



Office of Housing

2013-2014 Proposed Budget Overview

BASIC MISSION

- ▶ Office of Housing's mission 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.
 - ▶ Significant need for affordable housing in Seattle:
 - ▶ More than 20,000 renters in Seattle pay more than 50% of income on housing.
 - ▶ January 2012 One Night Count found 1,900 homeless people in Seattle surviving outside.
 - ▶ Office of Housing funds nonprofits to create permanent housing for the homeless and other renters who pay no more than one third of their income for housing.
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KEY OUTCOMES AND REMAINING CHALLENGES

- ▶ Office of Housing will know its mission is accomplished when all Seattle residents have access to safe, decent, and affordable housing.
 - ▶ Progress is measured by production compared to need:
 - ▶ Number of units funded/households assisted
 - ▶ Rental project occupancy rates; household income/size/demographics
 - ▶ Rental project financial performance
 - ▶ Units weatherized/households served
 - ▶ Furthest from desired outcomes:
 - ▶ Housing for lower-wage renters challenging to produce due to decline in rental production capital, including federal and state resources.
 - ▶ Homeless youth need appropriate housing options and clear pathways to access housing,
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ALIGNING MISSION AND BUDGET

Impact of Budget Changes

- ▶ HOME fund decrease mitigated by Housing Levy
- ▶ Additional resources to improve energy efficiency
- ▶ Fully supported by non-General Fund resources in 2013-2014
 - ▶ Achieved through existing resources, previous staff reductions and requirement that new programs must come with admin funding, e.g., HUD Challenge Grant.

Budget and Mission Alignment

- ▶ Office of Housing's capital and operating budgets are used to address continuum of affordable housing needs.
 - ▶ Key resources: Housing Levy, Federal HOME and CDBG funding, Weatherization, Incentive Programs (Incentive zoning, MFTE)
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TABLE 1 - INCREMENTAL BUDGET CHANGES FOR THE 2013-2014 BIENNIUM

OFFICE OF HOUSING							
	2013		2014		GF?	DESCRIPTION	BIP #
	FUNDING AMOUNT	FTE	FUNDING AMOUNT	FTE			
2012 ADOPTED BUDGET	\$40,471,723	37.5	\$40,471,723	37.5			
CBO Adjustments to create Baseline	\$193,981		\$345,737		No	Citywide technical adjustments made in the "Baseline Phase" reflect changes due to inflation, central cost allocations, retirement, health care, workers' compensation, and employment costs.	900
Fund 16400 - Technical Changes	(\$210,000)		(\$210,000)		Partial	Removes the 2012 one-time increase of \$210,000 to the Multifamily Production and Preservation program to support the development and preservation of affordable housing.	910
Fund 16600 - Technical Changes	\$169,771		\$172,147		No	Increases Fund 16600 to support administrative expenses in the Administration and Management program.	910
BASELINE BUDGET	\$40,625,475	37.5	\$40,779,607	37.5			
PROPOSED CHANGES							
<u>PROPOSED TECHNICAL CHANGES</u>							
Final Citywide Adjustments for Standard Cost Changes	\$438		\$15,542		No	Citywide technical adjustments made in the "Proposed Phase" reflect changes due to inflation, central cost allocations, retirement, health care, workers' compensation, and unemployment costs.	900

	2013		2014		GF?	DESCRIPTION	BIP #
	FUNDING AMOUNT	FTE	FUNDING AMOUNT	FTE			
Fund 16600 - Technical Changes	(\$90,374)		(\$91,638)		No	Provides three separate adjustments to reflect reduced administrative expenses, and re-allocate expenses to the appropriate programs.	910
CDBG - Technical Changes	(\$444)		(\$444)		No	Adjusts the actual CDBG amount for Office of Housing in the 2013 Update to the 2009-2012 Consolidated Plan for HUD.	700
Fund 16400 - Weatherization Grant Increase	\$2,062,439		\$2,111,330		No	Recognizes a one-time increase in federal funds (\$1.5 million), state funds (\$500K) and utility resources (\$50K) related to weatherization grants.	900
Fund 16400 - Multifamily Program Income	\$7,138,685		\$7,138,685		No	Increases appropriation authority to provide bridge loans using revolved Levy funds in 2013 and 2014, as authorized under the 2009 Housing Levy Administrative and Financial Plan.	900
TOTAL PROPOSED CHANGES	\$9,110,744	0.0	\$9,173,475	0.0			
FINAL PROPOSED BUDGET	\$49,736,219	37.5	\$49,953,082	37.5			

FUND BALANCE - 16600 (Operating Fund):

PROJECTED BEGINNING FUND BALANCE	\$1,760,145	\$1,278,557
PROJECTED YEAR-END FUND BALANCE	\$1,278,557	\$396,141
PROJECTED UNDESIGNATED FUND BALANCE	\$13,731	\$10,777

FUND BALANCE - 16400 (Capital Fund):

PROJECTED BEGINNING FUND BALANCE	\$87,581,821	\$87,581,821
PROJECTED YEAR-END FUND BALANCE	\$87,581,821	\$87,581,821
PROJECTED UNDESIGNATED FUND BALANCE	\$1,031,998	\$4,320,890

TABLE 3 - BUDGET OVERVIEW

OFFICE OF HOUSING		EXPENDITURES OVERVIEW (2013-2014 PROPOSED)			
BUDGET CONTROL LEVELS	2012 ADOPTED	2013 PROPOSED	% CHANGE '12-'13	2014 PROPOSED	% CHANGE '13-'14
Expenditures by BCL					
CDBG - Office of Housing	\$1,960,000	\$1,960,000	0.0%	\$1,960,000	0.0%
Low-income Housing Fund 16400	\$34,053,000	\$43,044,000	26.0%	\$43,093,000	0.0%
Office of Housing Operating Fund 16600	\$4,459,000	\$4,733,000	6.0%	\$4,901,000	4.0%
Total OH Expenditures	\$40,472,000	\$49,737,000	22.9%	\$49,954,000	0.4%
Total FTEs	37.5	37.5	0.0%	37.5	0.0%
Revenues OH					
CDBG - Office of Housing	\$1,960,000	\$1,960,000	0.0%	\$1,960,000	0.0%
Low-income Housing Fund 16400	\$34,053,000	\$43,044,000	26.4%	\$43,093,000	0.1%
Office of Housing Operating Fund 16600	\$5,108,000	\$4,260,000	-16.6%	\$4,009,000	-5.9%
Total OH Revenues	\$41,121,000	\$49,264,000	19.8%	\$49,062,000	-0.4%

All dollar numbers rounded to the nearest \$1,000

Percentages rounded to the nearest tenth percent