-specific Request for Proposal. The Office of Housing uses the competitive RFP process both to select a developer and award OH development financing. The RFP may be conducted jointly with another public agency, such as King County or Sound Transit, if that agency is making the property available.

For the Acquisition and Preservation Program, applicants submit project proposals on a rolling basis rather than a set deadline, enabling project sponsors to take advantage of market opportunities. As these short-term loans are repaid, the funds are made available as permanent financing via the other Levy programs.

Homelessness Prevention and Housing Stability Services Program funds are administered by the Seattle Human Services Department, which selects service providers via a competitive Request for Investment process. The selected agencies assist households who are homeless or at risk of homelessness by providing housing stability services and making rent payments directly to the housing owner.

Housing Levy Oversight Committee

A Housing Levy Oversight Committee is appointed by the Mayor and City Council to monitor the progress of Levy programs. The Oversight Committee reports to the Mayor and Council and the public regarding program accomplishments and makes recommendations for policy changes in the Administrative and Financial Plan. The Oversight Committee typically meets quarterly and is staffed by the Office of Housing.

MORE INFORMATION

For more information about the Seattle Housing Levy, contact the City of Seattle Office of Housing or visit www.seattle.gov/housing/levy.

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Legislation Text

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CITY OF SEATTLE

ORDINANCE _____

COUNCIL BILL _____

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.

WHEREAS, the Mayor and City Council are committed to ensuring everyone in Seattle has access to safe, stable, and affordable homes; and

WHEREAS, affordable housing helps to address The City of Seattle’s long history of displacement and segregation caused by government-supported colonialism, racial covenants, and redlining leading to the restriction of where Black, Indigenous and other people of color (BIPOC) may live and purchase homes and disparities in access to affordable homes, as well as education, living-wage employment, healthy environment, and transportation; and

WHEREAS, 22,850 renters earning less than 30 percent of Area Median Income and 6,535 renters earning between 30 percent and 50 percent of Area Median Income are severely cost-burdened, paying more than 50 percent of their income for rent in Seattle. An additional 17,000 renters earning up to 50 percent of Area Median Income in Seattle are moderately cost-burdened, paying 30 to 50 percent of their income for rent; and

WHEREAS, there is an estimated shortage of 26,620 rental units affordable and available to renter households at or below 30 percent of Area Median Income and the King County Regional Affordable Housing Task Force found that 156,000 affordable homes were needed immediately, and another 88,000 homes by 2040, to ensure that no low-income households were cost-burdened in the region; and

WHEREAS, in King County 40,800 people experienced homelessness at some point in 2019 and 45,300 people experienced homelessness at some point in 2020 and were living in unsafe conditions outside and in shelters in our region, and affordable housing and permanent supportive housing provide an end to homelessness; and

WHEREAS, to respond for the critical need for affordable homes, City investments in affordable housing development, preservation, and acquisition managed by the Office of Housing have quadrupled from the 2014 to the 2022 Budget, creating higher transactional volume, new policy and programmatic initiatives, and increased requests for data and information; and

WHEREAS, \$100 million dollars of the Office of Housing's total \$208 million 2022 Adopted Budget is supported by Jumpstart Payroll Expense Tax Fund revenue and this is an on-going source of funds; and

WHEREAS, the increased investment in affordable homes results in additional pre-development work to identify opportunities to build and acquire affordable homes and create a pipeline of projects, increased real estate transactions to build, preserve, and acquire new affordable multifamily homes, and permanently affordable homeownership and monitoring of construction activity; and

WHEREAS, permanently affordable homeownership is essential to ensure low-income and BIPOC community members have opportunities to own homes, build wealth, and prevent displacement; and

WHEREAS, provision of technical support and capacity building is necessary to ensure development by and ownership of multifamily affordable homes for-rent and permanently affordable for-sale homes by BIPOC-led and community-based organizations; and

WHEREAS, compliance monitoring and asset management is critical to ensure rent and income restrictions and health and safety standards are met for over 15,500 affordable homes directly funded with City resources and over 6,500 homes created through incentive programs; and

WHEREAS, The City of Seattle has a goal to become a carbon-neutral city by 2050 to address the climate crisis and the greatest and most harmful impacts of climate change are falling disproportionately on

lower-income communities and communities of color globally; however, these communities have contributed the least to the cumulative global emissions that are causing climate change and are least equipped to adapt to the impacts; and

WHEREAS, focus on the critical need to create affordable housing and higher investment levels results in increased requests for information, public disclosure, analysis, and data from elected officials, peer agencies, media, and community members, and staff capacity is necessary to develop data systems, provide publicly available information and visualizations, and timely responses to requests; and

WHEREAS, in 2009 The City of Seattle established the Race and Social Justice Initiative (RSJI) through Resolution 31164, affirming the City's race and social justice work and directing City departments to use available tools to assist in the elimination of racial and social disparities across key indicators of success, including health, education, criminal justice, the environment, employment, and the economy, and to promote equity within the City workplace and in the delivery of City services; and

WHEREAS, RSJI and staff time to perform RSJI-related training, toolkit development and monitoring, and Change Team participation was explicitly included in each Office of Housing job description; and

WHEREAS, increased funding, staffing, and policy and programming development leads to an increased need for administrative support to perform basic office management functions; and

WHEREAS, increased development of affordable homes increases the need for wage monitoring to ensure an equitable residential construction workforce and to monitor utilization of apprenticeships, women- and minority-owned businesses (WMBEs), and priority hire in affordable housing development; and

WHEREAS, increased funding results in additional real estate transactions and documents requiring legal review and advice; and

WHEREAS, since 1981 Seattle voters have approved one bond and five property tax levies to create affordable housing, and the Seattle Housing Levy is a nationally recognized local financing tool and the cornerstone of affordable housing creation for the Office of Housing; and

WHEREAS, the 2016 Seattle Housing Levy is on track to meet or exceed goals; and

WHEREAS, the Seattle Housing Levy is up for voter consideration in 2023 and dedicated staffing capacity and resources are necessary to convene stakeholders, community members, and technical advisors to inform programming and provide subject matter expertise, produce reports and materials to communicate, with equitable language access, achievement of goals and continued need, draft legislation, and provide modeling for affordable housing production goals under various funding scenarios; and

WHEREAS, the Office of Housing needs additional staff to support the City’s efforts to acquire, build, preserve, and maintain affordable housing; and

WHEREAS, the Jumpstart Payroll Expense Tax Fund provides administrative dollars that will be used to cover the on-going staff and related administrative costs; NOW, THEREFORE,

BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:

Section 1. The following new positions are created in the Office of Housing:

Department	Position Title	Position Status	Number
Office of Housing	Admin Staff Analyst	Full-time	1
Office of Housing	Community Development Specialist	Full-time	2
Office of Housing	Grants and Contracts Specialist, Sr	Full-time	1
Office of Housing	Management Systems Analyst	Full-time	1
Office of Housing	Management Systems Analyst, Sr	Full-time	1
Office of Housing	Manager 1	Full-time	1
Office of Housing	Planning & Development Specialist	Full-time	2
Office of Housing	Planning & Development Specialist, Sr	Full-time	1
Office of Housing	Public Relations Specialist	Full-time	1
Office of Housing	Strategic Advisor 1	Full-time	1
Office of Housing	Strategic Advisor 1	Part-time	1

The Director of the Office of Housing is authorized to fill these positions subject to Seattle Municipal Code Title 4, the City’s Personnel Rules, Civil Service rules, and applicable employment laws.

Section 2. The appropriations for the following items in the 2022 Adopted Budget are modified as

follows:

Item	Department	Fund	Budget Summary Level	Amount
2.1	Executive (Office of Housing)	Payroll Expense Tax (14500)	Multifamily Housing (14500-BO-HU-3000)	(\$732,667)
		Payroll Expense Tax (14500)	Leadership and Administration (14500-BO-HU-1000)	\$671,273
		Payroll Expense Tax (14500)	Homeownership & Sustainability (14500-BO-HU-2000)	\$61,394
Total				\$0

Section 3. In order to pay for necessary costs and expenses incurred or to be incurred in 2022, but for which insufficient appropriations were made due to causes that could not reasonably have been foreseen at the time of the making of the 2022 Budget, appropriations for the following items in the 2022 Budget are increased from the funds shown, as follows:

Item	Department	Fund	Budget Summary Level	Amount
3.1	Executive (Office of Housing)	Office of Housing Fund (16600)	Leadership & Administration (16600-BO-HU-1000)	\$392,000
Total				\$392,000

Section 4. This ordinance shall take effect and be in force 30 days after its approval by the Mayor, but if not approved and returned by the Mayor within ten days after presentation, it shall take effect as provided by Seattle Municipal Code Section 1.04.020.

Passed by a 3/4 vote of all the members of the City Council the _____ day of _____, 2022, and signed by me in open session in authentication of its passage this _____ day of _____, 2022.

 President _____ of the City Council

Approved / returned unsigned / vetoed this ____ day of _____, 2022.

Bruce A. Harrell, Mayor

Filed by me this _____ day of _____, 2022.

Monica Martinez Simmons, City Clerk

(Seal)

SUMMARY and FISCAL NOTE*

Department:	Dept. Contact/Phone:	CBO Contact/Phone:
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
TOTAL			\$392,000	\$283,000

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
TOTAL					13	12.5	

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:

Office of Housing Staffing Proposal

To: Seattle City Council Finance and Housing Committee

From: Maiko Winkler-Chin, OH Director and Rebecca Guerra, OH Finance Manager

Date: May 12, 2022

Proposal: The Office of Housing proposes new position authority and related budget authority for 12.5 new FTE positions within OH and an additional 1.5 FTE positions in the Law Department and Department of Finance and Administrative Services (see attachment for position details).

Background:

In recent years, OH's budget has quadrupled – from \$50 million in the 2014 Adopted Budget to \$208 million in the 2022 Adopted Budget, including payroll tax revenues that will provide over \$100 million in funding to OH in future years. While the budget has increased by 316%, staffing has only increased by 23%. Increased funding results in the following workload impacts:

- 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

OH staff is under capacity given these increased workload demands, leading to ongoing deferral of core business functions, lengthier response times to Executive, Council, and external inquiries and an overextended staff often working in off hours.

Job Responsibilities: A detailed analysis of job functions and work-time capacity was conducted to create the landscape for these new positions. RSJI change team work was intentionally incorporated to ensure staff have time to participate in development of tool kits and training to ensure OH is moving toward becoming an anti-racist and multicultural organization.

New OH staff will work on:

- Transactions for new development, preservation and acquisition of affordable housing
- Compliance monitoring and asset management, including compliance with federal funding like rent assistance
- Transactional work, including approval and implementation of new development and preservation projects
- Community and neighborhood engagement
- Technical support to communities of color
- Program evaluation and toolkit deployment to assess both racial equity and climate implications of proposed policies and programs
- Policy and program development work

See attachment 1 for full position details.

Financial Considerations: Funds to pay for these positions will come from the administrative portion of payroll tax revenue already appropriated in OH’s budget. Please note that this total represents 2.3% of our total payroll tax allocation in 2022, far under the 5% threshold, allowing for room should payroll tax deductions decline in the future.

12.5 FTE in OH as detailed above	1,664,459
Additional support to LAW for 0.5 paralegal	66,334
Additional support to FAS for 1.0 wage monitor	138,690
Additional space rent charges to FAS due to increased office space	250,000
Equipment, including laptops (\$3,000 per person)	42,000
Annualized Cost	2,161,483

Levy Renewal

Separate from the staffing proposal, OH is requesting additional budget authority in 2022 for costs related to renewing the Housing Levy including:

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

Both the 2022 and 2023 costs – totaling \$675,000 – are proposed to be paid for with 2016 Levy administrative fund balance, which has a projected end-of-Levy fund balance of \$2.5 million before this proposal. The 2022 amount is \$392,000. (Proposed 2023 costs will be included in OH’s 2023 budget submittal *See attached background memo for additional details.*

Budget Actions

To implement this proposal, the following budget actions would be needed:

- Add position authority for 12.5 FTE in OH
- Transfer \$1.5 million of payroll tax budget authority from 14500 / Multifamily Capital BSL to appropriate admin BSLs within 14500.
- Add \$392,000 of authority in 16600 / Leadership & Administration BSL for the 2022 Levy renewal costs funded by the 2016 Levy admin fund balance.

Budget authority may be needed in FAS for wage monitoring and in LAW for paralegal support. It is unknown at this time if position authority would also be needed in those departments or if existing staff would be reallocated for this work. Therefore, the proposed legislation does not include position authority for either of these departments.

Attachment:

- Position Detail

Attachment 1: Requested Positions

Title or Functions	FTE Change	Position (or equivalent)	Purpose
Compliance Monitoring	+1.0	Comm Dev Spec	Addresses substantial backlog and ongoing volume increases in compliance activities for affordable housing constructed with OH funding.
Underwriting and Closing	+1.0	Comm Dev Spec	Addresses ongoing volume increases in new funding applications and financial closings.
Day-to-Day Management of Underwriting Staff	+1.0	Mgr 1	Resolves excessive span-of-control (8:1 with new CDS requested), allows Capital Investments Manager to deepen her focus on strategy, high-level problem-solving, and external relations with State of Washington and other funding partners.
Capacity Building	+0.5	SA1	Provides technical assistance to culturally- and community-based organizations seeking to sponsor of equitable development projects, inclusive of both rental and permanently affordable for-sale housing.
Specialized Mapping, Spatial Analysis, Reporting	+1.0	Mgmt Systems Analyst	Fills a missing but essential technical skill set. Improves responsiveness to media and other inquiries; supports locational analysis including transit proximity and other geographic priorities; supports performance measurement and outcomes analysis.
Graphic Design, Visualizations, Social Media	+1.0	Pub Rel Spec	Upgrades materials and social media presence to current-day standards. Creates capacity to absorb workload resulting from an uptick in public disclosure requests.
Office Management	+1.0	Admin Staff Analyst	Continues an emergency position that absorbs responsibilities currently handled by Finance Director during her off-hours: e.g., IT liaison, IT and office equipment inventory, building management liaison, records retention, space planning. Also creates capacity to support logistical issues to support transition to new data systems.
Homeownership Development Specialist	+1.0	Plng & Dev Spec	Addresses new volume: administers new funding to subsidize tripled citywide development of permanently affordable for-sale housing.
Policy Analyst	+1.0	SA1	Responds to Executive and Council directives for analysis to support periodic legislative action; adds dedicated capacity for housing needs analyses; improves responsiveness to media and public inquiries; expands reporting capacity.
Green New Deal Portfolio Specialist	+1.0	Plng & Dev Spec, Sr	Provides new expertise and accommodates new functions. Analyzes properties in OH portfolio to advance GND goals through electrification and other technology advances; represents OH on climate IDT; advises OH staff (e.g., asset management and weatherization) on best practices; analyzes and helps developers respond to new Code requirements.

Title or Functions	FTE Change	Position (or equivalent)	Purpose
Federal Grants Specialist	+1.0	Grants and Contracts Spec, Sr	Provides dedicated capacity and specialized expertise for administration/compliance/reporting functions needed to accept, commit, and spend existing and new Federal funds. City funded housing projects often include a mix of funding sources – including federal funds. Therefore, understanding compliance and reporting requirements tied to federal funds is important. Addresses workload crunch for 2023 Consolidated Plan update, pending AAP amendments, and CAPER.
Database Development and Officewide Coordination	+1.0	Mgmt Systems Analyst, Sr	Provides specialized expertise and addresses pressing need for database upgrades. Position will coordinate planning, business analysis, and data integrity work taking place throughout office.
Performance Measurement and Evaluation Coordinator	+1.0	Plng & Dev Spec	Contributes to development of new data analysis tools including a pending performance measurement platform and dashboard reporting tool; designs, executes, and periodically refines dashboard elements; maintains dashboard.
	+12.5		

In addition, we propose two positions in the Law Department (0.5 FTE paralegal) and Department of Finance and Administrative Services (1.0 FTE construction wage monitor).

Title or Functions	FTE Change	Position (or equivalent)	Purpose
Paralegal Support in the LAW Department	+0.5	TBD	Addresses new transactional and related workload: (per-project legal documents (deeds of trust, regulatory instruments), real estate negotiations, legislation review, director’s rules.
Wage Monitoring in FAS	+1.0	TBD	Provides staffing to maintain level of service for construction site visits and monitoring to prevent wage-theft.



Legislation Text

File #: CB 120317, Version: 1

CITY OF SEATTLE

ORDINANCE _____

COUNCIL BILL _____

AN ORDINANCE amending Ordinance 126237, which adopted the 2021 Budget, including the 2021-2026 Capital Improvement Program (CIP); changing appropriations to various departments and budget control levels, and from various funds in the Budget; and ratifying and confirming certain prior acts; all by a 3/4 vote of the City Council.

BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:

Section 1. In order to pay for necessary costs and expenses incurred or to be incurred in 2021, but for which insufficient appropriations were made due to causes that could not reasonably have been foreseen at the time of making the 2021 Budget, appropriations for the following items in the 2021 Budget are increased from the funds shown, as follows:

Item	Department	Fund	Budget Summary Level/ BCL Code	Amount
1.1	Seattle Department of Human Resources	Health Care Fund (10112)	Health Care Services (10112-BO-HR-HEALTH)	\$6,542,084
1.2	Seattle Department of Transportation	Transportation Fund (13000)	Maintenance Operations (13000-BO-TR-17005)	\$5,189,034
1.3	Seattle Department of Transportation	Move Seattle Levy Fund (10398)	Mobility Operations (10398-BO-TR-17003)	\$1,565,994
Total				\$13,297,112

Section 2. In order to pay for necessary capital costs and expenses incurred or to be incurred, but for which insufficient appropriations were made due to causes that could not reasonably have been foreseen at the time the 2021 Budget was adopted, the appropriations and project allocations for the following items in the 2021 Budget are increased for Seattle Department of Transportation from the funds shown, as follows:

Item	Department	Fund	Budget Summary Level/ BCL Code	CIP Project Appropriation Change	CIP Project Name
2.1	Seattle Department of Transportation	Bridging The Gap Levy Fund (10394)	Mobility-Capital (10394-BC-TR-19003)	\$6,903	Next Generation Intelligent Transportation Systems (ITS) (MC-TR-C021)
2.2	Seattle Department of Transportation	Unrestricted Cumulative Reserve Fund (00164)	Mobility-Capital (00164-BC-TR-19003)	\$12,292	Next Generation Intelligent Transportation Systems (ITS) (MC-TR-C021)
Total				\$19,195	

Section 3. This ordinance shall take effect and be in force 30 days after its approval by the Mayor, but if not approved and returned by the Mayor within ten days after presentation, it shall take effect as provided by Seattle Municipal Code Section 1.04.020.

Passed by a 3/4 vote of all the members of the City Council the _____ day of _____, 2022, and signed by me in open session in authentication of its passage this _____ day of _____, 2022.

 President _____ of the City Council

Approved / returned unsigned / vetoed this _____ day of _____, 2022.

Bruce A. Harrell, Mayor

Filed by me this _____ day of _____, 2022.

Monica Martinez Simmons, City Clerk

(Seal)

Attachments:

SUMMARY and FISCAL NOTE*

Department:	Dept. Contact/Phone:	CBO Contact/Phone:
City Budget Office	Caleb Wagenaar/733-9228	

* 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 amending Ordinance 126237, which adopted the 2021 Budget, including the 2021-2026 Capital Improvement Program (CIP); changing appropriations to various departments and budget control levels, and from various funds in the Budget; and ratifying and confirming certain prior acts; all by a 3/4 vote of the City Council.

Summary and background of the Legislation: This legislation will implement various adjustments to the 2021 Adopted Budget that are needed to complete the City’s accounting process for the year.

The proposed legislation includes discrete actions that amend the 2021 Adopted Budget by adding budget authority to various departments to address unanticipated expenses and correct accounting errors which resulted in spending exceeding a budget control level’s budget authority.

2. CAPITAL IMPROVEMENT PROGRAM

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

3. SUMMARY OF FINANCIAL IMPLICATIONS

Does this legislation amend the Adopted Budget? Yes No

Appropriation change (\$):	General Fund \$		Other \$	
	2021	2022	2021	2022
	\$0	\$0	\$13,316,307	\$0
Estimated revenue change (\$):	Revenue to General Fund		Revenue to Other Funds	
	2021	2022	2021	2022
	\$0	\$0	\$0	\$0
Positions affected:	No. of Positions		Total FTE Change	
	2021	2022	2021	2022
	0	0	0	0

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?
 No. Please see Summary Attachment A for details on 2021 spending.

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

The same objectives could not be achieved without this legislation.

3.a. Appropriations

X This legislation adds, changes, or deletes appropriations.

See Summary Attachment A for details on 2021 spending.

Is this change one-time or ongoing?

All are one-time.

4. OTHER IMPLICATIONS

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

No.

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?

See Summary Attachment A for any RSJI implications.

f. Climate Change Implications

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

No.

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).**

Not applicable.

List attachments/exhibits below:

Summary Attachment A – 2021 Budget Exceptions Ordinance Summary Detail Table

2021 Budget Exceptions Ordinance Summary Detail Table

Item #	Title	Description	Amount/FTE
Section 1 – Appropriation Increases			
1.1	2021 Budget Exception (Seattle Department of Human Resources)	This item provides a retroactive appropriation increase of \$6,542,084 in the Health Care Services BSL in the Health Care Fund to pay unanticipated costs due to greater than expected claims in the 4th Quarter.	\$6,542,084
1.2	2021 Budget Exception (Seattle Department of Transportation)	This item provides a retroactive appropriation increase of \$5,189,034 for the Seattle Department of Transportation to pay unanticipated costs in the Transportation Fund - Maintenance Operations 13000-BO-TR-17005 Budget Control Level for higher expenses than were projected in the 2021 Adopted Budget. The overspend is driven by SDOT work relating to: emergency response, pothole repair, and operations support including rubble hauling and maintenance operations.	\$5,189,034
1.3	2021 Budget Exception (Seattle Department of Transportation)	This item provides a retroactive appropriation increase of \$1,565,994 for the Seattle Department of Transportation to pay unanticipated costs in the Move Seattle Levy Fund - Mobility Operations 10398-BO-TR-17003 Budget Control Level for higher expenses than were projected in the 2021 Adopted Budget. The majority of the overspend was in three programs including: the transportation operations center, signs and markings, and traffic signals.	\$1,565,994
Section 2 – Appropriation Increase – Capital Budgets			
2.1	2021 Budget Exception (Seattle Department of Transportation)	This item provides a retroactive appropriation increase of \$6,903 for the Seattle Department of Transportation to pay unanticipated costs in the Bridging the Gap Levy Fund - Mobility Capital 10394-BC-TR-19003 Budget Control Level. This is a technical issue driven by automatic budget carryforward authorized by State law. SDOT Finance will resolve these issues in 2022 to avoid this kind of exception going forward.	\$6,903

Item #	Title	Description	Amount/FTE
2.2	2021 Budget Exception (Seattle Department of Transportation)	This item provides a retroactive appropriation increase of \$12,292 for the Seattle Department of Transportation to pay unanticipated costs in the Unrestricted Cumulative Reserve Fund - Mobility Capital 00164-BC-TR-19003 Budget Control Level. This is a technical issue driven by automatic budget carryforward authorized by State law. SDOT Finance will resolve these issues in 2022 to avoid this kind of exception going forward.	\$12,292



Legislation Text

File #: CB 120316, Version: 1

CITY OF SEATTLE

ORDINANCE _____

COUNCIL BILL _____

AN ORDINANCE amending Ordinance 126490, which adopted the 2022 Budget, including the 2022-2027 Capital Improvement Program (CIP); changing appropriations to various departments and budget control levels, and from various funds in the Budget; and ratifying and confirming certain prior acts; all by a 3/4 vote of the City Council.

BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:

Section 1. In order to pay for necessary costs and expenses incurred or to be incurred, but for which insufficient appropriations were made due to causes that could not reasonably have been foreseen at the time of making the 2022 Budget, appropriations for the following items in the 2022 Budget are increased from the funds shown, as follows:

Item	Department	Fund	Budget Summary Level/ BCL Code	Amount
1.1	Civil Service Commissions	General Fund (00100)	Civil Service Commissions (00100-BO-VC-V1CIV)	\$115,000
1.2	Community Safety and Communications Center	General Fund (00100)	Community Safety and Communications Center (00100-BO-CS-10000)	\$329,126
1.3	Community Safety and Communications Center	General Fund (00100)	Community Safety and Communications Center (00100-BO-CS-10000)	\$50,000
1.4	Department of Education and Early Learning	Sweetened Beverage Tax Fund (00155)	Early Learning (00155-BO-EE-IL100)	\$1,500,000
1.5	Department of Education and Early Learning	Families Education Preschool Promise Levy (17871)	K-12 Programs (17871-BO-EE-IL200)	\$530,000

1.6	Department of Education and Early Learning	Families Education Preschool Promise Levy (17871)	Post-Secondary Programs (17871-BO-EE-IL300)	\$100,000
1.7	Department of Education and Early Learning	Families Education Preschool Promise Levy (17871)	K-12 Programs (17871-BO-EE-IL200)	\$5,411,169
1.8	Department of Education and Early Learning	General Fund (00100)	K-12 Programs (00100-BO-EE-IL200)	\$55,417
1.9	Department of Finance and Administrative Services	General Fund (00100)	Regulatory Compliance and Consumer Protection (00100-BO-FA-RCCP)	\$1,470,875
1.10	Department of Finance and Administrative Services	Fleet Capital Fund (50321)	Fleet Capital Program (50321-BO-FA-FLEETCAP)	\$6,357,137
1.11	Department of Finance and Administrative Services	Finance and Administrative Services Fund (50300)	Facilities Services (50300-BO-FA-FACILITY)	\$1,301,004
1.12	Department of Finance and Administrative Services	Finance and Administrative Services Fund (50300)	Facilities Services (50300-BO-FA-FACILITY)	\$411,000
1.13	Department of Finance and Administrative Services	Finance and Administrative Services Fund (50300)	Facilities Services (50300-BO-FA-FACILITY)	\$500,000
1.14	Department of Neighborhoods	General Fund (00100)	Community Building (00100-BO-DN-I3300)	\$161,000
1.15	Department of Neighborhoods	Sweetened Beverage Tax Fund (00155)	Community Grants (00155-BO-DN-I3400)	\$226,000
1.16	Employees' Retirement System	Employees' Retirement Fund (61030)	Employee Benefit Management (61030-BO-RE-R1E00)	\$839,496

1.17	Finance General	Unrestricted Cumulative Reserve Fund (00164)	General Purpose (00164-BO-FG-2QD00)	\$550,000
1.18	Finance General	2021 Multipurpose LTGO Bond Fund (36800)	Appropriation to Special Funds (36800-BO-FG-2QA00)	\$5,102,513
1.19	Finance General	Unrestricted Cumulative Reserve Fund (00164)	General Purpose (00164-BO-FG-2QD00)	\$2,000,000
1.20	Finance General	General Fund (00100)	General Purpose (00100-BO-FG-2QD00)	\$27,200,000
1.21	Human Services Department	General Fund (00100)	Addressing Homelessness (00100-BO-HS-H3000)	\$200,000
1.22	Human Services Department	General Fund (00100)	Supporting Safe Communities (00100-BO-HS-H4000)	\$1,353,582
1.23	Human Services Department	General Fund (00100)	Supporting Affordability and Livability (00100-BO-HS-H1000)	\$100,000
		Unrestricted Cumulative Reserve Fund (00164)	Supporting Affordability and Livability (00164-BO-HS-H1000)	\$500,000
1.24	Human Services Department	General Fund (00100)	Leadership and Administration (00100-BO-HS-H5000)	\$400,000
1.25	Human Services Department	Human Services Fund (16200)	Supporting Affordability and Livability (16200-BO-HS-H1000)	\$229,510
1.26	Human Services Department	General Fund (00100)	Addressing Homelessness (00100-BO-HS-H3000)	\$137,000
1.27	Executive (Office of Housing)	General Fund (00100)	Multifamily Housing (00100-BO-HU-3000)	\$8,000,000
1.28	Executive (Office of Planning and Community Development)	General Fund (00100)	Equitable Development Initiative (00100-BO-PC-X2P40)	\$36,486,666

		Short-Term Rental Tax Fund (12200)	Equitable Development Initiative (12200-BO-PC-X2P40)	\$1,094,893
		Unrestricted Cumulative Reserve Fund (00164)	Equitable Development Initiative (00164-BO-PC-X2P40)	\$263,000
1.29	Executive (Office of Planning and Community Development)	General Fund (00100)	Planning and Community Development (00100-BO-PC-X2P00)	\$30,000
1.30	Executive (Office of the Mayor)	General Fund (00100)	Office of the Mayor (00100-BO-MA-X1A00)	\$20,000
1.31	Seattle City Light	Light Fund (41000)	Environmental Affairs O&M (41000-BO-CL-V)	\$1,403,999
1.32	Seattle City Light	Light Fund (41000)	Environmental Affairs O&M (41000-BO-CL-V)	\$689,353
1.33	Seattle City Light	Light Fund (41000)	Leadership and Administration (41000-BO-CL-A)	\$459,582
1.34	Seattle City Light	Light Fund (41000)	Customer Service (41000-BO-CL-C)	\$1,877,490
			Energy Innovation and Resources O&M (41000-BO-CL-P)	\$415,401
1.35	Seattle City Light	Light Fund (41000)	Customer Service (41000-BO-CL-C)	\$480,390
1.36	Seattle City Light	Light Fund (41000)	Customer Service (41000-BO-CL-C)	\$509,865
1.37	Seattle City Light	Light Fund (41000)	Environmental Affairs O&M (41000-BO-CL-V)	\$852,110
1.38	Seattle Department of Construction and Inspections	Construction and Inspections (48100)	Inspections (48100-BO-CI-U23A0)	\$455,000
1.39	Seattle Department of Construction and Inspections	General Fund (00100)	Inspections (00100-BO-CI-U23A0)	\$35,000

1.40	Seattle Department of Construction and Inspections	REET I Capital Fund (30010)	Compliance (30010-BO-CI-U2400)	\$100,000
1.41	Seattle Department of Construction and Inspections	Construction and Inspections (48100)	Process Improvements & Technology (48100-BO-CI-U2800)	\$322,142
1.42	Seattle Department of Human Resources	General Fund (00100)	HR Services (00100-BO-HR-N6000)	\$1,370,254
1.43	Seattle Department of Human Resources	General Fund (00100)	Leadership and Administration (00100-BO-HR-N5000)	\$913,291
1.44	Seattle Department of Human Resources	General Fund (00100)	Leadership and Administration (00100-BO-HR-N5000)	\$300,000
1.45	Seattle Department of Human Resources	General Fund (00100)	HR Services (00100-BO-HR-N6000)	\$251,000
1.46	Seattle Department of Transportation	Seattle Streetcar Operations (10800)	South Lake Union Streetcar Operations (10800-BO-TR-12001)	\$216,961
1.47	Seattle Department of Transportation	Seattle Streetcar Operations (10800)	First Hill Streetcar Operations (10800-BO-TR-12002)	\$229,311
1.48	Seattle Department of Transportation	Transportation Fund (13000)	Mobility Operations (13000-BO-TR-17003)	\$3,400,663
1.49	Seattle Department of Transportation	General Fund (00100)	Mobility Operations (00100-BO-TR-17003)	\$38,189
1.50	Seattle Department of Transportation	Transportation Benefit District Fund (19900)	Mobility Operations (19900-BO-TR-17003)	\$357,136
1.51	Seattle Fire Department	General Fund (00100)	Leadership and Administration (00100-BO-FD-F1000)	\$127,616
1.52	Seattle Parks and Recreation	Park And Recreation Fund (10200)	Golf Programs (10200-BO-PR-60000)	\$320,000
1.53	Seattle Parks and Recreation	Seattle Park District Fund (19710)	Leadership and Administration (19710-BO-PR-20000)	\$700,000

1.54	Seattle Police Department	General Fund (00100)	Leadership and Administration (00100-BO-SP-P1600)	\$110,000
1.55	Seattle Police Department	General Fund (00100)	Leadership and Administration (00100-BO-SP-P1600)	\$150,000
1.56	Seattle Public Library	2019 Library Levy Fund (18200)	The Seattle Public Library (18200-BO-SPL)	\$50,000
1.57	Seattle Public Library	2019 Library Levy Fund (18200)	The Seattle Public Library (18200-BO-SPL)	\$81,400
1.58	Seattle Public Library	Library Fund (10410)	The Seattle Public Library (10410-BO-SPL)	\$100,500
1.59	Seattle Public Library	2012 Library Levy Fund (18100)	The Seattle Public Library (18100-BO-SPL)	\$12,000
			The Seattle Public Library (18100-BO-SPL)	\$31,750
1.60	Seattle Public Library	2019 Library Levy Fund (18200)	The Seattle Public Library (18200-BO-SPL)	\$200,000
1.61	Seattle Public Library	2019 Library Levy Fund (18200)	The Seattle Public Library (18200-BO-SPL)	\$615,000
1.62	Seattle Public Utilities	General Fund (00100)	Utility Service and Operations (00100-BO-SU-N200B)	\$407,150
1.63	Seattle Information Technology Department	Information Technology Fund (50410)	Applications (50410-BO-IT-D0600)	\$508,620
1.64	Seattle Information Technology Department	Information Technology Fund (50410)	Applications (50410-BO-IT-D0600)	\$404,089
1.65	Seattle Information Technology Department	Information Technology Fund (50410)	Applications (50410-BO-IT-D0600)	\$127,616
1.66	Seattle Information Technology Department	Information Technology Fund (50410)	Applications (50410-BO-IT-D0600)	\$329,176
1.67	Executive (Office of Arts and Culture)	General Fund (00100)	Cultural Space (00100-BO-AR-VA170)	\$5,674,320

1.68	Executive (Office of Immigrant and Refugee Affairs)	General Fund (00100)	Office of Immigrant and Refugee Affairs (00100-BO-IA-X1N00)	\$32,000
1.69	Executive (Office of Immigrant and Refugee Affairs)	General Fund (00100)	Office of Immigrant and Refugee Affairs (00100-BO-IA-X1N00)	\$40,000
1.70	Executive (Office of Immigrant and Refugee Affairs)	General Fund (00100)	Office of Immigrant and Refugee Affairs (00100-BO-IA-X1N00)	\$6,086
Total				\$127,728,848

Section 2. Any act consistent with the authority of this ordinance taken after its passage and prior to its effective date is ratified and confirmed.

Section 3. This ordinance shall take effect and be in force 30 days after its approval by the Mayor, but if not approved and returned by the Mayor within ten days after presentation, it shall take effect as provided by Seattle Municipal Code Section 1.04.020.

Passed by a 3/4 vote of all the members of the City Council the _____ day of _____, 2022, and signed by me in open session in authentication of its passage this _____ day of _____, 2022.

 President _____ of the City Council

Approved / returned unsigned / vetoed this _____ day of _____, 2022.

Bruce A. Harrell, Mayor

Filed by me this _____ day of _____, 2022.

Monica Martinez Simmons, City Clerk

(Seal)

Attachments:

SUMMARY and FISCAL NOTE*

Department:	Dept. Contact/Phone:	CBO Contact/Phone:
City Budget Office	Caleb Wagenaar/733-9228	Caleb Wagenaar/733-9228

* 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 amending Ordinance 126490, which adopted the 2022 Budget, including the 2022-2027 Capital Improvement Program (CIP); changing appropriations to various departments and budget control levels, and from various funds in the Budget; and ratifying and confirming certain prior acts; all by a 3/4 vote of the City Council.

Summary and background of the Legislation: This legislation appropriates unexpended non-capital appropriations from the 2021 Budget to the 2022 Budget.

