



Office of Housing

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2020 Proposed Budget Overview

September 27, 2019

1. Legislative & Policy Framework

Change	Citation/Source	Effects/Outcomes
Disposition of Mercer Properties	City Council Bill 119609	Creates \$21 million for homeownership opportunities and new ADU financing program
REET II Allowable for Affordable Housing	State HB 1219	Makes \$25 million available in the 2019 NOFA for affordable housing projects
Local Option Bond	State HB 1406 and City Ordinance 125887	Expected to provide up to \$4.5 million annually in revenue for 20 years to build 175 units of Permanent Supportive Housing in 2020 and provide O&M subsidies in subsequent years.
Tax on Heating Oil Providers	City Council Bill 119607	Funds the conversion from oil to electric heat for about 1,000 low-income households

2. Strategic Priorities for 2020

- Advance Racial and Social Equity
- Invest in Rental and Ownership Housing for Low Income Households
- Address Displacement and Support Equitable Development and Transit Oriented Development
- Promote Middle Income Housing Solutions

3. Four-Year Budget Summary

	2017 Actual (\$000s)	2018 Actual (\$000s)	2019 Adopted (\$000s)	2020 Proposed (\$000s)
Appropriation (GF)	\$532	\$150	\$776	\$486
Change Year to Year (in \$, %)		\$(382) -72%	\$626 418%	\$(289) -37%
Appropriation (Other)	\$64,565	\$100,666	\$68,577	\$123,548
Change Year to Year (\$, %)		\$36,101 56%	\$(32,088) -32%	\$54,970 80%
Employment (FTEs)	42.5	44.5	45.0	46.0
Change Year to Year (Count, %)		2.0 5%	0.5 1%	1.0 2%

4. Major Proposed 2020 Budget Changes

Change	2019 Adopted (\$000s)	2020 Proposed (\$000s)	Change (\$000s)	Change (%)
Increase Affordable Homeownership Opportunities	\$2,496	\$16,661	\$14,165	568%
Increase Capital Investment in Permanent Supportive Housing (PSH)	\$5,504	\$25,000 (\$18 million local option bond)	\$19,496	354%
Oil Heat Conversion Program	\$0	\$270	\$270	100%
Homebuyer Education Program Redesign	\$217	\$150	(\$67)	(31%)
REET for Affordable Housing*	\$0	\$0	\$0	0%
Create Accessory Dwelling Unit (ADU) Financing Program, funded by Mercer property sale	\$0	\$5,838	\$5,838	100%

**Though there is no dollar change in the 2020 Budget, the 2019 NOFA will now include \$25 million of REET funding. Awarded projects will draw down the funds beginning in 2021.*