

Office of Housing

Rick Hooper, Director

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Department Overview

The mission of the Office of Housing (OH) is to invest in and promote the development and preservation of housing so that all Seattle residents have access to safe, decent, and affordable housing. To accomplish this mission, OH has four program areas: Multi-Family Production and Preservation; Homeownership and Sustainability; Policy and Program Development; and Administration and Management.

The Multi-Family Production and Preservation program area employs the Housing Levy and other federal and local program funding to make long-term, low-interest loans to developers to develop or preserve affordable multifamily rental housing. OH monitors the housing portfolio to ensure the units remain affordable and serve the intended residents, and the buildings remain in good condition. The portfolio now includes 285 developments with more than 11,600 apartments, representing a nearly \$2 billion dollar investment of City and other funding in affordable housing over 30 years.

The Homeownership and Sustainability program area makes loans to first-time homebuyers and home repair loans to low-income homeowners to address health and safety code repairs. The Sustainability portion of the program area emphasizes energy efficiency improvements through weatherization retrofits to single and multifamily residences with income-eligible homeowners and tenants. In addition to awarding more than \$5 million in grant funding to projects each year, staff also provides energy audits and project management services to single family and multifamily properties.

The Policy and Program Development program area establishes long-term strategic plans, develops and implements policy-based tools, such as incentive programs to advance affordable housing goals, and addresses housing-related aspects of citywide land use and community development issues. The program provides strategic policy review of affordable housing issues, develops changes needed to help OH administered programs reflect changing City needs and objectives, administers incentive programs, and coordinates disposition of vacant land for redevelopment purposes to increase housing opportunities for Seattle residents.

The Administration and Management program area provides centralized leadership, coordination, technology, contracting, and financial management services to OH programs and capital projects.

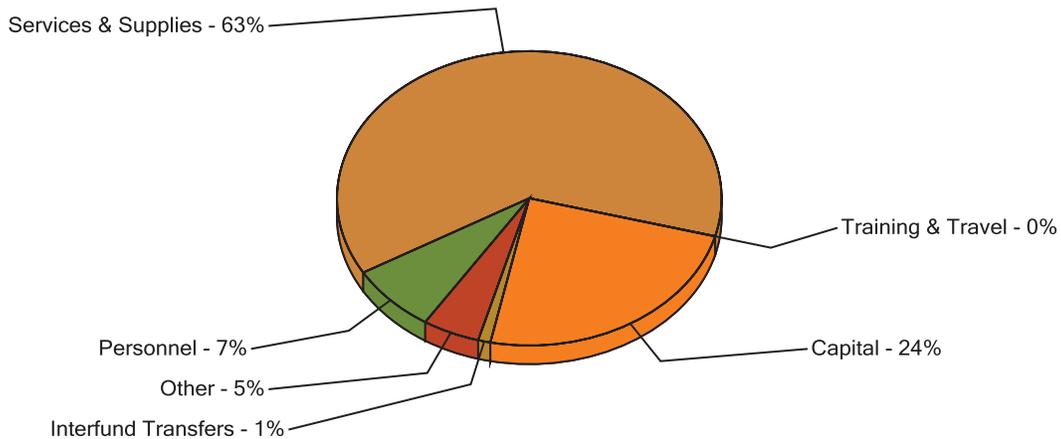
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Budget Snapshot

Department Support	2011 Actual	2012 Adopted	2013 Adopted	2014 Endorsed
Other Funding - Operating	\$31,371,908	\$40,425,261	\$49,736,219	\$49,953,082
General Fund Support	\$504,875	\$46,462	\$0	\$0
Total Operations	\$31,876,783	\$40,471,723	\$49,736,219	\$49,953,082
Total Appropriations	\$31,876,783	\$40,471,723	\$49,736,219	\$49,953,082
Full-time Equivalent Total*	38.50	37.50	37.50	37.50