RCW 35.32A.080 states: “The whole or any part of any appropriation provided in the budget for operating and maintenance expenses remaining unexpended or unencumbered at the close of the fiscal year shall automatically lapse, except any such appropriation as the city council shall continue by ordinance.” This legislation requests continuances for unexpended 2021 appropriations for non-capital purposes in the amount of \$127.5 million. Appropriations were made in the 2021 Budget for these expenditures but for various reasons, spending was not initiated or completed during the 2021 fiscal year. This ordinance re-appropriates these funds, which lapsed at the end of 2021, in most cases for the same purposes that the funds were dedicated to in 2021.

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
	\$85,563,572	\$0	\$42,165,276	\$0
Estimated revenue change (\$):	Revenue to General Fund		Revenue to Other Funds	
	2022	2023	2022	2023
	\$0	\$0	\$0	\$0
Positions affected:	No. of Positions		Total FTE Change	
	2022	2023	2022	2023
	0	0	0	0

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?

No. Please see Summary Attachment A for details on 2021 carry forward spending.

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

The objectives supported by these resources could not be achieved without this legislation.

3.a. Appropriations

This legislation adds, changes, or deletes appropriations.

See Summary Attachment A for details on 2021 carry forward appropriation.

3.b. Revenues/Reimbursements

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

3.c. Positions

This legislation adds, changes, or deletes positions.

4. OTHER IMPLICATIONS

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

Yes, this legislation impacts most departments' 2022 budgets. The budget appropriation contained in this legislation provides appropriation authority to cover unanticipated spending above previously authorized during 2021.

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?

See Summary Attachment A for any associated implications.

f. Climate Change Implications

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

See Summary Attachment A for any associated implications.

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.

See Summary Attachment A for any associated implications.

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).

See Summary Attachment A for any associated implications.

List attachments/exhibits below:

Summary Attachment A – 2021 Carry Forward Ordinance Summary Detail Table

2021 Carry Forward Ordinance Summary Detail Table

Item #	Title	Description	Amount/FTE
Section 1 – Appropriation Increases			
1.1	2021 Carryforward Civil Service Vaccine Mandate Appeals (Civil Service Commissions)	This item increases one-time appropriation authority by \$115,000 to the BO-VC-V1CIV Civil Service Commissions BSL. These resources will be used to increase the department's capacity for appeals and hearing related to vaccine mandate separations, both for the Civil Service Commission (CSC) and Public Safety Civil Service Commission (PSCSC).	\$115,000
1.2	Protocol Dispatch System Carryforward (Community Safety and Communications Center)	This item increases appropriation by \$329,126 in the Community Safety BSL (BO-CS-10000). Seattle IT and CSCC continue to work on the protocol dispatch system, but CSCC has not yet been billed for these costs. This appropriation will ensure there is sufficient project appropriation for Seattle IT to charge against.	\$329,126
1.3	Basic Operating Supplies Carryforward (Community Safety and Communications Center)	This item increases appropriation by \$50,000 in the Community Safety BSL (BO-CS-10000). As part of the separation process from the Seattle Police Department, CSCC is in the process of purchasing furniture that will help the department further accommodate future dispatchers and ensure they have basic workstations available during their shifts.	\$50,000

Item #	Title	Description	Amount/FTE
1.4	PN-3 Grants (Department of Education and Early Learning)	This item increases appropriation authority by \$1.5M to Budget Control Level (0155-BO-EE-IL100) and provides resources to DEEL to finalize the Prenatal-3 grant programming that was initiated in 2021. Providers and amounts have already been identified. The Prenatal-3 grant program recommended by the Sweetened Beverage Tax Community Advisory Board (CAB). This program provides funding to community-based organizations that specialize in high-quality prenatal-to-three and kindergarten readiness services that seek to reduce disparities in outcomes for children based on race, gender, or other socioeconomic factors. Priority is given to organizations that offer culturally and linguistically relevant services and outreach, as well as those led by people of color and serving communities of color and/or low-income communities.	\$1,500,000
1.5	Youth-Led Social Justice Mini-Grants (Department of Education and Early Learning)	This item increases appropriation authority by \$530K to Budget Control Level (17871-BO-EE-IL200) to support Youth-Led Social Justice Mini-Grants not executed by year-end 2021. The fund source is the Families, Education, Preschool and Promise (FEPP) Levy.	\$530,000
1.6	Seattle Promise Contract Contingency (Department of Education and Early Learning)	This item increases appropriation authority by \$100K to Budget Control Level (17871-BO-EE-IL300) to support the 2021-22 school year Seattle Promise contract with Seattle Colleges. The cost model informing the Promise budget in the FEPP Implementation and Evaluation dedicated a portion of funding to serve as contingency, supporting unforeseen contract and program support needs throughout the school year. This funding was only allocated in the IE Plan budget for the first 3 years of the Levy, which requires a carryforward or supplemental budget request in future years.	\$100,000

Item #	Title	Description	Amount/FTE
1.7	K-12 2021-22 SY Contracts (Department of Education and Early Learning)	This item increases appropriation authority by \$5.4M to Budget Control Level (17871-BO-EE-IL200) to fund 2021-22 school year contracts not encumbered at year-end and MOAs with City departments that do not get encumbered. This funding supports DEEL contracts with Public Health Seattle King County for School Based Health, Seattle Public Schools for Culturally Specific and Responsive programming, and 2 community-based organizations for Opportunities and Access programming. This funding also supports MOAs with HSD for Homelessness programming through the YWCA and Parks and Recreation for Sports and Transportation programming through Seattle Public Schools.	\$5,411,169
1.8	Upward Bound GF (Department of Education and Early Learning)	This item increases appropriation authority by \$55K to Budget Control Level (00100-BO-EE-IL200). This funding is part of a 25% matching General Fund commitment to the federal grant for Upward Bound supporting the 2021-22 SY. The Upward Bound program serves high school students from low-income families and the goal of the program is to increase the rate at which participants complete secondary education and enroll in and graduate from institutions of post-secondary education.	\$55,417
1.9	Carryforward of TNC Funding for Technology Solutions (Department of Finance and Administrative Services)	This item increases appropriation authority by \$1,470,875 to the General Fund Regulatory Compliance and Consumer Protection Budget Control Level (00100-BO-FA-RCCP) in the Department of Finance and Administrative Services (FAS). This amount will fund solutions to Transportation Regulation Industry Project issues, which currently hamper administration of Transportation Network Company regulations. This also includes \$400,000 for the contract with Gray Quarter, who will develop and implement the fore-hire and driver licensing/permitting with Accela.	\$1,470,875

Item #	Title	Description	Amount/FTE
1.10	Fleet Capital Carryforward Request (Department of Finance and Administrative Services)	This item increases appropriation authority by \$6,357,137 to the Fleet Capital Fund Fleet Capital Program Budget Control Level (50321-BO-FA-FLEETCAP) in the Department of Finance and Administrative Services (FAS). This amount is unspent available budget from 2021 that will carry forward for ongoing vehicle purchases.	\$6,357,137
1.11	Facilities Services Carryforward Request (Department of Finance and Administrative Services)	This item increases appropriation authority by \$1,301,004 to the Finance & Admin Services Fund Facilities Services Budget Control Level (50300-BO-FA-FACILITY) in the Department of Finance and Administrative Services (FAS). \$1,200,000 of this request is for Facilities Operations Internal Service Requests (FOISR) project budgets and \$101,004 is for 2021 Facility maintenance projects that are carrying work into 2022. FOISRs are made by FAS' Facilities division to FAS' Capital Development division for work that Facilities cannot complete. The 2022 request includes items such as roof replacements and HVAC repair/replacement.	\$1,301,004
1.12	Carryforward of Logistics and Emergency Management projects initiated at the end of 2021 (Department of Finance and Administrative Services)	This item increases appropriation authority by \$411,000 to the Finance & Administrative Services Facilities Services Budget Control Level (50300-BO-FA-FACILITY) in the Finance & Administrative Services Department (FAS). \$151,000 is for a 2021 blanket purchase order to upgrade Emergency Operations Center lighting which was not completed in 2021 and will incur 2022 spending. \$260,000 will provide and install replacement switches across FAS security network Entrance Controls to mitigate server and network failures.	\$411,000

Item #	Title	Description	Amount/FTE
1.13	Carryforward SPD evidence warehouse budget (Department of Finance and Administrative Services)	This item increases appropriation authority by \$500,000 to the Finance & Admin Services Fund Facilities Services Budget Control Level (50300-BO-FA-FACILITY) in the Department of Finance and Administrative Services (FAS). This request is to carryforward the budget to cover the expected cost of providing additional evidence warehouse space needed for the Seattle Police Department as current storage space is insufficient.	\$500,000
1.14	Redistricting expenses (Department of Neighborhoods)	This item increases appropriation authority by \$161,000 in the General Fund Department of Neighborhoods Community Building Budget Control Level (00100-BO-DN-I3300) and provides resources for the Department of Neighborhoods to fund the City of Seattle Redistricting process as outlined in Article IV, Section 2, Subdivision D of the City Charter. Funds were not spent in 2021 due to delays in Commissioner nominations: the Commission was originally scheduled to start its work in August 2021, contract with a qualified GIS Mapping Consultant executed in September, and conducting community outreach started in October. However, all five Commissioners were not approved until November, delaying the contracting process for a GIS Mapping Consultant as well as the community education and engagement programming. Funds will be used for language access services, partnership with community-based organizations, partnership with Community Liaisons, software mapping tools, and other program expenses including services to increase access to public forums. No resources for this purpose exist in the 2022 Adopted Budget. The budget authority for this item was not associated with a proviso in 2021.	\$161,000

Item #	Title	Description	Amount/FTE
1.15	Food Equity Fund (SBTC-funded) (Department of Neighborhoods)	This item increases appropriation authority by \$226,000 in the Department of Neighborhoods General Fund Community Grants Budget Control Level (00155-BO-DN-I3400) and provides resources for the Department of Neighborhoods Food Equity Funds. This fund administers investments in community work led by those most impacted by food and health inequities: Black, Indigenous, and People of Color (BIPOC), immigrants, refugees, and people with low income. The dollars will be added to the Tier 2 Food Equity Fund award process and contracted by the end of 2022. Funds were not awarded in 2021 because DON needed time to have a grant set up to release the funds, and not all United Way of King County Community Food Fund projects and Food Access Opportunity Fund projects were able to, or interested in, extending into 2021. The budget authority for this item was not associated with a proviso in 2021.	\$226,000
1.16	Carry Forward Unspent 2021 to 2022 (Employees' Retirement System)	This item increases appropriation authority by \$839,496 in the Employees' Retirement Fund Employee Benefit Management Budget Control Level (61030-BO-RE-R1E00) and provides resources for SCERS to expense in 2022 service hours purchased in 2021 as it undertakes maintenance and improvements to its Pension Administration System (PAS).	\$839,496
1.17	Public Restroom Reserve (Finance General)	This item increases appropriation authority by \$550,000 in the Cumulative Reserve Subfund – Unrestricted Fund's General Purpose Budget Control Level (00164-BO-FG-2QD00) in Finance General. Funding was initially added in the 2020 Adopted Budget for capital costs related to development of a public restroom in the University District and will be carried forward for use by the Seattle Parks and Recreation Department to expand access to existing SPR restrooms.	\$550,000

Item #	Title	Description	Amount/FTE
1.18	2021 LTGO Bond Carryforward for ITD Projects (Finance General)	This item increases appropriation authority by \$5,102,513 in the 2021 Multipurpose LTGO Bond Fund's Appropriation to Special Funds Budget Control Level (36800-BO-FG-2QA00) in Finance General to carry forward funds for the Seattle Information Technology Department (ITD). Finance General occasionally holds bond proceeds on behalf of ITD and the department bills the bond fund as costs are incurred.	\$5,102,513
1.19	West Wing Capital Improvements (Finance General)	This item carries forward \$2 million of appropriations in the Cumulative Reserve Subfund - Unrestricted Fund General Purpose Budget Control Level of Finance General (00164-BO-FG-2QD00). These funds were added to the 2020 Adopted Budget as part of the High Barrier Workgroup recommendations. The funds would be used for a partnership between the City and King County to create a 40-60 bed, comprehensive place-based treatment center at the “West Wing” of the King County Correctional Facility. The treatment center will provide enhanced shelter case management, including intensive on-site treatment for mental health and substance use disorder issues.	\$2,000,000
1.20	Participatory Budgeting Reserve (Finance General)	This item increases appropriation authority by \$27,200,000 in Finance General's General Fund (00100) Reserves Budget Control Level (BO-FG-2QD00) for Participatory Budgeting. The City Council reduced funding by this amount in the 2022 Adopted Budget assuming resources from 2021 would carry forward to offset the reduction.	\$27,200,000
1.21	Tiny House Village Operating Funding (Human Services Department)	This item increases appropriation authority by \$200,000 to the General Fund Addressing Homelessness Budget Control Level (00100-BO-HS-H3000) and provides resources to the Human Services Department for homelessness services. This budget was added in 2021 for expanded homeless village sites and was not spent due to limited capacity to implement new programs.	\$200,000

Item #	Title	Description	Amount/FTE
1.22	Community Safety Capacity Building Administration Carryforward (Human Services Department)	This item increases appropriation authority by \$1,353,582 to the General Fund Supporting Safe Communities Budget Control Level (00100-BO-HS-H4000) and provides resources to the Human Services Department for administration of Community Safety Capacity Building funds. These funds were appropriated in the 2021 adopted budget and provide administration support for contracts resulting from the 2021 Community Safety RFP. Budget authority is needed in 2022 to fund staffing and other program administration needs.	\$1,353,582
1.23	Lambert House Facilities Funding (Human Services Department)	This item increases appropriation authority by \$100,000 to the General Fund Supporting Affordability & Livability Budget Control Level (00100-BO-HS-H1000) and \$500,000 to the Cumulative Reserve Fund Supporting Affordability & Livability Budget Control Level (00164-BO-HS-H100) and provides resources to the Human Services Department for a community facility for LGBTQ youth. This budget was originally appropriated in 2020 and was not spent. Budget authority is needed in 2022 to fund a contract to support this facility work.	\$600,000
1.24	Finance Position Funding (Human Services Department)	This item increases appropriation authority by \$400,000 to the General Fund Leadership & Administration Budget Control Level (00100-BO-HS-H5000) and provides resources to the Human Services Department for increased finance capacity. Eight FTEs were added in the 2022 Adopted Budget with partial funding. Budget authority is needed in 2022 to fully fund these positions.	\$400,000

Item #	Title	Description	Amount/FTE
1.25	Utility Discount Program Funding (Human Services Department)	This item increases appropriation authority by \$229,510 to the Human Services Fund Supporting Affordability & Livability Budget Control Level (16200-BO-HS-H1000) and provides resources to the Human Services Department for the Utility Discount Program. This budget was added in 2021 to support a one-time expansion of the Utility Discount Program to address increased need due to COVID and is backed by revenue from Seattle City Light and Seattle Public Utilities. This funding will pay for temporary staff support in 2022 to enroll Seattle residents in the Utility Discount Program.	\$229,510
1.26	Homelessness Facility Improvements Funding (Human Services Department)	This item increases appropriation authority by \$137,000 to the General Fund Addressing Homelessness Budget Control Level (00100-BO-HS-H3000) and provides resources to the Human Services Department for homelessness services. Budget authority is needed in 2022 to pay for improvements to a homeless services facility.	\$137,000
1.27	GF Rental Assistance Carryforward (Office of Housing)	This item increases appropriation authority by \$8,000,000 in the Office of Housing Multifamily Housing Budget Control Level (00100-BO-HU-3000) for General Fund-backed rental assistance.	\$8,000,000
1.28	EDI Awards (Office of Planning and Community Development)	This item increases appropriation authority by \$37,844,559 in the Equitable Development Initiative Budget Control Level (BO-PC-X2P40) and provides resources to the Office of Planning and Community Development for Equitable Development (EDI) projects that have not yet been contracted. Of the total amount, \$36,486,666 is from the General Fund (00100), \$263,000 is from CRS-U (Fund 00164), and \$1,094,893 is from Short-Term Rental Tax (Fund 12200). The contracting process for these long-term projects often take multiple years and do not always get contracted within the year of the associated EDI RFP.	\$37,844,559

Item #	Title	Description	Amount/FTE
1.29	Interdepartmental Agreement OPCD/DON (Office of Planning and Community Development)	This item increases appropriation authority by \$30,000 in the General Fund Planning and Community Development Budget Control Level (00100-BO-PC-X2P00) and provides resources for the Office of Planning and Community Development to pay for an interdepartmental agreement with the Department of Neighborhoods (DON). OPCD is paying DON for Community Liaisons' work on the Comprehensive Plan outreach. This work is not yet complete and will continue in 2022.	\$30,000
1.30	Operational support for the Mayor's Office (Office of the Mayor)	This item increases appropriation by \$20,000 to the Office of the Mayor Budget Summary Level and provides resources to the Mayor's Office appropriation needed to cover 2021 costs billed in 2022.	\$20,000
1.31	Greenhouse Gas Carryforward (Seattle City Light)	This item increases appropriation authority by \$1,403,999 in the Environmental Affairs O&M BSL and provides resources for SCL to fulfill Greenhouse Gas neutrality obligations in 2022. These are 2021 unspent funds which need to be carried forward into 2022 in order to maintain neutrality obligations within City Light's existing and future 2022 contracts.	\$1,403,999
1.32	Environmental Conservation Contracts and Historical Preservation (Seattle City Light)	This item increases appropriation authority by \$689,353 in the Environmental Affairs O&M BSL and provides resources for SCL to fulfill contractual obligations to perform research necessary to preserve fisheries as part of the Tolt Relicensing project, and to preserve historical artifacts within the Georgetown Steamplant. These are 2021 unspent funds which need to be carried forward into 2022. Funds were unspent due to delayed work, that will be achieved in 2022 in addition to all other planned projects.	\$689,353

Item #	Title	Description	Amount/FTE
1.33	Organizational Change Management Carryforward (Seattle City Light)	This item increases appropriation authority by \$459,582 in the Leadership and Administration BSL to provide unspent 2021 Organizational Change Management (OCM) programmatic support in 2022. OCM implementation in 2022 will support the Advanced Metering Infrastructure project's intersection with Time-of-Day Billing functionality, the Utility Assistance Program, Return to Office projects, Road to Recovery, and Grid Modernization projects.	\$459,582
1.34	Transportation Electrification Carryforward (Seattle City Light)	This item increases appropriation authority by a total of \$2,292,891 – \$1,877,490 to the Customer Care BSL and \$415,401 to the Energy Innovation and Resources BSL. These are 2021 unspent funds which need to be carried forward into 2022 in order ensure SCL meets commitments to City Council and City Light's Strategic Plan planned work in 2022.	\$2,292,891
1.35	Greenup Carryforward (Seattle City Light)	This item increases appropriation authority by \$480,390 to the Customer Care BSL. These are 2021 unspent funds which need to be carried forward into 2022 in order ensure the purchase of RECs for five solar projects to maintain City Light's GHG neutrality goal in 2022.	\$480,390
1.36	Conservation Deferred Special Carryforward (Seattle City Light)	This item increases appropriation authority by \$509,865 to the Customer Care BSL. These are 2021 unspent deferred O&M funds which need to be carried forward into 2022. In 2022 Deferred O&M Projects are being converted into CIP projects, and leftover funds are being rolled from 2021 to 2022 on a one time basis in order to effectively fund the multi-year CIP project.	\$509,865
1.37	Environment Deferred O&M Carryforward Request (Seattle City Light)	This item increases appropriation authority by \$852,110 to the Environmental Affairs BSL. These are 2021 unspent deferred O&M funds which need to be carried forward into 2022. In 2022 Deferred O&M Projects are being converted into CIP projects, and leftover funds are being rolled from 2021 to 2022 on a one-time basis in order to effectively fund the multi-year CIP project.	\$852,110

Item #	Title	Description	Amount/FTE
1.38	Fleet Acquisition in Inspections (Seattle Department of Construction and Inspections)	This item increases appropriation authority by \$455,000 in the Construction and Inspections Fund Inspections BSL (48100-BO-CI-U23A0) and provides resources to the Seattle Department of Construction and Inspections (SDCI) for the purchase of vehicles associated with supplemental budget additions in 2021. Due to supply chain delays, vehicles SDCI ordered in 2021 will not be delivered and paid for until 2022.	\$455,000
1.39	Fleet Acquisition for Electrical License Compliance Inspector (Seattle Department of Construction and Inspections)	This item increases appropriation authority by \$35,000 in the General Fund Inspections BSL (00100-BO-CI-U23A0) and provides resources to the Seattle Department of Construction and Inspections (SDCI) to purchase a vehicle for an Electrical License Compliance Inspector position. Due to COVID and supply chain delays, this vehicle could not be purchased during 2021.	\$35,000
1.40	Tenant Relocation Assistance Ordinance (Seattle Department of Construction and Inspections)	This item increases appropriation authority by \$100,000 in the REET 1 Code Compliance BSL (30010-BO-CI-U2400) and provides resources to the Seattle Department of Construction and Inspections (SDCI) for Tenant Registration and Inspection Ordinance payments. Due to the COVID pandemic and a moratorium on evictions, funds were not expended in 2021 and there is a possibility that a backlog of tenant relocations may result in a cost shift from 2021 to 2022.	\$100,000
1.41	Accela/PeopleSoft Integration (Seattle Department of Construction and Inspections)	This item increases appropriation authority by \$322,142 in the Construction and Inspections Fund Process Improvement & Technology (PI&T) BSL (48100-BO-CI-U2800) and provides resources to SDCI for the Accela/PeopleSoft Interface. Funding for this project was included in the mid-year supplemental budget ordinance (126470) so that SDCI could develop an interface to transfer accounts receivable transactions from Accela to PeopleSoft. The work has not been completed and will carry over into 2022.	\$322,142

Item #	Title	Description	Amount/FTE
1.42	Wage Study project one-time funding carryforward (Seattle Department of Human Resources)	This item increases appropriation authority by \$1,370,254 in the General Fund HR Services Budget Control Level (00100-BO-HR-N6000) and provides resources for the Seattle Department of Human Resources to continue work on the Coalition Wage Study project. The initial \$2 million budget authority for this two-year project was added as one-time appropriation in the 2020 Adopted budget. The project was delayed due to COVID impacts and is now scheduled to end December 31, 2022. The planned scope of work cannot be completed without carryforward of the one-time budget authority.	\$1,370,254
1.43	IT projects one-time funding carryforward (Seattle Department of Human Resources)	This item increases appropriation authority by \$913,291 in the General Fund Leadership and Administration Budget Control Level (00100-BO-HR-N5000) and provides resources for the Seattle Department of Human Resources to pay for two information technology projects delayed from the 2020 Seattle Department of Information Technology (ITD) work schedule. The project to replace the legacy Compensation and Classification tracking system is under way and the project to implement a new customer relations management system is delayed to 2023. The planned scope of work cannot be completed without carryforward of the one-time budget authority.	\$913,291
1.44	Future to Work Program Costs (Seattle Department of Human Resources)	This item increases appropriation authority by \$300,000 in the General Fund HR Services Budget Control Level (00100-BO-HR-N5000 Leadership and Administration) and provides resources for the Seattle Department of Human Resources (SDHR) to complete the Future to Work program, of which vaccine verification is a critical component. The proposal uses savings from 2021 one-time funding for vaccine verification and an IT project transition completed ahead of schedule.	\$300,000

