

Office of Housing

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<http://www.seattle.gov/housing/>

Department Overview

The mission of the Office of Housing (OH) is to build strong and healthy communities and to increase opportunities for people of all income levels to live in our city. OH manages investments from the Seattle Housing Levy and other funding sources to fund the production, preservation, acquisition, and long-term stewardship of affordable housing in Seattle. Additionally, OH supports affordable housing providers and low-income residents, provides home repair and weatherization assistance, funds permanently affordable homeownership opportunities, and leads Citywide planning and policy development on affordable housing issues.

Budget Snapshot

| | 2022 Actuals | 2023 Adopted | 2024 Endorsed | 2024 Proposed |
|------------------------------|--------------------|--------------------|--------------------|--------------------|
| Department Support | | | | |
| General Fund Support | 420,589 | 2,591,835 | 2,291,095 | - |
| Other Funding - Operating | 279,651,292 | 250,402,800 | 251,250,469 | 334,676,361 |
| Total Operations | 280,071,881 | 252,994,635 | 253,541,564 | 334,676,361 |
| Total Appropriations | 280,071,881 | 252,994,635 | 253,541,564 | 334,676,361 |
| Full-Time Equivalents Total* | 63.50 | 63.50 | 63.50 | 66.00 |

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

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Incremental Budget Changes

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| | 2024 Budget | FTE |
|--|----------------------|--------------|
| Total 2024 Endorsed Budget | 253,541,564 | 63.50 |
| Baseline | | |
| Ongoing Changes from 2023 Current Year Legislation | 325,437 | 1.00 |
| Citywide Adjustments for Standard Cost Changes | (562,916) | - |
| Central Cost Reconciliation | - | - |
| Fund Source Correction for Payroll Expense Tax-Funded Activities | (2,291,095) | - |
| Tracking for Community Self Determination Fund | - | - |
| Proposed Operating | | |
| Appropriate Anticipated Revenues from the 2023 Seattle Housing Levy | 88,147,419 | - |
| Contracts Staffing Support | 116,783 | 1.00 |
| Community Self Determination Fund Staffing Support | 77,728 | 0.50 |
| Fund Source Correction for Workforce Stabilization Fund | - | - |
| Payroll Expense Tax Funded Resident Services | - | - |
| Recurring Grants and Funding Source Alignment | - | - |
| Transfer Funding to Human Services Department for Rosie's Village Relocation | (993,000) | - |
| Payroll Expense Tax Fund Reduction | (3,685,560) | - |
| Proposed Technical | | |
| Fund Source Alignment for Staffing and Operational Support | - | - |
| Fund Balancing Adjustments - Proposed | - | - |
| Total Incremental Changes | \$81,134,796 | 2.50 |
| Total 2024 Proposed Budget | \$334,676,361 | 66.00 |

Description of Incremental Budget Changes

Baseline

Ongoing Changes from 2023 Current Year Legislation

| | |
|---------------------|-----------|
| Expenditures | \$325,437 |
| Position Allocation | 1.00 |

This item includes ongoing budget and position changes resulting from current year legislation in 2023, including the 2023 Year-end Supplemental Budget Ordinance.

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Citywide Adjustments for Standard Cost Changes

Expenditures \$(562,916)

Citywide technical adjustments made in the baseline phase reflect changes to internal services costs, including rates from the Department of Finance & Administrative Services, Seattle Information Technology Department, Seattle Department of Human Resources, and for healthcare, retirement, and industrial insurance charges for the department. These adjustments reflect initial assumptions about these costs and inflators early in the budget process.

Central Cost Reconciliation

Expenditures -

This item is a budget-neutral reconciliation and alignment of accounts related to Central Costs.

Fund Source Correction for Payroll Expense Tax-Funded Activities

Expenditures \$(2,291,095)

The City's 2023-2024 Proposed Mid-Biennial Budget Adjustments appropriate approximately \$301 million in JumpStart Payroll Expense Tax (payroll tax) proceeds, of which \$136.5 million is allocated to investments promoting housing and services.

This item shifts funding for certain labor costs associated with Payroll Expense Tax program from the General Fund to the Payroll Expense Tax Fund in accordance with fiscal management policies. As a result of this action, all Office of Housing appropriation in the Payroll Expense Tax Fund will be part of the Housing and Services program category. All Office of Housing work associated with payroll tax is to manage and support initiatives within this category.

