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Maureen Kostyack
OH 2014 Work Program RES
March 6, 2014
Version 1

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CITY OF SEATTLE
RESOLUTION 31517

A RESOLUTION establishing the 2014 work program for the Office of Housing.

WHEREAS, the Seattle Municipal Code, Section 3.14.750, requires the Seattle Office of Housing to submit an annual work program to the City Council for approval; and

WHEREAS, the Seattle Office of Housing has prepared a work program for 2014 and submitted it to City Council; NOW, THEREFORE,

**BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SEATTLE, THE
MAYOR CONCURRING, THAT:**

Section 1. The City Council establishes the work program attached hereto as Attachment A for the Seattle Office of Housing for the year 2014.



1 Adopted by the City Council the ____ day of _____, 2014, and
2 signed by me in open session in authentication of its adoption this ____ day
3 of _____, 2014.

4 _____
5 President _____ of the City Council

6
7 THE MAYOR CONCURRING:

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9 _____
10 Edward B. Murray, Mayor

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12 Filed by me this ____ day of _____, 2014.

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14 _____
15 Monica Martinez Simmons, City Clerk

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17 (Seal)

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19 Attachment:

20 Attachment A – Office of Housing 2014 Strategic Work Program
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City of Seattle
Office of Housing

2014 Strategic Work Program

Department Overview

The mission of the Office of Housing (OH) 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.

OH, currently staffed at 37.5 FTEs, accomplishes this mission through the following functional activities described in this Strategic Work Plan:

1. Rental Housing Production and Preservation
2. Land Use and Development Incentives for Affordable Housing
3. Homeownership Assistance
4. Policy, Program Development, Communications, Finance and Administration



1. Rental Housing Production and Preservation

- *Provides funding to housing developers to create affordable rental housing for a range of populations, including seniors and people with disabilities, people who are homeless, and low-wage working families and individuals -- leveraging significant capital, operating and services funding from other public and private sources.*
- *Ensures that City-funded housing is well-maintained, financially viable, and serves the intended residents, generally for 50 years or more.*
- *Provides funding to improve and preserve existing affordable housing, including energy efficiency upgrades, which reduce operating costs of low-income housing and utility bills for residents.*

Core Activities

- Award approximately \$20 million in funding from the Seattle Housing Levy, federal HOME and CDBG, and Incentive Zoning/Bonus payments to approximately four to seven housing projects, producing or preserving 350 to 500 affordable housing units.
- Negotiate and execute loan documents for approved projects, and disburse funds for acquisition, construction and other project costs.
- Make one to three acquisition bridge loans, as needed and feasible, to assist developers to secure properties for affordable housing, including Equitable TOD acquisition loans for affordable housing in transit station areas.
- Utilize \$2 million provided by Seattle City Light, Puget Sound Energy and Washington State for energy retrofits to rental housing; provide comprehensive energy audits and project management services, and inspections.
- Provide \$1.3 million in annual operating subsidies awarded through Housing Levy Operating & Maintenance programs for 627 units at 43 projects serving formerly homeless people. Make new commitments of O&M funds to eligible housing projects.
- Conduct compliance monitoring for approximately 12,000 housing units in over 260 projects in OH's portfolio. Conduct physical inspections at approximately half of these projects per year on an adopted inspection schedule coordinated with Washington State Housing Finance Commission (WSHFC) and the Washington Department of Commerce.
- Coordinate with King County, Department of Commerce and WSHFC on funding and compliance.

2014 Initiatives

- **Unreinforced Masonry Buildings (URM):** Work with DPD and housing providers to understand the potential impacts of the proposed URM retrofit requirements on projects in the OH portfolio. DPD anticipates they will present their final recommendations to City Council in the 2nd quarter of 2014.
- **Rental Housing Inspection Ordinance (RRIO):** Work with DPD and housing providers to ensure that OH inspections of City-funded housing will meet the RRIO requirements.

2. Land Use and Development Incentives for Affordable Housing

- Oversees the housing elements of Incentive Zoning, producing affordable rental and ownership housing through use of Bonus provisions in the City's land use code.
- Administers the Multifamily Tax Exemption (MFTE) program, providing a 12-year property tax exemption for multifamily housing developments that rent-restrict at least 20% of units.
- Identifies impacts of proposed land use policy and development proposals on the city's housing stock, proposes and implements mitigation as necessary.
- Evaluates and pursues place-based opportunities to expand the city's stock of affordable housing.