Item #	Title	Description	Amount/FTE
1.45	Emergency entry-level firefighters exam (Seattle Department of Human Resources)	This item increases appropriation authority by \$251,000 in the General Fund HR Services Budget Control Level (00100-BO-HR-N6000) and provides resources for the Seattle Department of Human Resources (SDHR) to administer an out-of-cycle entry-level firefighter's exam process in 2022. SFD is experiencing severe staffing challenges and worked with the Public Safety Civil Service Commission (PSCSC) to order an emergency administration of the entry Firefighter exam, to produce a new eligibility register as soon as possible.	\$251,000
1.46	SLU Streetcar Operations (Seattle Department of Transportation)	This item increases appropriation authority by \$216,961 to Streetcar Operating Fund - South Lake Union Streetcar Operations BSL (10800-BO-TR-12001) and provides resources to the Seattle Department of Transportation for the 2022 Budget Reconciliation with King County Metro for South Lake Union Streetcar Operations. Per the Interlocal Agreement (ILA) with King County Metro, executed in December 2019, actual expenses are reconciled against the budget of the previous year.	\$216,961
1.47	First Hill Streetcar Operations (Seattle Department of Transportation)	This item increases appropriation authority by \$229,311 in the Streetcar Operating Fund - First Hill Streetcar Operations (10800-BO-TR-12002) and provides resources to the Seattle Department of Transportation for the 2022 Budget Reconciliation with King County Metro for First Hill Streetcar Operations. Per the Interlocal Agreement (ILA) with King County Metro, executed in December 2019, actual expenses are reconciled against the budget of the previous year.	\$229,311

Item #	Title	Description	Amount/FTE
1.48	Reconnect West Seattle Carryforward (Seattle Department of Transportation)	This item increases appropriation authority by \$3,400,663 to the Transportation Fund - Mobility Operations Budget Control Level and provides resources to the Seattle Department of Transportation for Reconnect West Seattle. These expenses include Radar Speed Signs, Signal Programming and Intelligent Transportation System, Transportation Operations Center 24/7, Low Bridge Access Program and Enforcement, Detour and Traffic Data Collection, Traffic Control, Sidewalk Beveling, and Water Taxi. These West Seattle Bridge Program O&M project expenses were all budgeted in 2021 but were intended to be utilized over the course of the full project timeline, which runs until late 2022.	\$3,400,663
1.49	Carryforward for Signal Electrician AWI Retro (Seattle Department of Transportation)	This item increases appropriation authority by \$38,189 in the General Fund - Mobility Operations BCL (00100-BO-TR-17003). The appropriation increase in 2022 provides funding for a 2021 Annual Wage Increase for Signal Electricians that will be retroactively paid in 2022.	\$38,189
1.50	Seattle Transportation Plan STBD Fund Carryforward (Seattle Department of Transportation)	This item increases appropriation authority by \$357,136 in the Seattle Transportation Benefit District Fund - Mobility Operations BCL (19900-BO-TR-17003) and provides resources to the Seattle Department of Transportation for the Integrated Transportation Plan. This work is a multi-year effort, with a multi-year funding plan, to update the City's transportation plan for future transportation projects and programs. The effort seeks to coordinate all the City's modal plans into a unified transportation plan. Work began in 2021 and will continue through 2022 and 2023.	\$357,136

Item #	Title	Description	Amount/FTE
1.51	IT Emergency Medical Dispatch Project (Seattle Fire Department)	This item increases appropriation authority by \$127,616 in the Leadership and Administration BSL. The budget carryforward is necessary for ITD to support the SFD's Emergency Medical Dispatch Project. The last phase of this project involves implementation of Artificial Intelligence (AI) on medical equipment to accurately detect symptoms to notify 911 dispatchers. SFD is looking to conduct a clinical study in order to fully use this technology and this requires close coordination with SFD dispatch, the UW Medical Center and the project team to complete. This work has been delayed due to limited resource availability. The costs associated with this work will be direct billed to SFD.	\$127,616
1.52	2021 Golf Incentive Payout (Seattle Parks and Recreation)	This item increases appropriation authority by \$320,000 to Seattle Parks and Recreation (SPR) in the Park and Recreation Fund to the Golf Programs Budget Control Level (10200-BO-PR-60000) and provides resources for the 2021 incentive payment made to Premier, operator of the four City-owned public golf courses (Interbay, Jackson, Jefferson, and West Seattle). Per the management agreement with Premier, the City pays Premier a revenue growth incentive fee equal to 10% of the excess revenues generated by the golf courses. In 2021, the courses generated approximately \$3M above Premier's 2021 revenue target.	\$320,000

Item #	Title	Description	Amount/FTE
1.53	Waterfront Park Carryforward (Seattle Parks and Recreation)	This item increases appropriation by \$700,000 to Seattle Parks and Recreation (SPR) in the Park District Fund to the Leadership and Administration Budget Control Level (19710-BO-PR-20000) and provides resources to cover anticipated increased expenses for maintenance and of Waterfront Park including Pier 63 and additional park and open space elements of the development project currently underway. The underspending of operation and maintenance funds is the result of the overall delay in the Waterfront construction schedule. Funds will be used in 2022 to cover additional maintenance costs beyond the resources included in the Adopted Budget, and this action is in line with an agreement between the SPR and the Friends of Waterfront Seattle.	\$700,000
1.54	Backgrounding Contract Carryforward (Seattle Police Department)	This item increases appropriation authority by \$110,000 in the General Fund Leadership and Administration Budget Control Level (00100-BO-SP-P1600) and provides resources for the Seattle Police Department to contract with a third-party backgrounding service to prevent sworn staffing shortages in the SPD Background Unit from further impeding the hiring process. The contract was initiated in 2021 but was not finalized until January 2022. The contract will run through December 2022.	\$110,000
1.55	Mental Health Professional Program Carryforward (Seattle Police Department)	This item increases appropriation authority by \$150,000 in the General Fund Leadership and Administration Budget Control Level (00100-BO-SP-P1600) and provides resources for the Seattle Police Department to expand mental health resources for police employees. The contract will provide a precinct based mental health care program comprised of a Mental Health Director and three Mental Health Professionals to bring evidence based and evidence informed services to our employees. The contract was initiated in 2021, but was not finalized before the end of the year.	\$150,000

Item #	Title	Description	Amount/FTE
1.56	Collection Diversity Audit (Seattle Public Library)	This item increases appropriation authority by \$50,000 to the Library Programs and Services Division (B4PUB) and provides resources for Technical and Collection Services to undertake a collection diversity audit. This project was approved using 2021 budget authority, however due to staffing shortages on the Technical and Collection Services team, this work was deferred to 2022. This important project will help the Library purchase materials, both physical and digital, that address gaps in the collection related to vulnerable or historically disadvantaged communities and also the non-dominant culture.	\$50,000
1.57	AMH System Maintenance and Support (Seattle Public Library)	This item increases appropriation authority by \$81,400 to the Library Programs and Services Division (B4PUB) and provides resources related to support and maintenance of the Automated Materials Handling System. This represents resources that are designated to support the Library’s central Automated Materials Handling System. This critical piece of infrastructure is in the process of being replaced, however this project was delayed owing to COVID-19 pandemic and replacement is expected to begin in 2022.	\$81,400
1.58	Union Training Fund (Seattle Public Library)	This item increases appropriation authority by \$100,500 to the Human Resources Division (B5HRS). These funds are related to unspent resources designated for use by the Librarian’s union (Local 2083). Carry-forward of these funds is stipulated in the Library & AFSCME labor contract – Article 25, Section 4.	\$100,500

Item #	Title	Description	Amount/FTE
1.59	Furniture Purchases at the Central Library and Branches (Seattle Public Library)	This item increases appropriation authority by \$43,750 to the Administrative Services Division (B1ADM) and provides resources for the building and facilities team to cover the cost of furniture replacement in branches and at the Central Library. The Furniture budget is programmed on a multi-year basis and draws in funding from multiple sources—the 2012 Library Levy and 2019 Library Levy being two of them. Some furniture purchases were deferred due capacity constraints owing to the COVID-19 pandemic, however there still exists a need to replace these worn out and damaged pieces of furniture system-wide. The resources associated with the 2012 Library Levy are expected to be fully spent by the end of the year.	\$43,750
1.60	Future of the Library (Seattle Public Library)	This item increases appropriation authority by \$200,000 to the Chief Librarian’s Office Division (B2CTL) and provides resources for the Future of the Library study. The 2019 Library Levy provided \$200,000 in resources to undertake a Future of the Library study. Due to the COVID-19 pandemic and related budget reductions, this work was deferred from 2020. Due to the resignation of and subsequent search for a new Chief Librarian, this project was placed on hold until 2022.	\$200,000
1.61	IT Switch Replacements and Equipment Support (Seattle Public Library)	This item increases appropriation authority by \$615,000 to the Library Programs and Services Division (B4PUB) and provides resources for Information Technology to purchase needed IT infrastructure equipment and network switches. This equipment was on back order due to 2021 supply chain constraints. These purchases are part of a multi-year IT equipment replacement plan, and are needed to ensure business continuity. Purchases are expected to be received by mid-2022.	\$615,000

Item #	Title	Description	Amount/FTE
1.62	General Fund - SPU Carry Forward for Public Hygiene Program (Seattle Public Utilities)	This item increases appropriation authority in the Utility Services and Operations BSL (N200B) by \$407,150 to provides funding for ongoing invoices related to the Public Hygiene Program, as well as General Fund obligations that were incurred on Utility funds.	\$407,150
1.63	SDHR IT Initiatives: CARATS System Replacement (Seattle Information Technology Department)	This item increases appropriation authority by \$508,620 in the Applications BSL. The budget carryforward is necessary for ITD to support the SDHR's CARATS system replacement. This project has been delayed due to limited resource availability. The costs associated with this work will be direct billed to SDHR.	\$508,620
1.64	SDHR IT Initiatives: SDHR CUSTOMER SVC TRACKING SYS (Seattle Information Technology Department)	This item increases appropriation authority by \$404,089 in the Applications BSL. Originally this project was delayed due to staffing. Now there are conversations about how best to move this project forward in light of the work on the new HCM system. The budget carryforward is necessary for ITD to support the SDHR Customer Service Tracking System. The costs associated with this work will be direct billed to SDHR.	\$404,089
1.65	SFD IT Initiatives: EMERGENCY MED DISPATCH PROT (Seattle Information Technology Department)	This item increases appropriation authority by \$127,616 in the Applications BSL. The budget carryforward is necessary for ITD to support the SFD's Emergency Medical Dispatch Project. The last phase of this project involves implementation of Artificial Intelligence (AI) on medical equipment to accurately detect symptoms to notify 911 dispatchers. SFD is looking to conduct a clinical study in order to fully use this technology and this requires close coordination with SFD dispatch, the UW Medical Center and the project team to complete. This work has been delayed due to limited resource availability. The costs associated with this work will be direct billed to SFD.	\$127,616

Item #	Title	Description	Amount/FTE
1.66	CSCC IT Initiatives: Criteria Based Dispatch System (Seattle Information Technology Department)	This item increases appropriation authority by \$329,176 in the Applications BSL. The budget carryforward is necessary for ITD to support the CSCC's Criteria Based Dispatch System.	\$329,176
1.67	Strategic Investment Fund Ordinance 126449 (Office of Arts and Culture)	This item increases appropriation authority by \$5,674,320 in the General Fund Office of Arts and Culture (ARTS) Budget Control Level (00100-BO-AR-VA170) to support strategic land and real estate acquisitions in areas at high risk of displacement or in areas of low access to opportunity that present unique opportunities for transformational equitable development. In September 2021, Council passed Ordinance 126449, which lifted a proviso for the Strategic Investment Fund (SIF) and moved \$30 million in appropriations from Finance General to OPCD (\$24,325,680) and ARTS (\$5,674,320). The goal of the fund is to help groups acquire land and buildings to create opportunities for multiple community benefits, including affordable housing, affordable commercial spaces, cultural spaces, and childcare facilities. An RFP was issued on August 4, 2021 and awardees were selected after. The use and implementation of the funds will take place in 2022.	\$5,674,320
1.68	Vaccine outreach 2021 Q4 supplemental add carryforward (Office of Immigrant and Refugee Affairs)	The 2021 CBO YE Supplemental (Ordinance 126470) included \$32,000 to support contract extensions with community-based organizations for vaccine outreach efforts (item 2.58). The costs of these contract extensions (and related staffing) were incurred in Jan-Feb 2022; the appropriation needs to be carried forward to cover them as intended.	\$32,000
1.69	in-language vaccine outreach using 2021 GF underspend (Office of Immigrant and Refugee Affairs)	OIRA's 2021 in-language vaccine outreach efforts included an ethnic media campaign promoting vaccine boosters that continued into January-February 2022, and could not be invoiced against the COVID relief funding source NCRF-CRS1B prior to YE 2021. OIRA is requesting to carry forward GF authority that was not spent out in 2021 to cover these costs.	\$40,000

Item #	Title	Description	Amount/FTE
1.70	Lyft donation for citizenship services support (Office of Immigrant and Refugee Affairs)	Spend-down of the 2020 Lyft donation supporting travel and related supports for naturalization candidates has been slowed by pandemic closures. OIRA plans to expend the balance in 2022 through partner contracts, and requests that it be carried forward for this purpose. This amount could not be encumbered in 2021-22 provider contracts as we don't know in advance which providers will need to draw on this pooled funding.	\$6,086

May 12, 2022

MEMORANDUM

To: Finance & Housing Committee
From: Tom Mikesell, Analyst
Subject: Council Bill 120316 – 2021 Carryforwards & Council Bill 120317 - 2021 Exceptions

On Wednesday, May 18, 2022, the Finance & Housing Committee will discuss and possibly vote on [Council Bill \(CB\) 120316](#) and [CB 120317](#). CB 120316 would appropriate in 2022, a portion of select department's unspent 2021 appropriations, and CB 120317 would retroactively provide additional 2021 expenditure authority for department spending above approved 2021 levels.