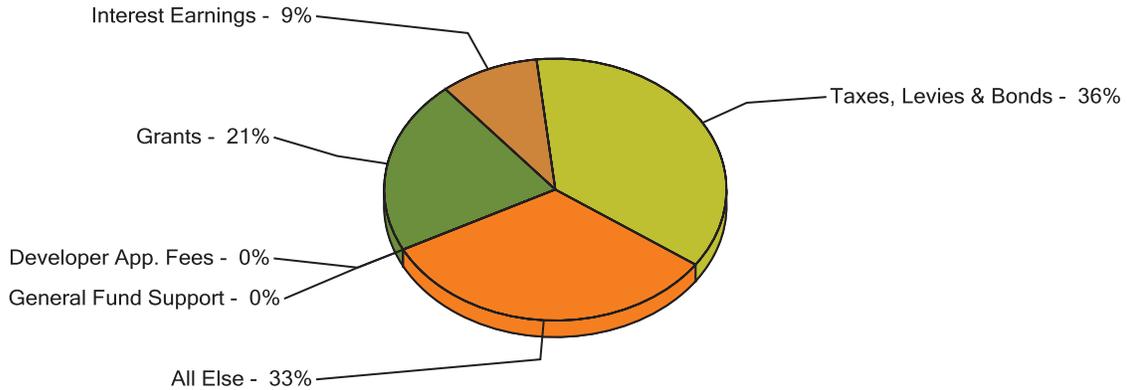
* FTE totals are provided for information purposes only. Changes in FTEs resulting from City Council or Personnel Director actions outside of the budget process may not be detailed here.

2013 Adopted Budget - Expenditure by Category



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2013 Adopted Budget - Revenue by Category



Budget Overview

Key funding sources to support low-income housing activities through the Office of Housing are the 2009 Housing Levy, federal grants, developer incentive program revenues, local and state weatherization grants, investment earnings, and loan repayment income. In recent years, declines in federal and state revenues have made it necessary for the City to provide General Fund resources to support the administration of OH programs. However, for 2013-2014, OH has identified sufficient incentive program and state/federal revenue resources to support the administration of its programs, meaning no General Fund support is required in the 2013 Adopted and 2014 Endorsed budgets.

In 2010, OH began implementing the voter-approved 2009 Housing Levy, totaling \$145 million for 2010 through 2016. The 2013 Adopted and 2014 Endorsed budgets are consistent with the Administration and Financial Plan approved by the City Council in Ordinance 123281. The current Housing Levy provides a significant increase in funding to support the production or preservation of low-income housing each year compared to the previous Levy, as is reflected in the funding amounts for 2013 and 2014. During its seven-year duration, the Housing Levy is expected to produce or preserve 1,850 affordable homes and assist 3,420 households.

In 2013 and 2014, the City is anticipating federal CDBG entitlement levels to remain unchanged from the 2012 actual level of approximately \$9.3 million. The two primary activities funded with OH's \$2 million share of CDBG funds are minor home repairs for low-income households with seniors, and multifamily production and preservation. Although CDBG is expected to be maintained at the 2012 Adopted Budget funding level, federal HOME funds are expected to be maintained at the 2012 actual level of \$2.3 million, a decline of 36% from the 2012 Adopted Budget. The availability of Housing Levy funds and program income helps to mitigate the reduction in HOME funds.

The City of Seattle was awarded a \$3 million HUD Community Challenge Grant in November 2011 to work on priorities identified in the Rainier Valley and Beacon Hill neighborhood plans. Grant funds are being matched

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by \$5.9 million in public and private funds and in-kind contributions. In 2013-2014, OH will use a portion of these funds to provide transit-oriented development acquisition loans that will assist housing developers in purchasing 3-4 vacant properties near light rail stations to provide approximately 200 units of affordable housing in mixed-use projects.

City Council Changes to Proposed Budget

There were no changes made to the 2013-2014 Proposed Budget.

