

SUMMARY and FISCAL NOTE*

Department:	Dept. Contact/Phone:	CBO Contact/Phone:
HSD	Jennifer Yost/615-1717	Katy Tassery/615-0703

** 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

1. Legislation Title:

AN ORDINANCE relating to funding for housing and community development programs; adopting the 2018-2022 Consolidated Plan for Housing and Community Development (“Plan”) and authorizing its submission 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 Plan; amending Ordinance 124496, which adopted the 2014 Annual Action Plan to the 2014-2017 Consolidated Plan for Housing and Community Development, to repurpose funds to the Office of Economic Development; amending Ordinance 125493, which amended the 2018 Budget (Ordinance 125475); and ratifying and confirming certain prior acts; all by a 3/4 vote of the City Council.

2. Summary and background of the Legislation:

This legislation adopts the 2018-2022 Consolidated Plan for Housing and Community Development and the 2018 Annual Action Plan, authorizes submittal to the US Department of Housing and Urban Development (HUD) and amends the 2018 Budget. The Consolidated Plan brings together the principal housing and community development planning documents, informs HUD about the City’s strategies for using the City’s annual allocation of funds from four HUD programs over the five-year period covered by the Plan and provides an allocation plan for current year’s funds. In total, the funds amount to approximately \$17 million in 2018. Funds 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 2018 Adopted Budget due to timing; the net difference by program from the Adopted Budget is shown below:

Program	2018 Adopted Budget	Actual 2018 Award	Difference
Community Development Block Grant (CDBG) – Entitlement	\$9,037,333	\$9,488,150	\$450,817
Community Development Block Grant (CDBG) – Entitlement (Older CDBG funds to be reprogrammed/carried-forward)	\$0	\$128,403	\$128,403
Community Development Block Grant (CDBG) – Program Income	\$400,000	\$400,000	\$0
HOME Investment Partnership – Entitlement	\$2,488,471	\$3,298,415	\$809,944
HOME Investment Partnership – Program Income	\$1,000,000	\$1,000,000	\$0
Emergency Solutions Grant (ESG)	\$777,216	\$796,553	\$19,337
Housing Opportunities for Persons with AIDS (HOPWA)	\$2,009,623	\$2,302,251	\$292,628
Total	\$15,712,643	\$17,413,772	\$1,701,129

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, the Department of Parks and Recreation and the Office of Planning and Community Development 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

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

3. SUMMARY OF FINANCIAL IMPLICATIONS

a. Does this legislation amend the Adopted Budget? X Yes No

Budget program(s) affected:				
Appropriation change (\$):	General Fund \$		Other \$	
	2018	2019	2018	2019
	\$160,220		\$1,540,909	
Estimated revenue change (\$):	Revenue to General Fund		Revenue to Other Funds	
	2018	2019	2018	2019
	\$160,220		\$1,540,909	
Positions affected:	No. of Positions		Total FTE Change	
	2018	2019	2018	2019

NOTE: The changes in appropriations are net of the changes for all the HUD grant programs and mostly consist of an increase in the federal award. There are detailed tables showing the changes from the 2018 Adopted Budget for appropriations and revenues below, in sections 3d and 3e.

b. 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

c. Is there financial cost or other impacts of *not* implementing the legislation?
Not implementing this legislation will cause the City to forgo approximately \$16 million in federal assistance 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.d. Appropriations

X This legislation adds, changes, or deletes appropriations.

Fund Name and number	Dept	Budget Summary Level Name/#*	2018 Appropriation Change	2019 Estimated Appropriation Change
00100-General Fund	Office of Economic Development	BO-ED-X1D00-Business Services BCL	\$160,220	
16200-Human Services Fund	Human Services Department	BO-HS-H3000-Addressing Homelessness	\$730,965	

Fund Name and number	Dept	Budget Summary Level Name/#*	2018 Appropriation Change	2019 Estimated Appropriation Change
16400-Low Income Housing Fund	Office of Housing	BO-HU-3000-Multifamily Housing	\$809,944	
TOTAL			\$1,701,129	

Significant Changes:

One-time:

- Neighborhood Business District – Only in Seattle & Planning/Technical Assistance/Staffing: One-time funding to assist with additional planning work.
- King Station Commercial Affordability: This project is starting to move forward to expend funding this year. The funds have been identified to compete a feasibility study and to begin project expenditures.
- Homeless Services – One-time increase to homeless services to maximize the 2018 Public Service cap. The public service cap on CDBG is determined using the current years funds and the prior year’s program income. CDBG received an unexpected amount of Program Income in 2017 from the sale of property which increased the available Public Service cap.