Tracking for Community Self Determination Fund

Expenditures -

The City's 2023-2024 Proposed Mid-Biennial Budget Adjustments appropriate approximately \$301 million in JumpStart Payroll Expense Tax (payroll tax) proceeds, of which \$136.5 million is allocated to investments promoting housing and services.

This budget-neutral item corrects project coding for certain Payroll Expense Tax budget to improve the department's ability to track budget and expenditures related to the Community Self Determination Fund. The codified Payroll Expense Tax Fund spending plan requires that 13% of the Housing and Services category, equal to \$17.6m in 2024, is allocated for community focused acquisition and development of affordable housing, and to support affirmative marketing efforts and development and implementation of community preference plans. This portion of the Housing and Service category is generally referred to as the Community Self Determination Fund.

Proposed Operating

Appropriate Anticipated Revenues from the 2023 Seattle Housing Levy

Expenditures \$88,147,419

Revenues \$97,180,023

This item appropriates anticipated revenues from the 2023 Seattle Housing Levy, in accordance with the levy spending plan prepared by the 2023 Seattle Housing Levy Technical Advisory Committee. In 2024, levy revenues exceed expenditures in anticipation of increased labor costs in the outyears of the levy. Levy revenues also exceed

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expenditures because revenues intended for operating, maintenance, and services (OMS) subsidies are collected over the seven-year levy period, but are intended for OMS expenditures over a 20 year period. This item also makes several technical adjustments to align budget structure with the 2023 Levy.

Contracts Staffing Support

| | |
|---------------------|-----------|
| Expenditures | \$116,783 |
| Position Allocation | 1.00 |

The City's 2023-2024 Proposed Mid-Biennial Budget Adjustments appropriate approximately \$301 million in JumpStart Payroll Expense Tax (payroll tax) proceeds, of which \$136.5 million is allocated to investments promoting housing and services.

This item adds 1 FTE Grants and Contracts Specialist to support expanded contract management workload related to Payroll Expense Tax funded programs, and anticipated workload related to 2023 Seattle Housing Levy programs. This position is jointly supported by payroll tax and levy proceeds. This item builds upon mid-year supplemental changes made in 2022 that added position authority for 12.5 FTE to expand the Office of Housing's capacity.

Community Self Determination Fund Staffing Support

| | |
|---------------------|----------|
| Expenditures | \$77,728 |
| Position Allocation | 0.50 |

The City's 2023-2024 Proposed Mid-Biennial Budget Adjustments appropriate approximately \$301 million in JumpStart Payroll Expense Tax (payroll tax) proceeds, of which \$136.5 million is allocated to investments promoting housing and services.

This item increases an existing 0.5 FTE Community Development Specialist, Senior to 1 FTE. This position, added in 2022, supports the Community Self Determination Fund, and other efforts to increase the participation of community-based organizations in both multifamily and homeownership development. The codified Payroll Expense Tax Fund spending plan requires that 13% of the Housing and Services category, equal to \$17.6m in 2024, is allocated for community focused acquisition and development of affordable housing, and to support affirmative marketing efforts and development and implementation of community preference plans. This portion of the Housing and Service category is generally referred to as the Community Self Determination Fund. This position is jointly supported by payroll tax and 2023 Housing Levy proceeds.

Fund Source Correction for Workforce Stabilization Fund

| | |
|--------------|---|
| Expenditures | - |
|--------------|---|

The City's 2023-2024 Proposed Mid-Biennial Budget Adjustments appropriate approximately \$301 million in JumpStart Payroll Expense Tax (payroll tax) proceeds, of which \$136.5 million is allocated to investments promoting housing and services.

This budget-neutral item corrects fund sources to reflect that a portion of the Workforce Stabilization Fund (WSF) program will be supported by revenues from the 2023 Seattle Housing Levy. The WSF, added in the 2023 Adopted Budget, aims to support Permanent Supportive Housing (PSH) and PSH residents by investing in PSH service providers and employees. The WSF supports increased PSH worker wages, as well as other PSH operating, maintenance, and services needs. This change aligns with the Levy planning work of the Technical Advisory Committee.

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Payroll Expense Tax Funded Resident Services

Expenditures -

The City's 2023-2024 Proposed Mid-Biennial Budget Adjustments appropriate approximately \$301 million in JumpStart Payroll Expense Tax (payroll tax) proceeds, of which \$136.5 million is allocated to investments promoting housing and services.