Core Activities

- Advise on and review commercial and residential development proposals that trigger incentive zoning provisions under the land use code; calculate performance-based housing obligation or fee-in-lieu consistent with code requirements. Negotiate, execute, and record contracts and ensure receipt of bonus fee revenue or delivery of required housing. Estimated volume for 2014: 10 projects.
- Advise on and review developer proposals to access the multifamily tax exemption. Negotiate, execute, and record contracts and issue final certificates of tax exemption. Estimated volume for 2014: 20 projects.
- Track production of affordable housing as required under various development agreements and other land use or zoning actions; prepare and record covenants.
- Complete the three-year Community Cornerstones initiative in Southeast Seattle, a HUD Sustainable Communities grant supporting affordable housing, business assistance and cultural center feasibility analysis, in coordination with OED, DON and DPD.
- Public property dispositions: evaluate housing opportunities presented by proposed sales of City-owned and other public properties.
- Prepare required reports for City Council and others, conduct ongoing program evaluation, and assess and recommend options for program improvements.

2014 Initiatives

- MFTE: Propose Code amendments.
- MFTE: Prepare response to 2012 Audit Recommendations.
- Incentive Zoning: Continue staffing the Advisory Committee on Affordable Housing Incentives and support City Council consideration of Land Use Code changes.
- Fort Lawton: Staff Mayor and Council review of redevelopment proposals.

3. Homeownership Assistance

- *Provides downpayment assistance loans to first-time homebuyers that will be repaid to assist future buyers; provide acquisition and development loans to nonprofits that will maintain affordable homeownership for 50 years or more.*
- *Provides home repair loans and project management services to low-income, often elderly, homeowners to address critical health, safety and structural issues*
- *Provides energy efficiency upgrades for low-income homeowners to reduce energy use and monthly utility bills, increase their comfort, and improve their health in their home.*
- *Assists homeowners facing potential foreclosure and communities affected by vacated foreclosed properties.*

Core Activities

- Award Housing Levy and federal HOME funds to lending programs that will assist approximately 45 first-time homebuyers.
- Close approximately 45 home loans, including loans for purchases of previously vacated real estate owned (REO) foreclosed homes.
- Make one to two bridge loans, if needed and feasible, to allow nonprofit developers to acquire sites or buildings for development that will be maintained as long-term affordable housing.
- Make 30 home repair loans to assist low-income homeowners make critical repairs to their home; provide project management services to ensure that the homeowner is provided quality construction work at a fair price.
- Complete energy efficiency upgrades for at least 150 low-income homeowners, including comprehensive energy audits, grants to pay for 100% of the work, project management services and inspections.

2014 Initiatives

- Participate on and staff the Council-initiated Foreclosure Interdepartmental Team to develop recommendations around foreclosure prevention.
- Evaluate the impact of recent changes to HOME regulations and Dodd Frank reforms, and propose program changes as needed.
- Develop and strengthen opportunities for sustainable homeownership initiatives given Seattle's high price of for-sale homes; more stringent lending standards; and increasing numbers of households that are being priced out of affordable homeownership opportunities.

4. Policy, Program Development, Communications, Finance and Administration

- *Conducts broad analysis of housing needs, market conditions, funding environment and other trends to inform City housing policy and programs.*
- *Creates and updates policy guidelines for use of OH-administered funds, and develops housing-related land use policies and zoning code provisions.*
- *Provides leadership and staffing to the Committee to End Homelessness in Seattle-King County*
- *Staffs the Housing Levy Oversight Committee and produces required levy performance reports.*
- *Coordinates OH's race and social justice initiatives.*
- *Works with Intergovernmental staff to propose the City legislative agenda for housing and to advocate for housing funding and policy at the state and federal level.*
- *Provides information to the Mayor, Council, public, and media; produces OH program information; organizes opportunities for community input on housing policy and programs; and responds to public disclosure requests.*
- *Provides financial management, budgeting, IT services, and general office support. Works with FAS to meet human resources needs of the department.*

