

**Seattle City Council Select Budget Committee**  
 Proposed Budget Amendments | Tuesday, October 25, 2022

**Office of Housing (OH)**

<b>CBA #</b>	<b>Title</b>	<b>Sponsor</b>	<b>Packet Page</b>
OH-001-A-001-2023	Proviso \$1.5 million of Multi-Family Housing Funds (2023) in OH to fund an affordable housing project in north Rainier Valley	Morales	2
OH-002-A-001-2023	Add \$462,307 GF (2023) and \$551,411 GF (2024) and 4 FTE to OH to create a Municipal Housing Administration Program	Morales	3
OH-300-A-001-2023	Request that OH review options for non-permanent supportive housing services funding and pre-development and/or organizational capacity funding in development of the proposed housing levy renewal package	Herbold	6

# 2023 Seattle City Council Budget Action

## Council Budget Action: Agenda

Tab	Action	Option	Version
OH	001	A	001-2023

**Budget Action Title:** Proviso \$1.5 million of Multi-Family Housing Funds (2023) in OH to fund an affordable housing project in north Rainier Valley

Ongoing: No Has Budget Proviso: Yes

Has CIP Amendment: No Has Attachment: No

Primary Sponsor: Tammy Morales

Council Members: Lisa Herbold, Andrew Lewis

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									

### Budget Action Description:

This Council Budget Action would impose a proviso on \$1.5 million of Multi-family Housing funds in 2023 in the Office of Housing (OH) to fund an affordable housing project in north Rainier Valley. This project, being developed by Community Roots Housing, will create 108 units of affordable housing for families with incomes from 40 percent to 80 percent of Area Median Income (AMI). Funding would be provided subject to OH's standard lending requirements.

This Council Budget Action would impose the following proviso:

"Of the appropriations in the Office of Housing's 2023 budget for the Multi-Family Housing Budget Summary Level (OH-BO-HU-3000), \$1.5 million is appropriated solely for an affordable housing project in north Rainier Valley being developed by Community Roots Housing and may be spent for no other purpose."

# 2023 Seattle City Council Budget Action

## Council Budget Action: Agenda

Tab	Action	Option	Version
OH	002	A	001-2023

**Budget Action Title:** Add \$462,307 GF (2023) and \$551,411 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: Alex Pedersen, Andrew Lewis

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>General Fund</b>		
<b>General Fund Revenues</b>	\$0	\$0
<b>General Fund Expenditures</b>	\$462,307	\$551,411
<b>Net Balance Effect</b>	<b>\$(462,307)</b>	<b>\$(551,411)</b>
<b>Total Budget Balance Effect</b>	<b>\$(462,307)</b>	<b>\$(551,411)</b>

### Budget Action Description:

This Council Budget Action would add \$462,307 GF (2023) and \$551,411 GF (2024) to the Office of Housing (OH) to create a Municipal Housing Administration Program (Program) comprised of 4.0 new FTE and a Municipal Housing Development Fund (Fund).

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.

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**Council Budget Action: Agenda**

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OH	002	A	001-2023

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.

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.

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% 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;

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

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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	Pocket Adjustments		0	0	OH - HU000	OH - BO-HU-1000 - Leadership and Administration	00100 - General Fund	2023	\$0	\$462,307
2	Pocket Adjustments		0	0	OH - HU000	OH - BO-HU-1000 - Leadership and Administration	00100 - General Fund	2024	\$0	\$551,411
3	Pocket Adjustments	Com Dev Spec	3	3	OH - HU000	OH - BO-HU-1000 - Leadership and Administration	00100 - General Fund	2023	\$0	\$0
4	Pocket Adjustments	Com Dev Spec	3	3	OH - HU000	OH - BO-HU-1000 - Leadership and Administration	00100 - General Fund	2024	\$0	\$0
5	Pocket Adjustments	Com Dev Spec,Sr	1	1	OH - HU000	OH - BO-HU-1000 - Leadership and Administration	00100 - General Fund	2023	\$0	\$0
6	Pocket Adjustments	Com Dev Spec,Sr	1	1	OH - HU000	OH - BO-HU-1000 - Leadership and Administration	00100 - General Fund	2024	\$0	\$0

# 2023 Seattle City Council Statement of Legislative Intent

**Council Budget Action: Agenda**

Tab	Action	Option	Version
OH	300	A	001-2023

**Budget Action Title:** Request that OH review options for non-permanent supportive housing services funding and pre-development and/or organizational capacity funding in development of the proposed housing levy renewal package

Ongoing: Yes Has Attachment: No

Primary Sponsor: Lisa Herbold

Council Members: Dan Strauss, Teresa Mosqueda

Staff Analyst: Traci Ratzliff

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

**Statement of Legislative Intent:**

This Statement of Legislative Intent would request that the Office of Housing (OH), in the preparation of the housing levy renewal package that will be submitted to the Council in the spring of 2023, explore the following:

- 1) The scale and types of need for resident services in non-permanent supportive housing (PSH) projects. Specifically, the Council requests that OH (1) utilize consultant work to examine this issue in consultation with providers who would use this funding in the future and (2) include recommended program design and funding for resident services in non-PSH housing projects that could be considered for inclusion in the housing levy renewal package.
- 2) The need for additional predevelopment funding for housing projects and/or organizational capacity funding, particularly to assist smaller, community-based housing developers.

**Responsible Council Committee(s):**

Finance and Housing

**Date Due to Council:** April 3, 2023