

SUMMARY and FISCAL NOTE*

Department:	Dept. Contact:	CBO Contact:
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** 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 low-income housing; requesting that a special election be held concurrent with the November 7, 2023 general election for submission to the qualified electors of the City of a proposition to lift the limit on regular property taxes under chapter 84.55 RCW in order to authorize the City to levy additional taxes for low-income housing for up to seven years; providing for interim financing pending tax receipts; creating a levy oversight committee; requiring annual progress reports; providing for implementation of programs with funds derived from the taxes authorized; exempting certain seniors, veterans with disabilities, and other people with disabilities who qualify under RCW 84.36.381; and ratifying and confirming certain prior acts.

Summary and Background of the Legislation: The proposed ordinance would submit a \$970,260,175, seven-year levy package to the voters of Seattle for their approval in the fall of 2023. The proposed levy would be raised under the provisions of RCW 84.55.050, which allows a city to obtain voter approval to exceed the “lid” on regular property taxes for any purposes. Levy proceeds would be used for the following anticipated programs, subject to any changes approved by the Council:

- **Rental Production and Preservation: \$707,270,379**
Capital funding for new production of affordable rental housing, acquisition of structures to create or preserve affordable housing, and reinvestment in existing affordable housing to make critical capital improvements.
- **Operating, Maintenance, and Services: \$122,300,000**
Operating support for Housing Levy-funded buildings for 20 years, supplementing rent paid by extremely low-income residents, including formerly homeless residents and other residents with supportive service needs. Wage stabilization support for supportive housing workers serving residents who have experienced homelessness and who are living with extremely low incomes.
- **Homeownership Program: \$50,689,796**
Assistance to low-income homeowners to maintain stable housing through emergency home repair grants, assistance to eligible homebuyers through home purchase loans, and development subsidy loans for the development of new resale-restricted homes.
- **Prevention and Housing Stabilization: \$30,000,000**
Rent assistance and stabilization services for low-income individuals and families to prevent eviction, support housing stability, and address homelessness.
- **Acquisition and Preservation: Up to \$30,000,000 (no additional funding)**
Short-term acquisition loans for cost-effective purchases of buildings or land for rental or homeownership development.
- **Administration: \$60,000,000**

Funding for administration of all programs, including holding costs and predevelopment costs for land in the City's possession.

2. CAPITAL IMPROVEMENT PROGRAM

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

3. SUMMARY OF FINANCIAL IMPLICATIONS

Does this legislation amend the Adopted Budget? Yes No

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?

This legislation does not directly result in appropriation or position changes. If the proposed levy is passed by Seattle residents, the budgets for the Office of Housing and any other relevant departments will reflect the corresponding appropriation and revenue amounts in 2024 and subsequent years.

Are there financial costs or other impacts of *not* implementing the legislation?

The Seattle Housing Levy is the foundational revenue tool for developing and preserving affordable housing in the city. The current 2016 housing levy expires with the collection of 2023 property taxes. The City's capacity to respond to the significant need for affordable housing would be sharply reduced starting in 2024 if this legislation is not implemented.

4. OTHER IMPLICATIONS

a. Does this legislation affect any departments besides the originating department?

No.

b. Is a public hearing required for this legislation?

A public hearing is not required, but in the process of drafting the proposal, different iterations were presented and feedback solicited from a Technical Advisory Committee at three public meetings where public comment was also received. The draft levy proposal was also on the agenda of two Housing Levy Oversight Committee meetings, which were open to the public. Finally, two open house events at Levy funded buildings and one virtual were held to educate members of the public about the Levy; participants were invited to leave

formal and informal feedback. Public comment received via any other method outside of formal opportunities was also accepted through January 13, 2023.

c. Is publication of notice with *The Daily Journal of Commerce* and/or *The Seattle Times* required for this legislation?

No.

d. Does this legislation affect a piece of property?

No. The Housing Levy does not implicate any specific piece of property, but it does create funding and programs that can be used to develop, preserve, stabilize, improve, or otherwise affect housing at many yet to be determined sites throughout the city.

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?

The distribution of program funds in the Housing Levy will improve access to rental housing and homeownership opportunities for Seattle's lowest income and most at-risk households, who are disproportionately Black, Indigenous, or other people of color. The investments made in the Housing Levy are intended to address historical inequities in access to housing. Some share of Housing Levy funds will go to community-based organizations to support work to create or preserve housing of the type they want in and is most appropriate for their communities based on their own assessment.

f. Climate Change Implications

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

No.

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.

No.

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)?

Please see Attachment A – 2023 Housing Levy Programs.