

FISCAL NOTE FOR NON-CAPITAL PROJECTS

Department:	Contact Person/Phone:	CBO Analyst/Phone:
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Legislation Title:

AN ORDINANCE relating to funding for housing and community development programs; authorizing acceptance of grant funds from the United States Department of Housing and Urban Development for programs included in the City's Consolidated Plan for Housing and Community Development; amending Ordinance 124058, which adopted the 2013 Budget; increasing appropriations in the 2013 Adopted Budget of funds available for activities of the Human Services Department under the Community Development Block Grant (CDBG) Program; decreasing appropriations in the 2013 Adopted Budget for the Human Services Department for Transitional Living and Support to reflect reductions in federal funds under the Housing Opportunities for Persons with AIDS program and the Emergency Solutions Grant program and to reappropriate general fund revenues for the Executive Department's Office of Economic Development; decreasing appropriations in the 2013 Adopted Budget for certain activities of the Office Housing to reflect reduced funding under the HOME Investment Partnerships Program; making a cash transfer between funds; authorizing the amendment of the 2013 Annual Action Plan to the Consolidated Plan to reflect federal funding levels and to modify the allocations to various projects and programs; and ratifying and confirming prior acts.

Summary of the Legislation:

This ordinance amends the 2013 Annual Allocation Plan component of the Consolidated Plan for Housing and Community Development ("2013 Plan," respectively) to 1) adjust estimated funding amounts in the 2013 Plan to match the actual amounts to be received from the United States Department of Housing and Urban Development (HUD); 2) reflect 2013 allocation changes negotiated with service providers, or as a result of a competitive allocation process, or as a result of technical changes, and 3) reallocate CDBG and General Subfund resources to allow for a more effective business improvement response in the South Park neighborhood.

This ordinance authorizes the receipt of over \$14 million in federal funds for services to low- and moderate-income residents of Seattle. The 2013 Plan, as amended by this legislation, allocates these funds to support projects and services primarily benefitting low- and moderate-income residents of Seattle.

Background:

Each year the City submits to HUD a plan for the use of funds from four federal programs: 1) Community Development Block Grant (CDBG); 2) HOME Investment Partnership (HOME); 3)

Emergency Solutions Grant Program (ESG); and 4) Housing Opportunities for Persons with AIDS (HOPWA). This plan is submitted in November for expenditure commitments starting in January of the following year and is based on estimates of revenues to be received. HUD announced their actual allocations for each city in late May of 2013 for Seattle’s program year which started in January. The following table compares staff’s estimated allocations with the actual allocations. This legislation makes the necessary changes to our expenditure plan for the affected funds and amends the 2013 Adopted Budget accordingly.

	Adopted Budget	Actual Allocation	difference
CDBG	\$9,267,515	\$9,606,960	\$339,445
HOME	\$2,610,286	\$2,502,176	(\$108,110)
HOPWA	\$1,814,768	\$1,706,482	(\$108,286)
ESG	\$929,144	\$676,093	(\$253,051)

The increased CDBG allocation will be used, both directly and indirectly, to offset the ESG reduction, resulting in no net loss of funding for homeless shelter, homelessness prevention, and transitional housing support. The HOME reduction will be spread between HOME administration costs (maintaining a 10% administrative cost rate) and the homebuyer assistance program. The homebuyer assistance program will lose approximately \$100,000, or up to two fewer opportunities for down payment assistance. The HOPWA reduction’s effects are uncertain at this time, as current year HOPWA funds are competitively allocation later in the year.

At the time the 2013 budget was adopted, the method by which the City would receive \$150,000 in funding from King County to support the implementation of infrastructure projects in the South Park neighborhood had not yet been finalized. This legislation clarifies the funding source between CDBG and the General Subfund and transfers funding between the Office of Economic Development’s (OED) and the Human Services Department’s (HSD) to correct the appropriation levels within their 2013 budgets.

Attachment 1 to the legislation provides the details of how the expenditure plan will be changed to account for the differences between the estimated and actual awards as well as a transfer of appropriation authority between OED and HSD.

Please check one of the following:

This legislation does not have any financial implications.

(Please skip to “Other Implications” section at the end of the document and answer questions a-h. Earlier sections that are left blank should be deleted. Please delete the instructions provided in parentheses at the end of each question.)

This legislation has financial implications.

(If the legislation has direct fiscal impacts (e.g., appropriations, revenue, positions), fill out the relevant sections below. If the financial implications are indirect or longer-term, describe them in narrative in the “Other Implications” Section. Please delete the instructions provided in parentheses at the end of each title and question.)

Appropriations:

(This table should reflect appropriations that are a direct result of this legislation. In the event that the project/programs associated with this

ordinance had, or will have, appropriations in other legislation please provide details in the Appropriation Notes section below. If the appropriation is not supported by revenue/reimbursements, please confirm that there is available fund balance to cover this appropriation in the note section.)

Fund Name and Number	Department	Budget Control Level*	2013 Appropriation	2014 Anticipated Appropriation
CDBG Main Fund (17810)	Human Services Department	CDBG – Human Services (6HSD10)	\$150,000	
General Subfund (00100)	Executive	Office of Economic Development (X1D00)	\$150,000	
CDBG Main Fund (17810)	Human Services Department	CDBG – Human Services (6HSD10)	\$339,445	
CDBG Main Fund (17810)	Executive	CDBG – Office of Economic Development (6XD10)	(\$150,000)	
Human Services Operating Fund (16200)	Human Services Department	Transitional Living and Support (H30ET)	(\$150,000)	
General Subfund (00100)	Finance General (FG)	Support to Operating Funds (2QE00)	(\$150,000)	
Human Services Operating Fund (16200)	Human Services Department	Transitional Living and Support (H30ET)	(\$253,051)	
Human Services Operating Fund (16200)	Human Services Department	Transitional Living and Support (H30ET)	(\$108,286)	
Office of Housing Operating Fund (16600)	Executive	Office of Housing Operating Fund (XZ600)	(\$10,811)	
Low Income Housing Fund (16400)	Executive	Low-Income Housing Fund (XZ-R1)	(\$97,299)	
TOTAL			(\$280,002)	

*See budget book to obtain the appropriate Budget Control Level for your department.

Appropriations Notes:

Anticipated Revenue/Reimbursement Resulting from this Legislation:

(This table should reflect revenues/reimbursements that are a direct result of this legislation. In the event that the issues/projects associated with this ordinance/resolution have revenues or reimbursements that were, or will be, received because of previous or future legislation or budget actions, please provide details in the Notes section below the table.)

Fund Name and Number	Department	Revenue Source	2013 Revenue	2014 Revenue
CDBG Main Fund (17810)	Human Services Department	US HUD / CDBG Program	\$339,445	
Human Services Operating Fund (16200)	Human Services Department	US HUD / ESG Program	(\$253,051)	
Human Services Operating Fund (16200)	Human Services Department	US HUD / HOPWA Program	(\$108,286)	
Office of Housing Operating Fund (16600)	Executive	US HUD / HOME Program	(\$10,811)	
Low Income Housing Fund (16400)	Executive	US HUD / HOME Program	(\$97,299)	
TOTAL			(\$130,002)	

Revenue/Reimbursement Notes:

Revenues are \$150,000 more than appropriations due to the fact that the \$150,000 was double appropriated, both in the General Subfund Support to Operating Funds and in HSD’s Operating Fund (16200). The Executive’s Office of Economic Development (OED) receives funding directly from the General Subfund, and therefore does not receive a concomitant increase to an operating fund. Although no new revenue is anticipated from King County, this legislation also includes a cash transfer between the Human Services Operation Fund and Finance General, to return the funds to the General Subfund that will be spent by OED.

Other Implications:

a) Does the legislation have indirect financial implications, or long-term implications?

This legislation directly affects the 2013 Adopted Budget, as it adjusts expenditure authority and revenues to be consistent with actual awards of federal funds.

b) What is the financial cost of not implementing the legislation?

This ordinance authorizes the receipt of \$14 million in federal funds for services to low- and moderate-income residents of Seattle. Failure to implement this legislation will result in the loss of numerous programs assisting Seattle residents.

c) Does this legislation affect any departments besides the originating department?

The Office of Economic Development and the Office of Housing are both affected by this legislation. OED receives CDBG funds and must have its expenditure authority adjusted

for technical reasons; the Office of Housing must bear the brunt of the reduction in HOME funds.

d) What are the possible alternatives to the legislation that could achieve the same or similar objectives?

There is no alternative for the City to undertake in order to access these funds. The substantial amendment is a HUD requirement for the receipt of these funds.

e) Is a public hearing required for this legislation?

Yes. The date has not been set, pending Council calendar.

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

Yes, in the Daily Journal of Commerce.

g) Does this legislation affect a piece of property? N/A

h) Other Issues: None.

List attachments to the fiscal note below:

None.