

2023 Seattle City Council Budget Action

Council Budget Action: Agenda

Tab	Action	Option	Version
OH	002	B	001-2023

Budget Action Title: Reduce proposed funding for Day of Service in FAS by \$250,000 GF (2023) and \$250,000 GF (2024); reduce proposed funding for Clean Seattle in SDOT by \$207,000 GF (2023) and \$303,000 GF (2024); reduce proposed funding for MO's Fellow Program by \$28,000 GF (2024); and add \$457,000 GF (2023) and \$581,000 GF (2024) and 4 FTE to OH to create a Municipal Housing Administration Program

Ongoing: Yes Has Budget Proviso: No

Has CIP Amendment: No Has Attachment: No

Primary Sponsor: Tammy Morales

Council Members:

Staff Analyst: Traci Ratzliff

Council Bill or Resolution:

Date		Total	LH	TM	KS	AP	DJ	DS	AL	BC	SN
	Yes	0									
	No	0									
	Abstain	0									
	Absent	0									

Summary of Dollar Effect

See the following pages for detailed technical information

	2023 Increase (Decrease)	2024 Increase (Decrease)
General Fund		
General Fund Revenues	\$0	\$0
General Fund Expenditures	\$0	\$0
Net Balance Effect	\$0	\$0
Total Budget Balance Effect	\$0	\$0

Budget Action Description:

This Council Budget Action would reduce proposed funding for Day of Service in Finance and Administrative Services (FAS) by \$250,000 GF in 2023 and \$250,000 GF in 2024, reduce proposed funding for Clean Seattle in Seattle Department of Transportation (SDOT) by \$207,000 GF in 2023 and \$303,000 GF in 2024, and reduce proposed funding for the Mayor's Office (MO) Fellow Program by \$28,000 GF in 2024. This Council Budget Action would use these freed up resources to add \$457,000 GF and 4.0 FTE (2023) and \$581,000 GF (2024) to the Office of Housing (OH) to create a Municipal Housing Administration Program (Program) and a Municipal Housing Development Fund (Fund).

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Council recommends that the Municipal Housing Administration Program consists of professionals with experience in developing municipal housing internationally, those with a background in municipal housing administration internationally, and/or those who study or have studied international models of municipal housing. These professionals may have knowledge gained through roles in the fields of public administration, real estate, planning, architecture, or academia related to the development and administration of municipal housing.

I. The purpose and function of the Municipal Housing Administration Program at OH would be as follows:

- A. Acquire, retain, and determine viability of City-owned property for municipal housing developments.
- B. Administer the Fund (described below).
- C. Administer contracts, including ground leases, between the City and entities developing, running, and maintaining municipal housing developments.
- D. Ensure that the development, conversion, and maintenance of permanently affordable, mixed-income municipal housing developments is consistent with the working definitions related to municipal housing development provided in Section I.D.1 - 12 below, and that those developments adhere to contracts between the city and entities developing, running, and maintaining municipal housing developments:
 - 1. "Municipal Housing Development" means permanently affordable mixed-income housing developed by a public developer, a social landlord, the City, or a combination of the three on property owned by the City that uses the revenue it generates from rent and other sources towards construction, acquisition, and maintenance of permanently affordable mixed-income housing.
 - 2. "Public Developer" means a Public Development Authority or a government entity that develops and administers housing following the definition of municipal housing development provided above.
 - 3. "Social Landlord" means a nonprofit or community-based organization that develops and administers housing according to the definition of municipal housing development provided above. Council requests that OH prioritizes partnerships with community-based organizations that advocate, provide services to, or develop housing for refugees, immigrants, and communities of color at high risk of displacement, facing economic hardship, or experiencing homelessness.
 - 4. "Permanently Affordable" means a property in which a majority of units will remain affordable to extremely low, very low-, low-, and moderate-income households relative to Area Median Income (AMI), in perpetuity.
 - 5. "Extremely Low Income" means an income level between 0-30 percent of AMI.
 - 6. "Very Low Income" means an income level between 30-60 percent of AMI.
 - 7. "Low Income" means an income level between 60-80 percent of AMI.
 - 8. "Moderate Income" means an income level between 80-120 percent of AMI.
 - 9. "Mixed-Income" means a property that includes a range of income levels, including extremely low, very low, low, moderate, and above moderate income.
 - 10. "Cross Subsidization" means a system in which rents paid by households residing in units priced for extremely- and very low-income households are balanced by rents paid, in the same property, by households residing in units priced for moderate-income earners and above to create an overall balance in property revenue to meet recurring operational costs and reimburse outstanding debts from development costs.
 - 11. "Ground Lease" means a 99-year lease of City-owned land offered for the purpose of municipal housing developments. When leasing land for municipal housing developments.
 - 12. "Operating Costs" means any costs associated with maintaining a municipal housing development including administration, management expenses, maintenance, utilities, taxes, and associated services.
- E. Endeavor to ensure that residential rents in Municipal Housing Developments are based on households spending approximately 30 percent of their annual income of housing, not counting housing vouchers, and are structured, to the extent practicable at the following distribution:
 - 1. One-third of units should be affordable for households at the extremely low income level;

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2. One-third of units should be affordable for households earning at the very low income level; and
3. One-third of units should be available at rates necessary to achieve rent cross subsidization.

II. The purpose of the Municipal Housing Development Fund would be to collect and distribute funds for municipal housing development.

A. Funds may be obtained through various means including, but not limited to:

1. Federal or State funding intended to support the building, acquisition, or maintenance of municipal housing developments.
2. Monetary donations made to the City intended to support the building, acquisition, or maintenance of municipal housing developments.
3. A dedicated State or local tax levied to support the building, acquisition, or maintenance of municipal housing developments.
4. Funds set aside within Finance General for the purpose of funding municipal housing developments or programs.

B. Funds obtained would be deposited into the Fund and would not revert to the General Fund of the City at the end of a fiscal year, or at any other time.

C. Funds in the Fund could be distributed only for the following purposes:

1. Payment of costs associated with creating municipal housing developments;
2. Payment of operating costs associated with maintaining municipal housing developments; and
3. Administrative costs of the Program, provided that not more than 3% of the Fund may be used to defray these costs.

Establishing the Program and the Fund may require creating a new Budget Summary Level for the Program and a Council Bill to create the Fund and establish policies for appropriations to, and expenditures from, the Fund.

Budget Action Transactions

#	Transaction Description	Position Title	Number of Positions	FTE	Dept	BSL	Fund	Year	Revenue Amount	Expenditure Amount
1	Reduce appropriation for One Day of Service		0	0	FAS - FA000	FAS - BO-FA-CITYSVCS - City Services	00100 - General Fund	2023	\$0	\$(250,000)
2	Reduce appropriation for One Day of Service		0	0	FAS - FA000	FAS - BO-FA-CITYSVCS - City Services	00100 - General Fund	2024	\$0	\$(250,000)
3	Reduce appropriation for Mayor's Fellow Program		0	0	MO - MA000	MO - BO-MA-X1A00 - Office of the Mayor	00100 - General Fund	2024	\$0	\$(28,000)
4	Pocket Adjustments		0	0	OH - HU000	OH - BO-HU-1000 - Leadership and Administration	00100 - General Fund	2023	\$0	\$351,953
5	Pocket Adjustments		0	0	OH - HU000	OH - BO-HU-1000 - Leadership and Administration	00100 - General Fund	2024	\$0	\$448,491
6	Pocket Adjustments		0	0	OH - HU000	OH - BO-HU-3000 - Multifamily Housing	00100 - General Fund	2023	\$0	\$104,688
7	Pocket Adjustments		0	0	OH - HU000	OH - BO-HU-3000 - Multifamily Housing	00100 - General Fund	2024	\$0	\$132,658
8	Pocket Adjustments	Com Dev Spec	1	1	OH - HU000	OH - BO-HU-1000 - Leadership and Administration	00100 - General Fund	2023	\$0	\$0
9	Pocket Adjustments	Com Dev Spec	1	1	OH - HU000	OH - BO-HU-1000 - Leadership and Administration	00100 - General Fund	2024	\$0	\$0

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						Administration				
10	Pocket Adjustments	Com Dev Spec	1	1	OH - HU000	OH - BO-HU-3000 - Multifamily Housing	00100 - General Fund	2023	\$0	\$0
11	Pocket Adjustments	Com Dev Spec	1	1	OH - HU000	OH - BO-HU-3000 - Multifamily Housing	00100 - General Fund	2024	\$0	\$0
12	Pocket Adjustments	Com Dev Spec,Sr	1	1	OH - HU000	OH - BO-HU-1000 - Leadership and Administration	00100 - General Fund	2023	\$0	\$0
13	Pocket Adjustments	Com Dev Spec,Sr	1	1	OH - HU000	OH - BO-HU-1000 - Leadership and Administration	00100 - General Fund	2024	\$0	\$0
14	Pocket Adjustments	StratAdvsr1,General Govt	1	1	OH - HU000	OH - BO-HU-1000 - Leadership and Administration	00100 - General Fund	2023	\$0	\$0
15	Pocket Adjustments	StratAdvsr1,General Govt	1	1	OH - HU000	OH - BO-HU-1000 - Leadership and Administration	00100 - General Fund	2024	\$0	\$0
16	Reduce appropriation for Clean Seattle		0	0	SDOT - TR000	SDOT - BO-TR-17005 - Maintenance Operations	00100 - General Fund	2023	\$0	\$(206,641)
17	Reduce appropriation for Clean Seattle		0	0	SDOT - TR000	SDOT - BO-TR-17005 - Maintenance Operations	00100 - General Fund	2024	\$0	\$(303,148)