This memo provides (1) background on the budget adjustment process and describes all approved adjustments since January 1 of this year; (2) describes the CBs and highlights notable increases proposed in the legislation; (3) describes next steps; and (4) based on benchmarking practices at the next four largest first-class Washington cities, identifies one policy issue for the Committee's consideration.

Background - Budget Adjustment Process

The following describes how spending authority in the adopted budget is modified during the year with a combination of unspent appropriations from prior years, and new 'emergency' funding requests during the current year.

I. Adopted Budget

Pursuant to [RCW 35.32A.050](#), in late November of every year the City Council passes an ordinance that establishes the City's budget for the upcoming year, covering the period from January 1 through December 31. This ordinance is the 'Adopted Budget' for the fiscal year and sets spending levels for the next year's operations and provides one year's worth of investments in the City's six-year capital improvement program. Passed by the City Council on November 23, 2021, [Ordinance 126490](#) authorized a 2022 Adopted Budget from all sources of \$7.1 billion.

II. Automatic Carryforward

Consistent with the provisions in [RCW 35.32A.080](#), most unspent annual operating budget appropriations expire, or 'lapse', at the end of the year, while capital appropriations continue into future years until they are either spent, or formally abandoned by ordinance. In addition, if explicitly authorized in ordinance, operating budget appropriations can also be 'non-lapsing' and continue until spent or abandoned. This is common in the instance of grants, for which non-lapsing spending authority is necessary until the grant is fully expended or the appropriation is abandoned. Finally, to cover promises to pay for services provided by outside vendors per a contract or purchase order, amounts can be encumbered and carry into the next year.

According to City financial data, at the end of 2021 there is a total of \$1.9 Billion of unspent prior-year budget authority that has been automatically added to the 2022 Budget. As noted, this largely represents prior year capital projects funding, grant-backed spending, other spending authorized by legislation to continue beyond the first year, and carryforwards for encumbrances. Since these appropriations were adopted with non-lapsing provisions in prior years or are otherwise encumbered to satisfy external obligations, no further Council authorization is necessary for this budget authority to continue until completely spent. Table 1 show, for funds with significant automatic carryforward, by fund and type (capital and operating), the amount of prior years’ budget authority that is added to the 2022 Adopted Budget. This spending authority is largely backed by revenues that have already been deposited in the City treasury, although in some cases, particularly in instances involving grants accepted late in 2021, the cash has not yet been received.

Table 1¹. Funds with Significant Automatic Carryforward

Fund	Carryforward Type (\$ millions) ^{1/}		
	Capital	Operating	Total
Transportation Fund	\$361.21	\$2.70	\$363.92
Light Fund	\$251.24	\$44.89	\$296.13
Drainage and Wastewater Fund	\$135.20	\$0.89	\$136.09
Housing Program Support Fund	-	\$100.69	\$100.69
General Fund	\$1.92	\$94.75	\$96.67
All Others	\$514.28	\$396.32	\$910.60
Total:	\$1,263.86	\$640.23	\$1,904.09

1/ Delineated by BCL type in PeopleSoft 9.2.

As shown in the table, two thirds of this automatic carryforward spending authority is in capital project budgets.

III. Supplementals

After the Adopted Budget is passed, as provided by [RCW 35.32A.060](#), it may be modified during the following year by way of ‘supplemental’ spending legislation, which allows the Council, with a three-fourths approval threshold, to appropriate:

“from the emergency fund, or other designated funds, an amount sufficient to meet the actual necessary expenditures of the city for which insufficient or no appropriations have been made due to causes which could not reasonably have been foreseen at the time of the making of the budget”²

¹ Data from Citywide Financial Pivot Report as of 4/5/2022.

² RCW 35.32.A.060.

The approval threshold for supplemental budget legislation is two-thirds of the Council if the new spending is necessary to address a specific emergency, including those:

- Caused by fire, flood, explosion, storm, earthquake, epidemic, riot, insurrection, act of God, act of the public enemy or any other such happening that could not have been anticipated; or
- For the immediate preservation of order or public health or for the restoration to a condition of usefulness of public property the usefulness of which has been destroyed by accident; or
- In settlement of approved claims for personal injuries or property damages, exclusive of claims arising from the operation of a public utility owned by the city; or
- To meet mandatory expenditures required by laws enacted since the last budget was adopted.³

If the new spending accompanies the addition of new grant revenue, or if the new spending is fully offset by an equivalent reduction elsewhere in the budget, and total appropriation authority is not increased, the approval threshold is a simple majority. Supplemental appropriation legislation can either be ‘standalone’ and add funding for a single discrete City program, or more ‘comprehensive’, increasing several City departments and funds in a single bill.

As of May 9, 2022, the City Council has passed **four standalone** supplemental bills that revise appropriations, including:

- [Ordinance 126538 – CBO 2022 Seattle Rescue Plan 4](#): Accepted and appropriated in 2022 \$1.7 million of federal American Rescue Plan Act grants awarded to the Office of Housing and the Office of Arts and Culture, for Low Income Home Energy Assistance and the Hope Corps programs, respectively. Also, reallocated within the budget, select Coronavirus Local Fiscal Recovery (CLFR) appropriations, to shift from General Fund (GF) revenue replacement to direct-CLFR funding of programs.
- [Ordinance 126549 – SPD Standalone Grants](#): Accepted and appropriated from the GF \$1.3 million of federal funds awarded by the United States Department of Justice to the Seattle Police Department (SPD) to continue the work of the Northwest Regional Internet Crimes Against Children Task Force to address technology-facilitated child exploitation, and to continue work of the Human Trafficking Task Force.
- [Ordinance 126556 – SPD UASI Grants](#): Appropriated from the GF \$2.3 million of federal Urban Areas Security Initiative grants that were accepted in [Ordinance 126469](#), the 2021 Year-end Grant Acceptance legislation. The grant funds are for program management and sustainment; citizen preparedness and outreach; contract analysts; equipment and

³ Ibid.

training to respond to acts of terrorism; and mass care shelter planning with the Human Services Department as described in a [March 8, 2022 Central Staff memo](#).

- [Council Bill 126572 – SDOT 2022 Grant Acceptance](#): Accepted and appropriated from the Transportation Fund \$25.8 million of grants funds awarded to the Seattle Department of Transportation (SDOT) from a combination of agencies, including the United States Department of Transportation (\$20 million), the Port of Seattle (\$5.5 million), and the State Transportation Improvement Board (\$250,000). These funds are allocated for specific projects in the SDOT Mobility Capital program.

Comprehensive supplemental budget legislation that revises several City departments budgets takes one of two forms, as follows:

- **Annual Carryforward**: Typically the first comprehensive supplemental legislation introduced in a year, this bill requests that a portion of select department’s unspent prior year budget be reappropriated in the current year to continue/complete a discrete program or project for which the funding was originally provided, but which could not be fully completed for reasons that vary specific to the request. Distinct from the automatic carryforward, the budget authority for each requested item has lapsed at the end of the prior fiscal year – each carryforward request essentially asks that the budget authority given in the prior year be reapproved for the current year. This bill is produced through a periodic submittal and review process covering all departments that is centrally managed by the City Budget Office (CBO).
- **Supplementals**: Received at regular intervals during the year, these supplemental budget requests form the bulk of City departments’ requests for additional spending authority. Together with requests to spend dollars generated through year-end fund reconciliation and revenue forecast updates, these bills provide spending authority for grant revenues that are described and detailed in accompanying grant acceptance bills. These bills are produced through a periodic submittal and review process covering all departments that is centrally managed by CBO. There is no minimum nor maximum requirement for the number of supplemental bills. In 2021 there were two bills of this type: a mid-year adjustment, and a year-end adjustment submitted and passed during the fall budget process. The Chair of the Finance and Housing Committee has been clear that her expectation is to consider no more than two comprehensive supplemental budget bills annually (the midyear supplemental and the year-end supplemental).

IV. Exceptions

The final type of budget adjustment legislation is the exceptions ordinance. Typically introduced several months after the fiscal year end, this bill provides retroactive budget authority to the prior-year’s budget for spending that has exceeded the revised budget after all automatic and legislated appropriation increases.

Table 2 summarizes at a high level the City’s 2022 Revised Budget, starting from the Adopted Budget and accounting for all automatic and legislated changes to date.

Table 2. 2022 Revised Budget-to-Date

Fund	(a)	(b)	(c)	(d) = a+b+c	d/a
	2022 Adopted	Auto Carryforward	Standalone Bills	2022 Revised	% Increase
General	\$1,585 M	\$96.7 M	(\$0.7 M)	\$1,681 M	6%
All Other	\$5,558 M	\$1,807 M	\$27.5 M	\$7,393 M	33%
Total:	\$7,143 M	\$1,904 M	\$26.8 M	\$9,074 M	27%

As shown in the table, automatic and legislated increases to date result in a 27 percent increase compared to the 2022 Adopted Budget. The bulk of this is automatic carryforward authority from prior years, and as shown in Table 1, much of this automatic carryforward is for ongoing capital projects. This information is shown at the department level in Attachment 1 to this memo.

CB 120316 – 2021 Carryforward

CB 120316, the 2021 Carryforward bill, requests approval for a total 2022 budget increase of \$127.7 million from several City funds. As described in this memo, these carryforward increases are intended to support activities that were budgeted, but not completed, in 2021. Attachment 1 to this memo shows each department’s aggregate carryforward request as a percentage of the Revised Budget.

As shown in Attachment 1 select department’s total carryforward requests represent significant percentages compared to their 2022 Revised budget, as follows:

- **Office of Planning and Community Development:** A \$37.9 million (95 percent) increase across several funds, \$36.5 million of which is GF, for Equitable Development Initiative (EDI) awards to that have not yet been contracted. According to the Executive, the contracting process for these long-term projects often take multiple years and do not always get contracted within the year of the associated EDI Request for Proposals.
- **Office of Arts and Culture:** A \$5.7 million (14 percent) GF increase to implement Strategic Investment Fund (SIF) allocations that were awarded in 2021. For reference, the SIF was first budgeted in 2020 using \$30 million of Mercer Megablock sales proceeds, and this one-time allocation of funds, which had not been spent in 2020, was reappropriated in the 2021 budget. Allocations from the SIF are intended to support strategic land and real estate acquisitions in areas at high risk of displacement or in areas of low access to opportunity that present unique opportunities.

