

## SUMMARY and FISCAL NOTE\*

<b>Department:</b>	<b>Dept. Contact:</b>	<b>CBO Contact:</b>
Human Services Department	Debra Rhinehart	Alena Johnson

*\* 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 funding for housing and community development programs; adopting The City of Seattle 2023 Annual Action Plan to the 2018–2023 Consolidated Plan for Housing and Community Development; authorizing submission of the Annual Action Plan to the United States Department of Housing and Urban Development (HUD); authorizing acceptance of grant funds from HUD for programs and activities included in the 2023 Annual Action Plan; amending Ordinance 126725, which adopted the 2023 Budget, by modifying appropriations to various departments and budget control levels in the 2023 Adopted Budget; and ratifying and confirming certain prior acts.

#### **Summary and Background of the Legislation:**

This legislation adopts the 2023 Annual Action Plan to the 2018–2023 Consolidated Plan for Housing and Community Development and authorizes its submittal to the US Department of Housing and Urban Development (HUD). The Consolidated Plan governs the use of the City’s annual allocation of funds from several programs in HUD. In total, the funds amount to approximately \$20.2 million in entitlement funds and program income, which are used to provide services, housing, and facilities to low- and moderate-income persons, businesses, and neighborhoods. The legislation authorizes the acceptance of these funds.

HUD provides annual allocations to the City from four of its programs. These allocations differ from the estimated allocations that were included in the 2023 Adopted Budget; the net difference from the Adopted Budget is shown in parentheses:

- Community Development Block Grant, \$10,217,972 (-\$731,168)
- Community Development Block Grant Program Income, \$1,193,897 (\$0)
- HOME Investment Partnerships, \$3,304,427 (+\$413,316)
- Housing Opportunities for Persons with AIDS, \$3,357,136 (+\$359,750)
- Emergency Solutions Grant, \$801,427 (+\$24,887)

To receive the annual allocations, jurisdictions must submit a Consolidated Plan, which describes the policies governing the City’s use of these funds, and an annual allocation plan which identifies the specific uses of the funds for a particular program year. Funds are allocated to the Human Services Department, Office of Housing, Office of Economic Development, Office of Immigrant and Refugee Affairs, and the Seattle Parks and Recreation to fund core services and support activities, such as homeless shelters, preservation and development of affordable housing, homelessness and affordable housing planning and research, investments in community and economic development to support small businesses and microenterprises, job training and creation, and park improvements.

**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 \$	
	2023	2024	2023	2024
			\$66,785	
Estimated revenue change (\$):	Revenue to General Fund		Revenue to Other Funds	
	2023	2024	2023	2024
			\$66,785	
Positions affected:	No. of Positions		Total FTE Change	
	2023	2024	2023	2024

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.

**Are there financial costs or other impacts of *not* implementing the legislation?**  
Not implementing this legislation will cause the City to forgo approximately \$20.2 million in federal assistance and program income that supports services and community development activities for low- and moderate-income persons in Seattle. The City would be faced with reducing or eliminating services and/or using General Fund to provide the services.

**3.a. Appropriations**

  X   This legislation adds, changes, or deletes appropriations.

Increases in appropriation:

Fund Name and Number	Dept	Budget Control Level Name/Number*	2023 Appropriation Change	2024 Estimated Appropriation Change
Human Services Fund (16200)	Human Services Department	Supporting Affordability & Livability 16200-BO-HS-H1000	\$686,951	0

<b>Fund Name and Number</b>	<b>Dept</b>	<b>Budget Control Level Name/Number*</b>	<b>2023 Appropriation Change</b>	<b>2024 Estimated Appropriation Change</b>
Human Services Fund (16200)	Human Services Department	Leadership & Administration 16200-BO-HS-H5000	\$18,046	0
Human Services Fund (16200)	Human Services Department	Addressing Homelessness 16200-BO-HS-H3000	\$378,600	0
Low Income Housing Fund (16400)	Executive (Office of Housing)	Multi-Family Housing 16400-BO-HU-3000	\$413,316	0
<b>Total</b>			<b>\$1,496,913</b>	<b>0</b>

Decreases in appropriation:

<b>Fund Name and Number</b>	<b>Dept</b>	<b>Budget Control Level Name/Number*</b>	<b>2023 Appropriation Change</b>	<b>2024 Estimated Appropriation Change</b>
Human Services Fund (16200)	Human Services Department	Preparing Youth for Success BO-HS-H2000	(\$55,734)	0
General Fund (00100)	Executive (Office of Economic Development)	Business Services BO-ED-X1D00	(\$1,374,394)	0
<b>Total</b>			<b>(\$1,430,128)</b>	<b>0</b>

**Appropriations Notes:**

**3.b. Revenues/Reimbursements**

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

**Anticipated Revenue/Reimbursement Resulting from This Legislation:**

<b>Fund Name and Number</b>	<b>Dept</b>	<b>Revenue Source</b>	<b>2023 Revenue</b>	<b>2024 Estimated Revenue</b>
Funds 16200,16400, 16600,00100, 10200	<b>HSD, OH, OED, Parks, OIRA, OPCD</b>	US HUD Community Development Block Grant Program entitlement	\$9,486,805	\$9,486,805
Low Income Housing Fund / HOME subfund (16400)	<b>Office of Housing</b>	US HUD HOME Investment Partnership Program entitlement	\$3,717,743	\$3,717,743
Human Services Operating Fund (16200)	<b>HSD</b>	US HUD Housing Opportunities for Persons with AIDS Program	\$3,716,896	\$3,716,896
Human Services Operating Fund (16200)	<b>HSD</b>	US HUD Emergency Solutions Grant Program	\$826,314	\$826,314
<b>TOTAL</b>			<b>\$17,747,758</b>	<b>\$17,747,758</b>

**Revenue/Reimbursement Notes:**

**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, other departments receive an allocation from one or more of these funds for program operations. The other departments affected by this legislation are:
- Office of Housing
  - Office of Economic Development
  - Seattle Parks and Recreation
  - Office of Immigrant and Refugee Affairs
  - Office of Planning and Community Development
- b. Is a public hearing required for this legislation?**  
Yes, a hearing before the Finance & Housing Committee is expected on August 2, 2023.
- c. Is publication of notice with *The Daily Journal of Commerce* and/or *The Seattle Times* required for this legislation?**  
Yes, publication is required in *The Daily Journal of Commerce*. HSD staff will send the public hearing notice to the DJC in time to provide 15-day advance notice.

**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?** Programs and activities supported by these funds are specifically intended to benefit low- and moderate-income and homeless persons and families. These persons and families are disproportionately underserved and from communities of color. HSD will work with OIRA's Language Access initiative to provide for requested translations of documents.

**f. Climate Change Implications**

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

To the extent that capital facilities construction/acquisition/rehab projects receive funding that emissions associated with building and/or expansion of real properties could occur.

**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.**

Federal grant funds have historically served homeless and vulnerable populations with a variety of services, including during the pandemic and heat waves to address sheltering people from the impact of such events. HUD requires grantees to address climate change and resiliency issues as part of the development of a Consolidated Plan.

**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)?**

No significant program changes/expansion are addressed in the final 2023 AAP plan from the time the original draft plan was reviewed by MO and Council in December 2022, with the exception of adjustments to account for additional grant funding in announced federal allocations. Most programs are on-going and must meet the HUD requirements of serving low- and moderate-income individuals and households to provide for low-income housing and services, support economic development activities, fund public facilities improvements, and a wide range of public services (including for the City primary emphasis on assisting people with lived experience of homelessness).