

SUMMARY and FISCAL NOTE*

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** Note that the Summary and Fiscal Note describes the version of the bill or resolution as introduced; final legislation including amendments may not be fully described.*

1. BILL SUMMARY

- a. Legislation Title:** AN ORDINANCE relating to funding for housing and community development programs; adopting the 2017 City of Seattle and Seattle Housing Authority Joint Assessment of Fair Housing and authorizing its submission to the Office of Fair Housing and Equal Opportunity (FHEO) of the United States Department of Housing and Urban Development.

b. Summary and background of the Legislation:

This Ordinance will adopt the 2017 City of Seattle and Seattle Housing Authority Joint Assessment of Fair Housing (AFH) in response to the Federal Affirmatively Furthering Fair Housing (AFFH) Rule published by Housing and Urban Development (HUD) in December of 2015. Upon adoption, HSD will be authorized to submit the AFH to HUD – Fair Housing and Equal Opportunity(FHEO) office by May 15, 2017 to ensure compliance with the AFFH rule.

HUD has required local jurisdictions seeking certain federal assistance to develop a Consolidated Plan for Housing and Community Development to bring together the principal housing and community development planning documents and the applications for four federal grant programs, including the Community Development Block Grant (“CDBG”), HOME Investment Partnerships, Emergency Solutions Grant Program (“ESGP”) and Housing Opportunities for Persons with AIDS (“HOPWA”), in one document. Both the City of Seattle and the Seattle Housing Authority are subject to the Affirmatively Furthering Fair Housing requirements in 24 CFR 5.150 through 5.180; wherein HUD requires the Assessment of Fair Housing (AFH) to be submitted prior to the submission of the 2018-2021 City of Seattle’s Consolidated Plan for Housing and Community Development and the Seattle Housing Authority’s Moving to Work Plan.

Submission and acceptance by HUD of an AFH is required prior to submission of the next Consolidated Plan which is due to HUD in December 2017. The Consolidated Plan will guide the allocations of CDBG/HOME/HOPWA/ESG federal grant funds from 2018-2021.

Over the course of 2016-7, the City and SHA, in consultation with the community and people in protected classes, as well as multiple other City departments; developed the draft AFH using HUD’s prescribed Assessment Tool (template of questions). The AFH analyzes HUD-provided maps and data, identifies “contributing factors” that “cause, increase, contribute to, maintain, or perpetuate segregation, racially or ethnically concentrated areas of poverty, significant disparities in access to opportunity, and

disproportionate housing needs” by Federal protected class members; and uses this analysis to inform a Fair Housing Goals and Priorities section of the AFH (“workplan”) (24 CFR 5.154a and 5.154d(4)).

2. CAPITAL IMPROVEMENT PROGRAM

- a. Does this legislation create, fund, or amend a CIP Project? ___ Yes ___X___ No

3. SUMMARY OF FINANCIAL IMPLICATIONS

- a. Does this legislation amend the Adopted Budget? ___ Yes ___X___ No
- b. Does the legislation have other financial impacts to the City of Seattle that are not reflected in the above, including direct or indirect, short-term or long-term costs?

It is expected that ongoing reporting on the progress of addressing the fair housing issues identified and implementing the Goals and Objectives contained in the work plan integrated into the AFH will impact staff time and operations resources. Many, but not all, the Goals and Objectives are tied to prior adopted plans and initiatives such as the Seattle 2035 growth management plan and the Housing Affordability and Livability Agenda (HALA) and therefore reflected in department budgets. Follow up liaison with HUD, reporting, as well as response to any audits will impact ongoing work done by HSD for the Consolidated Plan, Annual Action Plans and yearly accomplishment reports (CAPER) HSD produces.

Implementation and monitoring compliance and or mitigation of the fair housing issues raised in the AFH and corollary work plan could impact risk management and operational funds.

- c. Is there financial cost or other impacts of *not* implementing the legislation?

Successful submission and approval of the AFH is required to avoid delay or recession of approximately \$14 million in CDBG/HOME/HOPWA/ESG federal funding beginning with the 2018 grant allocation. These funds leverage other state, federal, and local funds by a ratio of \$1:\$4. City housing, human services, homelessness prevention, and economic development projects rely on these federal funds.

4. OTHER IMPLICATIONS

- a. Does this legislation affect any departments besides the originating department?

Yes. Impacts major planning and investment, policy and program issues for multiple departments including, SOCR, CAO, OPCD, DCIS, OH, OED, OSE, DEEL, SDOT, DON, FAS, among the key departments. This is also a joint submission with the Seattle Housing Authority which will require coordinated follow up.

- b. Is a public hearing required for this legislation?

Yes. A formal public hearing is scheduled at the Affordable Housing, Neighborhoods and Finance committee on 4/19/2017. Full council vote scheduled for 4/24/17. A public hearing opportunity occurred at the briefing for the Human Services and Public Health committee on 1/25/2017. Two public comment periods have been held since January 2017 to allow for comment on successive drafts of the Assessment.

c. Does this legislation require landlords or sellers of real property to provide information regarding the property to a buyer or tenant?

No.

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

Legal notice sent out for the public comment period and public hearing on March 2, 2017. Requested all involved departments to link to HSD web posting of full draft document and link for public comment to their stakeholders and constituents. SHA coordinated actions to advertise and receive public comment on the AFH with residents and Board members during February through April 2017.

e. Does this legislation affect a piece of property?

No.

f. Please describe any perceived implication for the principles of the Race and Social Justice Initiative. Does this legislation impact vulnerable or historically disadvantaged communities?

The Assessment of Fair Housing is directly tied to and supportive of the principles of the Race and Social Justice Initiative. The purpose of the process and document is to:

- Dismantle patterns of segregation
- Reduce racial and/or ethnic concentrations of poverty (R/ECAPS)
- Identify and address disproportionate housing needs
- Increase housing mobility from low- to high-opportunity areas of the City for low-income households
- Reduce disparities in housing choice and access to community assets based on protected classes
- Equitably expand neighborhood assets and enhance quality of life for all

Federal, State and City Ordinances expressly “prohibit unfair practices in real property transactions, whether direct or indirect, which inexcusably and unjustifiably deny those persons equal rights and opportunities in acquiring, disposing of or occupying real property because of race, color, creed, religion, ancestry, national origin, age, sex, marital status, parental status, sexual orientation, gender identity, political ideology, honorably discharged veteran or military status, alternative source of income, participation in a Section 8 or other subsidy program, the presence of any disability, or the use of a service animal by a disabled person (SMC 14.08). The AFH is an intensive and data driven

analysis of the impact of public and private actions on people in protected classes.

Examples of the content of the AFH include: segregation/integration analysis, impact of exposure to high poverty areas, inequities in exposure to environmentally healthy neighborhoods, and many factors of access to opportunity (e.g. jobs, transportation, proficient schools). The AFH provides maps, data, and analysis that demonstrates the impact of institutional racism and inequities for people of color, people with disabilities, those who are foreign born, familial status, gender and others regardless of income level. The patterns of *increased* disadvantage based on lack of income are also well documented.

- g. If this legislation includes a new initiative or a major programmatic expansion: What are the specific long-term and measurable goal(s) of the program? How will this legislation help achieve the program's desired goal(s)?**

HUD's required format for the Section VI – Goals and Objectives includes specific and measurable activities designed to address the factors that contribute to fair housing issues and access to opportunities in the report template. Please see the full work plan (attached) for details on the proposed actions, deadlines, responsible departments and desired outcomes informed by the Assessment.

h. Other Issues:

List attachments/exhibits below: