

**2017 - 2018 Seattle City Council Green Sheet**

**Ready for Notebook**

Tab	Action	Option	Version
227	1	E	2

**Budget Action Title:** Increase affordable housing by \$29 million, redirect REET to debt service, amend SDOT and FAS CIPs, amend and pass C.B. 118839, create new expenditure BCLs in CRS, and rescind GS 227-1-E-1

Ongoing: No

Has CIP Amendment: Yes                      Has Budget Proviso: No

Primary Sponsor: Herbold, Lisa

Councilmembers: Bagshaw; González; Johnson; O'Brien; Sawant

Staff Analyst: Dan Eder; Tony Kilduff

Council Bill or Resolution: C.B. 118839

Date		Total	SB	TB	LG	BH	LH	RJ	DJ	MO	KS
	Yes										
	No										
	Abstain										
	Absent										

**Summary of Dollar Effect**

*See the following pages for detailed technical information*

	<b>2017 Increase (Decrease)</b>	<b>2018 Increase (Decrease)</b>
<b>General Subfund</b>		

\* Note: This action will rescind 227-1-E-1

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<b>General Subfund Revenues</b>	<b>\$29,000,000</b>	<b>\$0</b>
<b>General Subfund Expenditures</b>	<b><u>\$29,000,000</u></b>	<b><u>\$0</u></b>
<b>Net Balance Effect</b>	<b>\$0</b>	<b>\$0</b>
<b>Other Funds</b>		
<b>Cumulative Reserve Subfund - REET I Subaccount (00163)</b>		
<b>Revenues</b>	<b>\$0</b>	<b>\$0</b>
<b>Expenditures</b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>
<b>Net Balance Effect</b>	<b>\$0</b>	<b>\$0</b>
<b>Transportation Operating Fund (10310)</b>		
<b>Revenues</b>	<b>(\$250,000)</b>	<b>\$0</b>
<b>Expenditures</b>	<b>(\$250,000)</b>	<b><u>\$0</u></b>
<b>Net Balance Effect</b>	<b>\$0</b>	<b>\$0</b>
<b>Low-Income Housing Fund (16400)</b>		
<b>Revenues</b>	<b>\$29,000,000</b>	<b>\$0</b>
<b>Expenditures</b>	<b><u>\$29,000,000</u></b>	<b><u>\$0</u></b>
<b>Net Balance Effect</b>	<b>\$0</b>	<b>\$0</b>
<b>Total Budget Balance Effect</b>	<b>\$0</b>	<b>\$0</b>

**Budget Action description:**

This budget action would increase by \$29 million (in addition to the \$54 million included for that purpose in the 2017 Proposed Budget) the amount of funding the Office of Housing provides to housing developers through its annual Notice of Available Funding process for the purpose of expanding the supply of new affordable housing units, and rescinds green sheet 227-1-E-1.

The proposal would be funded by issuing \$29 million in additional Limited Term General Obligation (LTGO) bonds. Council anticipates that the Executive will not issue bonds until that there are a specific list of projects for which the bonding would be used in 2017.

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The \$29 million in LTGO bonds would all be issued in 2017, requiring the City to pay approximately \$1.25 million in debt service in 2017 for 2/3 of a year, and \$1.9 million starting in 2018 and annually thereafter for the balance of a 30 year term.

This budget action would fund the debt service on the \$29 million in LTGO bonds using General Subfund (GSF), requiring the Council to free up GSF in 2017 and 2018 for that purpose. Doing so will involve several steps (detailed below) that the Council would take affirmatively through this budget action:

1. Council determines that it can no longer reasonably make as much GSF available to the Seattle Department of Transportation (SDOT) due to the ongoing homelessness emergency;
2. Council redirects \$1.25 million GSF in SDOT's 2017 Proposed Budget and \$1.9 million GSF in its 2018 Proposed Budget to pay for debt service on the \$29 million in affordable housing LTGO bonds;
3. Council amends the North Area Interim & Long-Term Facilities CIP (A1PS117) Project to decrease spending from \$1.5 million to \$500,000 in 2017 and from \$13.5 million to \$11.6 million in 2018;
4. Council reduces the allocation of REET I to the Department of Finance and Administrative Services by \$1 million in 2017 and by \$1.9 million for that project;
5. Council approves a departure from the City's financial policies established in Resolution 31083 and authorizes the use of REET I for debt service on REET I-eligible projects in 2017 and 2018;
6. Council increases the allocation of REET I to SDOT by \$1 million in 2017 and by \$1.9 million in 2018 and directs the Executive to use that REET I for debt service on REET I-eligible projects, freeing up GSF that would otherwise have been used for that purpose;
7. Council reduces CPT spending in 2017 by \$250,000 for SDOT's Arterial Major Maintenance (TC365940) CIP Project and reduces GSF support to SDOT by the same amount. (Note: This green sheet anticipates that SDOT will account for these changes within the Street Maintenance BCL as a one-time \$250,000 increase in CPT funding and a one-time decrease in GSF funding.);
8. This budget action also:

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- a. amends and recommends passage of C.B. 118839 by increasing the amount of LTGO bonds by \$29 million from \$108 million to \$137 million;
- b. increases the Office of Housing’s 2017 appropriations by \$29 million for additional affordable housing;
- c. amends SDOT's Debt Service - CRF CIP Project TC320060 to reflect debt service payments to be paid with REET I instead of GSF; and
- d. creates a new Debt Service REET I-Eligible Projects BCL in the Cumulative Reserve Subfund - REET I with the following purpose statement: “The purpose of the Debt Service REET I-Eligible Projects budget control level is to make payments to the City’s Bond Interest and Redemption Fund for principal repayment and interest obligations on bond financed REET I-eligible capital projects.”

Note: This green sheet assumes that green sheet 67-1-A-1 passes, adding additional REET and Pacific Place Garage Disposition funds to SDOT's Arterial Major Maintenance CIP project, and makes further adjustments to SDOT funding for that project.

**Budget Action Transactions**

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#	Transaction Description	Position Title	Number of Positions	FTE	Dept	BCL or Revenue Source	Summit Code	Fund	Year	Revenue Amount
1	Decrease GSF support to SDOT for Arterial Major Maintenance				FG	Transportation Fund	Q5971039	00100	2017	
2	Reduce SDOT revenue from GSF for Arterial Major Maintenance				SDOT	Operating Transfer In-From General Fund	587001	10310	2017	(\$)
3	Decrease SDOT expenditures for Arterial Major Maintenance				SDOT	Major Maintenance/Replacement	19001	10310	2017	
4	Decrease FAS use of REET I for North Area CIP				FAS	Public Safety Facilities - Police (00163-CIP)	A1PS1	00163	2017	
5	Increase CRS support to SDOT for debt service on REET I-eligible projects				CRS	CRS REET I Support to Transportation	2EC30	00163	2017	
6	Increase SDOT revenue from CRS for debt service on REET I-eligible projects				SDOT	Operating Transfer In-From Cumulative Reserve Subfund - REET I	587116	10310	2017	\$1

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#	Transaction Description	Position Title	Number of Positions	FTE	Dept	BCL or Revenue Source	Summit Code	Fund	Year	Revenue Amount
7	Decrease GSF support to SDOT for debt service on REET I-eligible projects				FG	Transportation Fund	Q5971039	00100	2017	
8	Decrease SDOT revenue from GSF for debt service on REET I-eligible projects				SDOT	Operating Transfer In-From General Fund	587001	10310	2017	(\$1,000,000)
9	Increase GSF payment of debt service on LTGO bonds issued for affordable housing				FG	General Bond Interest/Redemption Fund	Q5972010	00100	2017	
10	Increase GSF revenue from LTGO Bond sale for affordable housing				GSF	Other Miscellaneous Revenue	469990	00100	2017	\$29,000,000
11	Increase GSF support to OH for affordable housing				FG	Low Income Housing Fund	Q5976400	00100	2017	
12	Increase OH revenue from GSF for affordable housing				OH	General Subfund Support	587001	16400	2017	\$29,000,000
13	Increase OH spending on affordable housing				OH	Low-Income Housing Fund 16400	XZ-R1	16400	2017	

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#	Transaction Description	Position Title	Number of Positions	FTE	Dept	BCL or Revenue Source	Summit Code	Fund	Year	Revenue Amount
14	Decrease FAS use of REET I for North Area CIP				FAS	Public Safety Facilities - Police (00163-CIP)	A1PS1	00163	2018	
15	Increase CRS support to SDOT for debt service on REET I-eligible projects				CRS	CRS REET I Support to Transportation	2EC30	00163	2018	
16	Increase SDOT revenue from CRS for debt service on REET I--eligible projects				SDOT	Operating Transfer In-From Cumulative Reserve Subfund - REET I	587116	10310	2018	\$1,900,000
17	Decrease GSF support to SDOT for debt service on REET I-eligible projects				FG	Transportation Fund	Q5971039	00100	2018	
18	Decrease SDOT revenue from GSF for debt service on REET I-eligible projects				SDOT	Operating Transfer In-From General Fund	587001	10310	2018	(\$1,900,000)
19	Increase GSF payment of debt service on LTGO bonds issued for affordable housing				FG	General Bond Interest/Redemption Fund	Q5972010	00100	2018	