- **Finance General:** A \$34.9 million (eight percent) increase across several funds, \$27.2 million of which is a GF appropriation to continue the Participatory Budgeting program approved by the City Council in the 2021 budget. Other notable amounts include \$5.1 million in the 2021 Multipurpose LTGO Bond Fund to allow for billing of projects against bond proceeds received to support them in 2021, and \$2 million in the Unrestricted Cumulative Reserve Fund to continue funds originally added in the 2020 budget for a partnership between the City and King County to create a 40-60 bed, comprehensive place-based treatment center at the “West Wing” of the King County Correctional Facility.
- **Department of Education and Early Learning:** A \$7.6 million (four percent) GF increase for several uses, the largest of which is \$5.4 million for 2021-22 school year contracts with Public Health Seattle King County for School Based Health, Seattle Public Schools for Culturally Specific and Responsive programming, and tow community- based organizations for Opportunities and Access programming. This funding also supports MOAs with HSD for Homelessness programming through the YWCA and Parks and Recreation for Sports and Transportation programming through Seattle Public Schools. These funds were not encumbered at the end of 2021.

Other notable items include:

- **Rental Assistance:** A \$8 million GF increase to the Office of Housing for rental assistance. The contract with United Way, who will administer the rental assistance awards, had not been completed by the end of 2021.
- **Community Safety Capacity Building Administration:** A \$1.4 million GF increase to the Human Services Department for administration of Community Safety Capacity Building funds, which were appropriated in 2021 to provide administration support for contracts resulting from the 2021 Community Safety RFP, which may extend through 2023.

These and all other requested items are described in in Attachment A to the summary and fiscal note submitted by the Executive. The bill requires approval by three quarters of the City Council to pass.

CB 120317 – 2021 Exceptions Ordinance

CB 120317, the 2021 Exceptions bill, requests approval for a total 2021 budget increase of \$13.3 million. These appropriations increases are intended to resolve instances where departments overspent their revised 2021 Budget allocations. Notable requests include:

- **Seattle Department of Human Resources Budget Exception:** A \$6.5 million increase from the Health Care Fund due to unanticipated claims activity.
- **Seattle Department of Transportation Budget Exceptions:** Increases of \$5.2 million and \$1.6 million from the Transportation Fund and the Move Seattle Levy Fund, respectively, due to unanticipated expenses for emergency response, pothole repair, and operations

support including rubble hauling and maintenance operations, the transportation operations center, signs and markings, and traffic signals.

These and all other requested items are described in in [Attachment A](#) to the summary and fiscal note submitted by the Executive. The bill requires approval by three-fourths of the City Council to pass.

For historical context, Table 3 shows a five-year history of past budget exception ordinances by department and includes CB 120371 for comparison.

Table 3. Five-year Exception Ordinance History by Department

Amounts in \$1,000s	2017	2018	2019	2020	2021
	O-125619	O-125893	O-126127	O-126471	CB 120317
Office of Housing	-	-	-	\$6,575	-
Seattle Department of Transportation	\$2,168	\$1,063	\$8,794	\$9,441	\$6,774
Seattle Parks & Recreation	-	-	-	\$455	-
Seattle Public Utilities	-	-	-	\$13,588	-
Seattle City Retirement System	\$1,981	-	\$882		-
Seattle Department of Human Resources	-	\$95	\$3,433	-	\$6,542
Human Services Department	\$1,155	-	\$864	-	-
Seattle Police Department	-	\$199	-	-	-
Finance and Administrative Services	-	\$12,136	-	-	-
Total	\$5,304	\$13,493	\$13,972	\$30,059	\$13,316

As shown in the table, the total amount of budget exceptions, and the departments requesting retroactive budget authority, has varied over the years.

For context about peer practices, staff contacted finance officers at the next four largest first-class cities in Washington, by population, including Vancouver, Spokane, Everett, and Tacoma. Based on information provided by finance staff, none of the peer cities that were contacted provide for retroactive budget adjustments after the fiscal year is completed.

In making these comparisons, it is worth noting that the legal level of budgetary control may be different at these cities, which impacts both the scope of budgetary constraints being applied and the ease of fiscal administration within those constraints. As an example, the City of Tacoma passes budget appropriations at the fund level, which is a broader level of fiscal control in comparison to the Budget Control Level format used in Seattle’s budget. The Budget Control Level, which is a combination of a fund and departmental program (Budget Summary Level), is a more focused level of fiscal constraint, which can require management of different funds with specific restrictions in the context of a sub-department level program. This is explored further in the Issue Identification section, below.

Budget Development - Next Steps

Based on information to date, and recent practice, there will likely be additional proposed standalone and comprehensive supplemental appropriations bills, as follows:

1. Currently anticipated standalone bills could include:

- *2022 AWI and Holiday Appropriations:* Would appropriate \$32.7 million from several City funds to:
 - Provide funding for 2022 annual wage increases for certain represented and unrepresented City employees; and
 - Provide funding for newly authorized City holidays (Juneteenth and Indigenous People's Day).

These appropriations provide funding for prior approved legislation.

2. Additional comprehensive appropriation bills could include:

- *Mid-year Supplemental:* Typically introduced in June, would represent the second comprehensive supplemental appropriations bill, and is distinct from the carryforward bill in that a grant acceptance bill typically accompanies it.
- *Year-end Supplemental:* Introduced during the deliberative process for the next year's budget bill, which runs from October through the budget bill's final passage in late November, this bill would represent the second comprehensive, citywide budget increase request from the Executive, and is accompanied by a grant acceptance bill. Considering this bill during the fall budget process allows the City Council to consider the full picture of the City's finances while deliberating on the 2023-2024 Budget.

Issue Identification

The annual exception bill has become a regularly anticipated mechanism to address budget overages after the year has been complete. While the overages are generally small in the context of a \$7.1 billion annual budget, each represents a retroactive adjustment to the budget, requiring additional action after the year had ended.

In the interest of exploring opportunities for a process that makes all budget decisions for a budget year before the year has ended, staff would highlight some potential options to reduce or eliminate future budget exceptions:

- a. Regular Transparent Budget Monitoring: One mechanism that can be employed to provide advance notification of areas where spending may exceed budget authority, to inform budget adjustments during the year rather than after the year has concluded, is consistent and transparent budget monitoring and reporting. These can take the form of periodic financial management reports that measure actual spending against budgets, after adjusting for historical spending patterns, and identify areas of budget pressure, or potential savings through underspend. At the May 4, 2022 Finance and Housing Committee meeting, the City Budget Director indicated that discussions were beginning

with the City Finance Director to leverage the City’s financial and budget systems for enhanced budget monitoring.

- b. Establishment of contingency appropriations in select departments: Another possible mechanism is to review past budget to actual variances and add contingent amounts to areas where flexibility may be necessary. The goal would be to plan for the original budget amount, and only rely on the contingent appropriation in exceptional cases. The City already employs this practice for certain departments; for example, the Seattle Department of Construction and Inspection’s annual budget typically includes contingent budget authority should permit volumes increase. The trade-off would be reduced fiscal control.
- c. Revise budget transfer restrictions between Budget Control Levels: Currently, [Seattle Municipal Code 5.08.020](#) provides for the City Budget Director to authorize transfers between Budget Control Levels within a department, up to aggregate annual maximum of \$500,000. This provides some opportunity to mitigate potential budget exceptions, in cases where sufficient excess budget authority exists elsewhere in a department’s BCL structure, and the exception is below the maximum threshold. This transfer authority could be expanded in some way to retain the intended fiscal constraint applied by the BCL structure but allow the Executive to address budget exceptions within existing budgets, rather than through retroactive requests for additional appropriation authority. The trade-off would be reduced fiscal control.

As noted, CBO is in initial stages of establishing enhanced budget monitoring. Central Staff will engage in this process to identify opportunities to enhance its usefulness for the City Council.

Attachments:

- 1. 2022 Budget Adjustments through May 9, 2022.

cc: Aly Pennucci, Deputy Director

Attachment 1. 2022 Budget Adjustments Through 5/9/22

Department	2022 Adopted Budget	Automatic Carryforward	Approved Supplementals as of 5/9/22	Revised Budget	CB 120316	CB120316 % Increase to Revised Budget
Civil Service Commissions	601,557	-	-	601,557	115,000	19%
Community Safety and Communications Center	22,161,206	19,755	-	22,180,961	379,126	2%
Department of Education and Early Learning	121,421,165	58,619,801	-	180,040,966	7,596,586	4%
Department of Neighborhoods	21,304,710	5,981,803	-	27,286,513	387,000	1%
Seattle Parks and Recreation	287,707,724	173,922,834	-	461,630,558	1,020,000	0%
Employees' Retirement System	8,685,358	64,447	-	8,749,805	839,496	10%
Ethics and Elections Commission	2,165,663	50,141	-	2,215,804	-	0%
Executive (City Budget Office)	11,435,925	226,496	-	11,662,421	-	0%
Executive (Office for Civil Rights)	7,764,185	1,408,131	-	9,172,315	-	0%
Executive (Office of Arts and Culture)	21,466,416	8,374,323	500,000	30,340,739	5,674,320	19%
Executive (Office of Economic Development)	26,428,480	31,554,813	-	57,983,293	-	0%
Office of Emergency Management	3,181,159	3,425,861	-	6,607,021	-	0%
Executive (Office of Housing)	208,423,856	269,954,510	1,213,575	479,591,941	8,000,000	2%
Executive (Office of Immigrant and Refugee Affairs)	5,010,065	2,368,695	-	7,378,760	78,086	1%
Executive (Office of Intergovernmental Relations)	3,059,062	100,504	-	3,159,566	-	0%
Executive (Office of Labor Standards)	12,130,660	704,140	-	12,834,800	-	0%
Executive (Office of Planning and Community Development)	32,157,266	7,841,941	-	39,999,207	37,874,559	95%
Executive (Office of Sustainability and Environment)	17,923,483	810,808	-	18,734,291	-	0%
Community Police Commission	1,871,363	-	-	1,871,363	-	0%
Executive (Office of the Mayor)	7,638,274	81,127	-	7,719,401	20,000	0%
Department of Finance and Administrative Services	379,330,471	73,348,185	-	452,678,655	10,040,016	2%
Finance General	423,500,789	1,402,814	(4,344,457)	420,559,146	34,852,513	8%
Firefighter's Pension	21,921,588	-	-	21,921,588	-	0%
Human Services Department	308,448,143	94,743,175	-	403,191,318	2,920,092	1%
Law Department	38,659,829	963,538	-	39,623,367	-	0%
Legislative Department	19,910,165	479,800	-	20,389,965	-	0%
Office of Hearing Examiner	1,078,071	-	-	1,078,071	-	0%
Office of Inspector General for Public Safety	3,722,713	-	-	3,722,713	-	0%
Office of the City Auditor	2,141,681	929,642	-	3,071,323	-	0%
Executive (Office of the Employee Ombud)	1,092,079	40,320	-	1,132,399	-	0%
Police Relief and Pension	26,680,278	-	-	26,680,278	-	0%
Seattle Center	52,077,555	27,948,363	-	80,025,918	-	0%
Seattle City Light	1,465,689,673	296,128,739	-	1,761,818,412	6,688,190	0%
Seattle Department of Construction and Inspections	111,996,889	1,135,446	-	113,132,335	912,142	1%
Seattle Department of Human Resources	370,808,964	213,218	-	371,022,182	2,834,545	1%
Seattle Department of Transportation	731,167,618	492,558,292	25,747,000	1,249,472,910	4,242,260	0%
Seattle Fire Department	267,182,037	8,938,007	-	276,120,043	127,616	0%
Seattle Information Technology Department	283,661,119	68,219,692	-	351,880,811	1,369,501	0%
Seattle Municipal Court	40,001,139	30,882	-	40,032,021	-	0%
Seattle Police Department	355,487,009	19,380,760	3,648,845	378,516,614	260,000	0%
Seattle Public Library	97,094,502	18,209,879	-	115,304,382	1,090,650	1%
Seattle Public Utilities	1,318,642,613	233,907,858	-	1,552,550,471	407,150	0%
Office of Economic and Revenue Forecasts	634,919	-	-	634,919	-	0%
Total	7,143,467,423	1,904,088,741	26,764,963	9,074,321,127	127,728,848	1%