

# 2023 Seattle City Council Budget Action

Council Budget Action: Agenda

Tab	Action	Option	Version
OH	900	A	002-2023

**Budget Action Title:** Reduce proposed funding for multifamily rental production by \$5 million REET II (2023) and \$5 million REET II (2024) in OH and use Mandatory Housing Affordability funds to backfill reduction

Ongoing: Yes Has Budget Proviso: No

Has CIP Amendment: No Has Attachment: No

Primary Sponsor: Budget Committee

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)
<b>Other Funds</b>		
<b>Low Income Housing Fund (16400)</b>		
Revenues	\$(5,000,000)	\$(5,000,000)
Expenditures	\$0	\$0
<b>Net Balance Effect</b>	<b>\$(5,000,000)</b>	<b>\$(5,000,000)</b>
<b>REET II Capital Fund (30020)</b>		
Revenues	\$0	\$0
Expenditures	\$(5,000,000)	\$(5,000,000)
<b>Net Balance Effect</b>	<b>\$5,000,000</b>	<b>\$5,000,000</b>
<b>Total Budget Balance Effect</b>	<b>\$0</b>	<b>\$0</b>

## Budget Action Description:

This Council Budget Action (CBA) would reduce proposed funding by \$5 million annually in 2023 and \$5 million in 2024 of Real Estate Excise Tax (REET) II in the Office of Housing (OH) for multifamily rental

# 2023 Seattle City Council Budget Action

Council Budget Action: Agenda

Tab	Action	Option	Version
OH	900	A	002-2023

production. The Council intends to consider reducing REET II by \$5 million for this same program in OH in 2025.

Mandatory Housing Affordability (MHA) program funding is expected to backfill all or a portion of the proposed reductions in 2023, 2024 and 2025. Over the past two years, MHA program revenues have exceeded budgeted amounts by millions of dollars. The proposed budget for the Multifamily Rental Production Program is over \$200 million in 2023 and 2024.

The revenue forecast adopted by the Forecast Council on November 2, 2022, projects a reduction in anticipated revenues compared to the revenue forecast that was used to develop the Mayor's 2023-2024 Proposed Budget. This updated forecast reduces the resources available to balance the 2023-2024 Proposed Budget, requiring a reduction in proposed expenditures. This CBA would help address the decreased revenues and support other Council priorities.

## Budget Action Transactions

#	Transaction Description	Position Title	Number of Positions	FTE	Dept	BSL	Fund	Year	Revenue Amount	Expenditure Amount
1	Reduce transfer to Low Income Housing Fund		0	0	FG - FG000	FG - BO-FG-2QA00 - Appropriation to Special Funds	30020 - REET II Capital Fund	2023	\$0	\$(5,000,000)
2	Reduce transfer to Low Income Housing Fund		0	0	FG - FG000	FG - BO-FG-2QA00 - Appropriation to Special Funds	30020 - REET II Capital Fund	2024	\$0	\$(5,000,000)
3	Reduce transfer in from REET 2		0	0	OH - HU000	OH - BR-HU-REVENUE - Office of Housing - Revenue	16400 - Low Income Housing Fund	2023	\$(5,000,000)	\$0
4	Reduce transfer in from REET 2		0	0	OH - HU000	OH - BR-HU-REVENUE - Office of Housing - Revenue	16400 - Low Income Housing Fund	2024	\$(5,000,000)	\$0