This budget neutral-item aligns budget to reflect that a portion of payroll tax funding supports resident services programming. Resident services contribute to the success and stability of residents living in affordable housing, and provide a variety of supports to residents (e.g., programming for food, employment, community events, social and emotional support, or health education). This change aligns with the Levy planning work of the Technical Advisory Committee.

Recurring Grants and Funding Source Alignment

Expenditures -

Revenues \$6,504,414

This item recognizes revenues from various grants that the Office of Housing anticipates receiving in 2024. These grants include: U.S. Department of Energy Bipartisan Infrastructure Law grant, U.S. Department of Housing and Urban Development Renewable Energy Home Heating Conversion grant, U.S. Department of Housing and Urban Development HOME Investment Partnership Program grant, U.S. Department of Housing and Urban Development Community Development Block grant, and Washington State Department of Commerce Weatherization Plus Health grant. This item makes several technical corrections to grants data in the Office of Housing baseline budget to accurately reflect new grants appropriated in 2024.

Transfer Funding to Human Services Department for Rosie's Village Relocation

Expenditures \$(993,000)

The City's 2023-2024 Proposed Mid-Biennial Budget Adjustments appropriate approximately \$301 million in JumpStart Payroll Expense Tax (payroll tax) proceeds, of which \$136.5 million is allocated to investments promoting housing and services.

This one-time item transfers payroll tax funding to the Human Services Department to support relocation of the Rosie's Village tiny home site, a pre-development cost for affordable housing that is anticipated to be created on the site.

Payroll Expense Tax Fund Reduction

Expenditures \$(3,685,560)

The City's 2023-2024 Proposed Mid-Biennial Budget Adjustments appropriate approximately \$301 million in JumpStart Payroll Expense Tax (payroll tax) proceeds, of which \$136.5 million is allocated to investments promoting housing and services.

This item reduces payroll tax funding from the Office of Housing in order to balance payroll tax budget with available resources.

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Proposed Technical

Fund Source Alignment for Staffing and Operational Support

Expenditures

-

This budget-neutral item aligns fund sources for staffing and operational costs with the Office of Housing (OH) administrative funding methodology. Generally, staffing and operational costs in OH are covered by each fund source in an amount that is proportional to their share of the total OH budget.

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2023-24 Proposed Mid-Biennial Budget Adjustments – Operating Expenses

| Budget Summary Level | Fund | Budget Process Phase Endorsed | Proposed Changes | Grand Total |
|---|--|----------------------------------|-------------------|--------------------|
| Homeownership & Sustainability | 00100 - General Fund | 128,836 | -128,835 | 1 |
| | 14500 - Payroll Expense Tax | 8,781,463 | 305,496 | 9,086,959 |
| | 16400 - Low Income Housing Fund | 10,425,204 | 5,884,256 | 16,309,460 |
| | 16600 - Office of Housing Fund | 2,564,097 | -27,386 | 2,536,711 |
| Homeownership & Sustainability Total | | 21,899,601 | 6,033,531 | 27,933,132 |
| Leadership and Administration | 00100 - General Fund | 1,442,955 | -1,442,955 | 0 |
| | 14500 - Payroll Expense Tax | 123,122 | 2,900,683 | 3,023,804 |
| | 16600 - Office of Housing Fund | 6,454,162 | 475,799 | 6,929,961 |
| Leadership and Administration Total | | 8,020,238 | 1,933,527 | 9,953,765 |
| Multifamily Housing | 00100 - General Fund | 719,305 | -719,305 | 0 |
| | 14000 - Coronavirus Local Fiscal Recovery Fund | 0 | 0 | 0 |
| | 14500 - Payroll Expense Tax | 133,363,239 | -8,022,058 | 125,341,181 |
| | 16400 - Low Income Housing Fund | 87,111,325 | 81,991,430 | 169,102,755 |
| | 16600 - Office of Housing Fund | 2,427,857 | -82,329 | 2,345,528 |
| | 36710 - 2020 LTGO Taxable Bond Fund | 0 | 0 | 0 |
| Multifamily Housing Total | | 223,621,726 | 73,167,739 | 296,789,464 |
| Grand Total | | 253,541,564 | 81,134,796 | 334,676,361 |