Core Activities

- Propose policy changes as needed to the Housing Levy Administrative & Financial Plan, Seattle Consolidated Housing and Community Development Plan, and Analysis of Impediments to Fair Housing.
- Prepare the housing element of the Comprehensive Plan and revise as needed, in partnership with DPD.
- Lead and/or participate in Committee to End Homelessness initiatives in coordination with HSD, including the Interagency Council, public funders, planning and evaluation, advocacy, and population-specific activities. Assist with staffing the CEH Governing Board.
- Staff four Housing Levy Oversight Committee meetings, which will focus on Levy program performance, reports to the community, and activities related to Levy renewal.
- Develop and manage OH's operating and capital budgets, totaling approximately \$50 million in 2014.
- Administer over \$350 million in outstanding loans for housing development and improvement.
- Manage all reporting and reimbursement requirements for OH's federal and state grants.
- Maintain OH's program-specific databases that track rental housing project funding and compliance, loan servicing and weatherization projects. Upgrade databases as needed to meet program needs.

2014 Initiatives

- **Seattle Housing Strategies:** Staff a community engagement process on behalf of the Mayor to develop a broad strategic direction and specific proposals for affordable housing in Seattle.
- **Legislation:** Propose Legacy House/ICHS feasibility study ordinance per Council proviso, Yesler Terrace cooperative agreement revisions per SHA request, other legislation as needed.

- **Housing Levy:** Initiate technical analysis and community outreach for levy renewal in 2016, including assessment of housing needs and market conditions, OH portfolio analysis, leverage funding projections, and program performance and innovations.
- **Comprehensive Plan:** Participate in development of the 2015-2035 Comprehensive Plan, providing leadership for the housing element and other housing-related policies.
- **Committee to End Homelessness:** Participate in CEH leadership and provide technical and staffing support, including data and evaluation, conversion of time-limited housing for homeless families, fair housing training for youth/young adult providers, and crisis response initiatives such as moving long-term shelter stayers into housing.
- **Race and Social Justice:** Initiatives include equitable development, affirmative marketing, and working with housing advocates and providers to reduce barriers to housing for people with criminal records.
- **Center City Initiative:** Participate in broad-based community efforts to improve safety and provide services, including for residents of affordable housing.



FISCAL NOTE FOR NON-CAPITAL PROJECTS

Department:	Contact Person/Phone:	CBO Analyst/Phone:
Office of Housing	Maureen Kostyack/615-0986	Lisa Mueller/684-5339

Legislation Title: A Resolution establishing the 2014 work program for the Office of Housing

Summary of the Legislation: By adopting this resolution, the City Council establishes the attached 2014 Strategic Work Program prepared by the Office of Housing (OH).

Background:

The Seattle Municipal Code, Section 3.14.750, requires OH to submit an annual work program to the City Council for approval. The 2014 OH Strategic Work Program reflects OH's adopted 2014 budget, including FTEs and authorized spending levels, and anticipated numbers of applications to OH funding and incentive programs.

Please check one of the following:

This legislation does not have any financial implications.

All costs associated with this work program are included in the 2014 Adopted Budget.

This legislation has financial implications.

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 will implement its work program in 2014. The resolution does not affect cost.
- c) **Does this legislation affect any departments besides the originating department?**
The work program identifies activities where OH is working with other departments. The legislation does not change the scope or cost of those activities.
- d) **What are the possible alternatives to the legislation that could achieve the same or similar objectives?** Since OH is the only City department where the work program must be established by the City Council, a possible alternative is to eliminate this requirement. OH would continue to report to Council on work program activities.



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



City of Seattle
Edward B. Murray
Mayor

March 25, 2014

Honorable Tim Burgess
President
Seattle City Council
City Hall, 2nd Floor

Dear Council President Burgess:

I am transmitting the attached proposed Council Resolution that establishes the 2014 work program for the Office of Housing (OH). Council approval of OH's work program is required by Seattle Municipal Code.

The attached 2014 Strategic Work Program describes OH's funding and incentive programs that produce and preserve affordable rental housing and assist low-income homeowners and homebuyers. The work program details significant policy and program development activities in 2014, including anticipated legislation. It also includes the management and finance responsibilities necessary to direct and support OH's programs and lending activities.

Thank you for your consideration of this legislation. Should you have questions, please contact Steve Walker, Acting Director of the Office of Housing, at 684-0338.

Sincerely,

Edward B. Murray
Mayor of Seattle

cc: Honorable Members of the Seattle City Council