Incremental Budget Changes

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	2013		2014	
	Budget	FTE	Budget	FTE
Total 2012 Adopted Budget	\$ 40,471,723	37.50	\$ 40,471,723	37.50
Baseline Changes				
Citywide Adjustments for Standard Cost Changes	\$ 193,981	0.00	\$ 345,737	0.00
Fund 16400 - Technical Changes	-\$ 210,000	0.00	-\$ 210,000	0.00
Fund 16600 - Technical Changes	\$ 169,771	0.00	\$ 172,147	0.00
Proposed Technical Changes				
Final Citywide Adjustments for Standard Cost Changes	\$ 438	0.00	\$ 15,542	0.00
Fund 16600 - Technical Changes	-\$ 90,374	0.00	-\$ 91,638	0.00
CDBG - Technical Changes	-\$ 444	0.00	-\$ 444	0.00
Fund 16400 - Weatherization Grant Increase	\$ 2,062,439	0.00	\$ 2,111,330	0.00
Fund 16400 - Multifamily Program Income	\$ 7,138,685	0.00	\$ 7,138,685	0.00
Total Incremental Changes	\$ 9,264,496	0.00	\$ 9,481,359	0.00
2013 Adopted/2014 Endorsed Budget	\$ 49,736,219	37.50	\$ 49,953,082	37.50

Descriptions of Incremental Budget Changes

Baseline Changes

Citywide Adjustments for Standard Cost Changes - \$193,981

Citywide technical adjustments made in the "Baseline Phase" reflect changes due to inflation, central cost allocations, retirement, health care, workers' compensation, and employment costs. These adjustments reflect initial assumptions about these costs and inflators early in the budget process.

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Fund 16400 - Technical Changes - (\$210,000)

The 2012 Adopted Budget provided a one-time increase of a \$210,000 to the Multifamily Production and Preservation program to support the development and preservation of affordable housing. This one-time funding amount was comprised of \$46,000 in General Fund support and \$164,000 in other funds in 2012. This baseline change removes the full \$210,000 amount from Fund 16400 by eliminating the \$46,000 in General Fund support, and transferring the \$164,000 to Fund 16600 as described below.

Fund 16600 - Technical Changes - \$169,771

This baseline change increased Fund 16600 to support administrative expenses in the Administration and Management program as a result of transferring in funds from Fund 16400. The amount is increased from approximately \$164,000 to approximately \$170,000 on account of inflating the amount from 2012 to 2013 levels. This technical change was considered necessary at the time of developing the 2013-2014 baseline budget, but it was done unnecessarily and is ultimately reversed as part of this Adopted Budget. The reversal of this action is described in "Fund 16600 - Technical Changes" in the Proposed Technical Changes section below.

Proposed Technical Changes

Final Citywide Adjustments for Standard Cost Changes - \$438

Citywide technical adjustments made in the "Proposed Phase" reflect changes due to inflation, central cost allocations, retirement, health care, workers' compensation, and unemployment costs. These adjustments typically reflect updates to preliminary cost assumptions established in the "Baseline Phase."

Fund 16600 - Technical Changes - (\$90,374)

This technical change comprises three separate adjustments. First, as described above, the baseline budget transferred approximately \$170,000 from Fund 16400 to Fund 16600 to support staff expenses in the Administration and Management program within Fund 16600. However, this adjustment was not necessary because these ongoing position expenses were eliminated as part of developing the 2012 Adopted Budget. Second, this change eliminates one-time staffing costs of \$52,000 that were maintained in the 2012 Adopted Budget to provide partial funding for the human resource, information technology, and administration positions that continued working at 2011 levels through part of 2012. Finally, this technical change adds \$132,000 in funding to Fund 16600 for the Homeownership and Sustainability program to fund a position that was grant supported through the weatherization program. This position was initially added to Fund 16400, which had available budget authority, but should be in Fund 16600 where the expenditure occurs.

CDBG - Technical Changes - (\$444)

A technical adjustment of -\$444 is made to reflect the actual CDBG amount for Office of Housing in the 2013 Update to the 2009-2012 Consolidated Plan for HUD. Additional budget-neutral technical adjustments are made to align CDBG costs with actual program expenditures.

Fund 16400 - Weatherization Grant Increase - \$2,062,439

This change recognizes three adjustments related to weatherization grant funds. The first is an increase of approximately \$500,000 in state funds as a result of the Washington State Department of Commerce reallocating unspent weatherization funding from other jurisdictions to OH. The Office of Housing annually maximizes its weatherization allocation and typically is a recipient of reallocated funds. In addition, the 2013 Adopted and 2014 Endorsed budgets authorize OH to administer \$1.5 million in unspent federal U.S. Department of Energy (DOE) grant funds for energy-efficient home repairs. This grant was received by the Office of Sustainability and Environment (OSE), and funds are being reimbursed by OSE to OH as expenditures occur to assist in meeting the federal deadline of May 2013 to expend these funds. Finally, Seattle City Light provided an increase of approximately \$50,000 to be used for energy-efficient home improvements.

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Fund 16400 - Multifamily Program Income - \$7,138,685

The 2009 Housing Levy Administrative and Financial Plan authorizes temporary bridge loans using funds collected through the 2009 Levy proceeds, as well as revolved funds once the original loans are repaid to OH. This increase in appropriation authority allows OH to provide bridge loans using revolved funds in 2013 and 2014.

City Council Provisos

There are no Council provisos.

Expenditure Overview

Appropriations	Summit Code	2011 Actual	2012 Adopted	2013 Adopted	2014 Endorsed
CDBG - Office of Housing Budget Control					
Homeownership and Sustainability - CDBG		836,794	1,188,185	987,108	987,108
Multi-Family Production and Preservation - CDBG		249,257	741,890	871,433	871,433
Strategic Planning, Resource, and Program Development - CDBG		411,279	30,000	101,139	101,139
Total	6XZ10	1,497,330	1,960,075	1,959,680	1,959,680
Low-Income Housing Fund 16400 Budget Control					
Homeownership and Sustainability - 16400		11,364,882	8,052,098	10,114,537	10,163,428
Multi-Family Production and Preservation - 16400		15,068,933	26,000,676	32,929,361	32,929,361
Total	XZ-R1	26,433,815	34,052,774	43,043,898	43,092,789
Office of Housing Operating Fund 16600 Budget Control					
Administration and Management - 16600		1,310,290	1,332,487	1,591,281	1,647,222
Community Development - 16600		499,898	551,395	543,813	563,325
Homeownership and Sustainability - 16600		1,019,012	1,308,270	1,340,874	1,387,158
Multi-Family Production and Preservation - 16600		1,116,437	1,266,721	1,256,673	1,302,909
Total	XZ600	3,945,638	4,458,874	4,732,641	4,900,613
Department Total		31,876,783	40,471,723	49,736,219	49,953,082
Department Full-time Equivalent Total*		38.50	37.50	37.50	37.50

* FTE totals are provided for information purposes only. Changes in FTEs resulting from City Council or Personnel Director actions outside of the budget process may not be detailed here.

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Revenue Overview

2013 Estimated Revenues for the Community Development Block Grant Fund (17810)

Summit Code	Source	2011 Actual	2012 Adopted	2013 Adopted	2014 Endorsed
433010	Community Development Block Grant (CDBG)	1,497,330	1,960,075	1,959,680	1,959,680
Total Revenue from Other Public Entities		1,497,330	1,960,075	1,959,680	1,959,680
Total Revenues		1,497,330	1,960,075	1,959,680	1,959,680

2013 Estimated Revenues for the Low-Income Housing Fund (16400)

Summit Code	Source	2011 Actual	2012 Adopted	2013 Adopted	2014 Endorsed
469930	Program Income	5,661,048	6,502,000	11,244,000	11,244,000
541490	Local Grants-Weatherization	2,367,869	1,582,255	1,629,723	1,678,614
Total All Else		8,028,917	8,084,255	12,873,723	12,922,614
445800	MFTE Application Fees	3,000	0	0	0
Total Developer application fees		3,000	0	0	0
587001	General Subfund Support	0	46,462	0	0
Total General Subfund Support		0	46,462	0	0
461110	Investment Earnings	202,014	876,900	4,601,500	4,601,500
Total Interest Earnings		202,014	876,900	4,601,500	4,601,500
433010	Federal Grants - Weatherization	5,011,787	2,500,000	4,000,000	4,000,000
434010	State Grants - Weatherization	422,278	750,000	1,250,000	1,250,000
471010	Federal Grants-HOME Program	5,741,700	3,659,311	2,349,258	2,349,258
Total Revenue from Other Public Entities		11,175,764	6,909,311	7,599,258	7,599,258
411100	Property Tax Levy	18,643,785	18,135,846	17,969,417	17,969,417
Total Taxes, Levies & Bonds		18,643,785	18,135,846	17,969,417	17,969,417

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Total Revenues		38,053,480	34,052,774	43,043,898	43,092,789
379100	Use of (Contribution To) Fund Balance	-11,619,666	0	0	0
Total Use of Fund Balance		-11,619,666	0	0	0
Total Resources		26,433,814	34,052,774	43,043,898	43,092,789

2013 Estimated Revenues for the Office of Housing (16600)

Summit Code	Source	2011 Actual	2012 Adopted	2013 Adopted	2014 Endorsed
411100	Levy Administration	1,938,343	1,656,317	1,809,704	1,809,704
439090	Grants and Other	98,528	0	0	0
445800	MFTE application fees	343,950	73,024	80,000	80,000
461110	Contingent Bonus/TDR Administration	330,000	1,001,429	278,476	0
462900	Other Rents and Use Charges	27,081	27,000	27,000	27,000
471010	Challenge Grant	0	0	65,788	65,788
471010	HOME Administration	456,866	406,590	261,028	261,028
541490	City Light Administration	672,517	689,949	710,647	731,967
541490	Prior Year Savings	0	415,338	0	0
Total All Else		3,867,285	4,269,647	3,232,643	2,975,487
587001	General Subfund Support	504,875	39,472	0	0
Total General Subfund Support		504,875	39,472	0	0
433010	Federal Grants-Weatherization	442,258	613,447	817,410	823,286
434010	State Grants-Weatherization	131,815	185,000	210,000	210,424
Total Revenue from Other Public Entities		574,073	798,447	1,027,410	1,033,710
Total Revenues		4,946,233	5,107,566	4,260,053	4,009,197
379100	Use of (Contribution To) Fund Balance	-1,000,596	-648,692	472,588	891,416
Total Use of Fund Balance		-1,000,596	-648,692	472,588	891,416
Total Resources		3,945,637	4,458,874	4,732,641	4,900,613

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Appropriations By Budget Control Level (BCL) and Program

CDBG - Office of Housing Budget Control Level

The purpose of the Community Development Block Grant (CDBG) - Office of Housing Budget Control Level is to provide opportunities for residents to thrive by investing in and promoting the development and preservation of affordable housing.

Program Expenditures	2011 Actual	2012 Adopted	2013 Adopted	2014 Endorsed
Homeownership and Sustainability - CDBG	836,794	1,188,185	987,108	987,108
Multi-Family Production and Preservation - CDBG	249,257	741,890	871,433	871,433
Strategic Planning, Resource, and Program Development - CDBG	411,279	30,000	101,139	101,139
Total	1,497,330	1,960,075	1,959,680	1,959,680

The following information summarizes the programs in CDBG - Office of Housing Budget Control Level:

Homeownership and Sustainability - CDBG Program

The purpose of the Homeownership and Sustainability - CDBG Program is to provide resources for low- and moderate-income Seattle residents, including seniors, to become homeowners and/or to preserve and improve their current homes. CDBG funds support minor home repairs for low-income elderly or disabled homeowners, home rehabilitation revolving loans to low-income households, technical assistance for program clients, and administrative costs for the City of Seattle's Office of Housing.

Expenditures	2011 Actual	2012 Adopted	2013 Adopted	2014 Endorsed
Homeownership and Sustainability - CDBG	836,794	1,188,185	987,108	987,108

Multi-Family Production and Preservation - CDBG Program

The purpose of the Multi-Family Production and Preservation - CDBG Program is to acquire, develop, rehabilitate, and maintain affordable multifamily rental housing so the supply of housing for Seattle residents increases and affordability remains sustainable.

Expenditures	2011 Actual	2012 Adopted	2013 Adopted	2014 Endorsed
Multi-Family Production and Preservation - CDBG	249,257	741,890	871,433	871,433

Strategic Planning, Resource, and Program Development - CDBG Program

The purpose of the Strategic Planning, Resource, and Program Development - CDBG Program is to provide policy review/revisions, new and revised housing programs, and vacant land redevelopment services to increase housing opportunities for Seattle residents.

Expenditures	2011 Actual	2012 Adopted	2013 Adopted	2014 Endorsed
Strategic Planning, Resource, and Program Development - CDBG	411,279	30,000	101,139	101,139

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Low-Income Housing Fund 16400 Budget Control Level

The purpose of the Low-Income Housing Fund 16400 Budget Control Level is to fund multifamily housing production, and to support homeownership and sustainability.

Program Expenditures	2011 Actual	2012 Adopted	2013 Adopted	2014 Endorsed
Homeownership and Sustainability - 16400	11,364,882	8,052,098	10,114,537	10,163,428
Multi-Family Production and Preservation - 16400	15,068,933	26,000,676	32,929,361	32,929,361
Total	26,433,815	34,052,774	43,043,898	43,092,789

The following information summarizes the programs in Low-Income Housing Fund 16400 Budget Control Level:

Homeownership and Sustainability - 16400 Program

The purpose of the Homeownership and Sustainability - 16400 Program is to provide three types of loans and grants to low-income Seattle residents: loans for first-time home buyers, home repair loans to address health and safety and code repairs, and grants to make low-income housing more energy efficient.

Expenditures	2011 Actual	2012 Adopted	2013 Adopted	2014 Endorsed
Homeownership and Sustainability - 16400	11,364,882	8,052,098	10,114,537	10,163,428

Multi-Family Production and Preservation - 16400 Program

The purpose of the Multi-Family Production and Preservation - 16400 Program is to invest in the community by making long-term, low-interest loans to developers to develop or preserve affordable multifamily rental housing. OH monitors the affordable housing portfolio to ensure the units remain affordable, serve the intended residents, and the buildings remain in good condition.

Expenditures	2011 Actual	2012 Adopted	2013 Adopted	2014 Endorsed
Multi-Family Production and Preservation - 16400	15,068,933	26,000,676	32,929,361	32,929,361

Office of Housing Operating Fund 16600 Budget Control Level

The purpose of the Office of Housing Operating Fund 16600 Budget Control Level is to fund the Department's administration activities.

Program Expenditures	2011 Actual	2012 Adopted	2013 Adopted	2014 Endorsed
Administration and Management - 16600	1,310,290	1,332,487	1,591,281	1,647,222
Community Development - 16600	499,898	551,395	543,813	563,325
Homeownership and Sustainability - 16600	1,019,012	1,308,270	1,340,874	1,387,158
Multi-Family Production and Preservation - 16600	1,116,437	1,266,721	1,256,673	1,302,909
Total	3,945,638	4,458,874	4,732,641	4,900,613
Full-time Equivalents Total*	38.50	37.50	37.50	37.50

** FTE totals are provided for information purposes only. Changes in FTEs resulting from City Council or Personnel Director actions outside of the budget process may not be detailed here.*

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The following information summarizes the programs in Office of Housing Operating Fund 16600 Budget Control Level:

Administration and Management - 16600 Program

The purpose of the Administration and Management - 16600 Program is to provide centralized leadership, coordination, technology, contracting, and financial management support services to OH programs and capital projects to facilitate the production of affordable housing for Seattle residents.