On-going:

- The increase in HOME funding will allow the Office of Housing to pursue additional affordable housing development.
- Alpha Cine Section 108 Repayment: Approximately \$98,000 of CDBG will be set aside to repay the loan obligation for 2019. With continued delays in the passage of the federal budget, CDBG allocation for this loan obligation is to be allocated one year in advance to guarantee the availability of CDBG funding to make the payment on time. This is anticipated to be an ongoing obligation for the remaining 12 years of the loan term.
- 2018 is the second year for implementation of the new HOPWA fund distribution formula. This new formula allocation method is being phased in over 5 fiscal years starting with 2017 in which no grantee will received a less than a 5% loss or 10% increase from the prior year; barring impacts in appropriation levels by Congress. The old formula was determined using cumulative AIDS cases and is not based on individuals living with HIV or AIDS.

Appropriations Notes:

The 2018 Adopted Budget contains estimates of these revenues. This legislation provides the actual revenue numbers and adjusts the appropriations in the Adopted Budget to match the actual numbers.

Grant	Department	Fund Name & Number	Budget Summary Level	2018 Adopted Budget	Change	2018 Amended Budget
CDBG	OFFICE OF ECONOMIC DEVELOPMENT	00100 - General Fund	BO-ED-X1D00 - Business Services BCL	1,441,455	160,220	1,601,675
CDBG	OFFICE OF PLANNING AND COMMUNITY DEVELOPMENT	00100 - General Fund	BO-PC-X2P00 - Planning and Community Development	430,000		430,000
CDBG	OFFICE OF IMMIGRANT AND REFUGEE AFFAIRS	00100 - General Fund	BO-IA-X1N00 - Office of Immigrant and Refugee Affairs	400,000		400,000
CDBG	PARKS & RECREATION DEPARTMENT	10200 - Park And Recreation Fund	BC-PR-40000 - Fix It First-CIP	808,000		808,000
CDBG	HUMAN SERVICES DEPARTMENT	16200 - Human Services Fund	BO-HS-H3000 - Addressing Homelessness	4,809,251	419,000	5,228,251
CDBG	HOUSING OFFICE	16400 - Low Income Housing Fund	BO-HU-2000 - Homeownership & Sustainability	567,085		567,085
CDBG	HOUSING OFFICE	16400 - Low Income Housing Fund	BO-HU-3000 - Multifamily Housing	490,278		490,278
CDBG	HOUSING OFFICE	16600 - Office of Housing Fund	BO-HU-1000 - Leadership and Administration	160,972		160,972
CDBG	HOUSING OFFICE	16600 - Office of Housing Fund	BO-HU-2000 - Homeownership & Sustainability	255,377		255,377
CDBG	HOUSING OFFICE	16600 - Office of Housing Fund	BO-HU-3000 - Multifamily Housing	74,915		74,915
HOPWA	HUMAN SERVICES DEPARTMENT	16200 - Human Services Fund	BO-HS-H3000 - Addressing Homelessness	2,009,623	292,628	2,302,251
ESG	HUMAN SERVICES DEPARTMENT	16200 - Human Services Fund	BO-HS-H3000 - Addressing Homelessness	777,216	19,337	796,553
HOME	HOUSING OFFICE	16400 - Low Income Housing Fund	BO-HU-3000 - Multifamily Housing	3,262,246	809,944	4,072,190
HOME	HOUSING OFFICE	16600 - Office of Housing Fund	BO-HU-3000 - Multifamily Housing	201,963		201,963
HOME	HOUSING OFFICE	16600 - Office of Housing Fund	BO-HU-1000 - Leadership and Administration	24,262		24,262
TOTAL				15,712,643	1,701,129	17,413,772

3.e. Revenues/Reimbursements

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

If this box is checked, please complete this section. If this box is not checked, please proceed to Positions.

Anticipated Revenue/Reimbursement Resulting from this Legislation:

Fund Name and Number	Dept	Revenue Source	2018 Revenue	2019 Estimated Revenue
00100-General Fund	Office of Economic Development	BO-ED-X1D00-Business Services BCL	\$160,220	
16200-Human Services Fund	Human Services Department	BO-HS-H3000-Addressing Homelessness	\$730,965	
16400-Low Income Housing Fund	Office of Housing	BO-HU-3000-Multifamily Housing	\$809,944	
TOTAL			\$1,701,129	

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. Changes from the 2018 Adopted Budget are reflected in the Office of Housing, Office of Economic Development and Human Services Department. The other departments affected by this legislation are:
- Department of 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 and Neighborhoods Committee is expected on July 11, 2018.
- c. Does this legislation require landlords or sellers of real property to provide information regarding the property to a buyer or tenant?**
No
- d. 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 30-day advance notice.
- e. Does this legislation affect a piece of property?**
No

f. Please describe any perceived implication for the principles of the Race and Social Justice Initiative. Does this legislation impact vulnerable or historically disadvantaged communities?

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. Economic and community development activities will specifically target historically disadvantaged neighborhoods and business districts and are described in more detail in the budget chapters of each of the departments.

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).

Most programs are on-going.

List attachments/exhibits below: