

FISCAL NOTE FOR NON-CAPITAL PROJECTS

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

An ordinance relating to housing for low-income households, adopting housing policies in the Housing Levy Administrative and Financial Plan for Program Years 2014-2016 and Housing Funding Policies.

Summary of the Legislation:

The Seattle Office of Housing is proposing to adopt the Housing Levy Administrative and Financial Plan for Program Years 2014-2016 and Housing Funding Policies (AF Plan + Funding Policies). The AF Plan + Funding Policies will replace the Housing Levy Administrative & Financial Plan currently in effect for program years 2012-2013. Policy changes are primarily in the Rental Housing Program, with limited changes in the Homeownership Program. The Acquisition & Opportunity Loan policies are deleted because that program is now completed. The new AF Plan + Funding Policies will also include policies for low-income housing development that are currently contained in the Consolidated Plan for Housing and Community Development (Consolidated Plan); these policies will be removed from the Consolidated Plan that takes effect in 2014.

Background:

The Seattle Office of Housing (OH) is proposing changes to housing policies as follows:

- a) Rental Housing Program: Policy changes include updates to program objectives and priorities, clarifications to borrower eligibility, and new requirements for bridge lending and for supplemental loans to housing that previously received City funding. Rental Housing Program policies will continue to apply to all fund sources, including Housing Levy, allocated through this Program.
- b) Homeownership Program: Levy policies are combined with policies for HOME and CDBG funding previously contained in the Consolidated Plan to create a single set of Homeownership Program policies. Levy policies are retained with the exception of a new definition of eligible homebuyer, and revised policies for short-term financing for acquisition and development of resale-restricted homes (previously available via Levy Acquisition & Opportunity Loans). Additional HOME-specific “resale and recapture” provisions remain in the Consolidated Plan.
- c) Acquisition & Opportunity Loans: The Acquisition & Opportunity Loans were intended to make strategic purchases of development sites during a slower economy in the early years of the 2009 Levy. The A&O Loans were not separately funded in the 2009 Levy,

rather these short-term bridge loans use other Levy programs funds that are not yet needed for housing projects. OH has now met performance goals for A&O Loans and is proposing to allow the program to sunset. OH may still make short-term acquisition loans through the Rental Housing and Homeownership programs.

- d) **Home Repair and Weatherization**: Policies currently in the Consolidated Plan are proposed to be moved to OH Funding Policies.
- e) **General Policies for Capital Funding**: Policies currently in the Consolidated Plan are proposed to be moved to OH Funding Policies. They include the development siting; neighborhood notification and community relations; relocation, displacement, and real property acquisition; affirmative marketing; and fair contracting practices, WMBE utilization, and Section 3. The development siting policy is revised to allow OH to provide an earlier determination of capacity for development of extremely low income housing at a particular location, and to remove an exception to the policy that had not been used and would be difficult to apply.

X 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.)

The legislation includes the Funding Plan for the Housing Levy, which allocates levy proceeds to four programs and to program administration. No changes are proposed for the funding plan.

Other Implications:

- a) **Does the legislation have indirect financial implications, or long-term implications?**
No
- b) **What is the financial cost of not implementing the legislation?**
OH would be unable to allocate Levy funds after December, 2013.
- c) **Does this legislation affect any departments besides the originating department?**
The Levy A & F Plan contains policies for Rental Assistance funds administered by the Human Services Department. At HSD's request, no changes to these policies are proposed.
- d) **What are the possible alternatives to the legislation that could achieve the same or similar objectives?**
Consolidated Plan policies that apply to OH-funded low income housing could remain in the Consolidated Plan. However, due to changing HUD requirements, beginning in 2014 the Consolidated Plan will use a web-based template that does not easily accommodate local policies not required by HUD. Therefore these housing policies may be less easily

accessed by the public if retained in the Consolidated Plan.

e) Is a public hearing required for this legislation?

No

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

No

g) Does this legislation affect a piece of property?

No

h) Other Issues:

None

List attachments to the fiscal note below:

None