Expenditures/FTE	2011 Actual	2012 Adopted	2013 Adopted	2014 Endorsed
Administration and Management - 16600	1,310,290	1,332,487	1,591,281	1,647,222
Full-time Equivalents Total	13.00	11.00	11.00	11.00

Community Development - 16600 Program

The purpose of the Community Development -16600 Program is to provide strategic planning, program development, and vacant land redevelopment services to increase housing opportunities for Seattle residents.

Expenditures/FTE	2011 Actual	2012 Adopted	2013 Adopted	2014 Endorsed
Community Development - 16600	499,898	551,395	543,813	563,325
Full-time Equivalents Total	4.00	4.00	4.00	4.00

Homeownership and Sustainability - 16600 Program

The Homeownership and Sustainability -16600 Program provides three types of loans and grants to low-income Seattle residents: loans for first-time home-buyers, home repair loans to address health and safety and code repairs, and grants to make low-income housing more energy efficient.

Expenditures/FTE	2011 Actual	2012 Adopted	2013 Adopted	2014 Endorsed
Homeownership and Sustainability - 16600	1,019,012	1,308,270	1,340,874	1,387,158
Full-time Equivalents Total	12.00	13.00	13.00	13.00

Multi-Family Production and Preservation - 16600 Program

The Multi-Family Production and Preservation -16600 Program invests in the community by making long-term, low-interest loans to developers to develop or preserve affordable multifamily rental housing. OH monitors the affordable housing portfolio to ensure the units remain affordable and serve the intended residents, and the buildings remain in good condition.

Expenditures/FTE	2011 Actual	2012 Adopted	2013 Adopted	2014 Endorsed
Multi-Family Production and Preservation - 16600	1,116,437	1,266,721	1,256,673	1,302,909
Full-time Equivalents Total	9.50	9.50	9.50	9.50

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Housing Fund Table

Low-Income Housing Fund (16400)

	2011 Actuals	2012 Adopted	2012 Revised	2013 Adopted	2014 Endorsed
Beginning Fund Balance	75,817,096	74,789,737	87,581,822	87,581,822	87,581,822
Accounting and Technical Adjustments	145,061	0	0	0	0
Plus: Actual and Estimated Revenues	38,053,481	34,052,774	34,052,774	43,043,898	43,092,789
Less: Actual and Budgeted Expenditures	26,433,815	34,052,774	34,052,774	43,043,898	43,092,789
Ending Fund Balance	87,581,822	74,789,737	87,581,822	87,581,822	87,581,822
Reserved Capital Fund Balance	86,549,823	74,789,737	86,549,823	86,549,823	83,350,931
Total Reserves	86,549,823	74,789,737	86,549,823	86,549,823	83,350,931
Ending Unreserved Fund Balance	1,031,999	0	1,031,999	1,031,999	4,230,891

Office of Housing (16600)

	2011 Actuals	2012 Adopted	2012 Revised	2013 Adopted	2014 Endorsed
Beginning Fund Balance	702,010	1,117,968	1,702,606	1,760,145	1,287,557
Accounting and Technical Adjustments	0	0	0	0	0
Plus: Actual and Estimated Revenues	4,946,233	5,107,566	4,516,414	4,260,053	4,009,197
Less: Actual and Budgeted Expenditures	3,945,638	4,458,874	4,458,874	4,732,641	4,900,613
Ending Fund Balance	1,702,606	1,766,660	1,760,145	1,287,557	396,141
Housing Levy/Bonus Admin Reserve	1,323,146	1,625,660	1,760,145	1,273,826	385,364
Multi-Family Tax Exemption Admin Reserve	253,950	141,000			
Total Reserves	1,577,096	1,766,660	1,760,145	1,273,826	385,364
Ending Unreserved Fund Balance	125,510	0	0	13,731	10,777