

Seattle Housing Levy

2019 Report

Seattle Office of Housing
March 2020



HOUSING LEVY OVERSIGHT COMMITTEE

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Seattle Office of Housing

Housing Levy Oversight Committee

As our city faces the global COVID-19 pandemic and urgently responds to the needs of those most impacted at this moment, Seattle's ongoing affordable housing and homelessness crisis continues to affect communities throughout the city and region. At the time of writing, we are just beginning to glimpse the impacts of this global crisis on local and national economies. The financial hardships and housing cost burden felt now by many Seattle residents will persist in the coming months, and it will require bold, unprecedented action to ensure families and individuals are stably housed and not displaced or forced into homelessness.

For nearly four decades, the Housing Levy has been a key resource in advancing the City's commitment to produce and preserve affordable housing throughout the city. Thanks to historic levels of City investment and additional resources made available through new state legislation, 2019 saw a historic increase in the number of affordable homes produced. In 2019, every dollar of City investment in rental housing development leveraged over \$4.70 in other capital investments over 1,700 affordable rental homes, nearly half of which are supported by Housing Levy funds.

The 2019 Housing Levy Report, along with the companion 2019 Annual Investments Report, describe the investments made and populations served. As in past years, Housing Levy and other City investments in affordable housing demonstrated the City's commitment to serving a range of populations, including people exiting homelessness, seniors, people with disabilities, and low-wage workers and their families. Demographic data on households served by City investments in affordable housing can be found in the 2019 Annual Investments Report, along with maps showing the locations of housing investments throughout the City.

Housing Levy funds invested in 2019 will support the production of hundreds of much-needed affordable homes, keeping us on track to meet the 2016 Housing Levy's goals promised to Seattle voters. As the city works to recover from the current health and economic crisis, these funds will continue to support the production and preservation of affordable housing, bolster efforts to keep individuals and families stably housed, and help sustain the operations and maintenance of City-funded housing, in order to meet the urgent and growing need for safe, healthy, affordable homes in Seattle.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Douglas Ito', with a long horizontal flourish extending to the right.

Douglas Ito
Chair, Housing Levy Oversight Committee

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HOUSING LEVY ACCOMPLISHMENTS IN 2019

The 2016 Seattle Housing Levy provides \$290 million over seven years for housing production, preservation, and assistance. The current Housing Levy builds on a history of voter support that has provided a significant, consistent resource for affordable housing in Seattle for the past 38 years. Housing Levy funding has attracted substantial investments by other public and private fund sources and created affordable housing that serves thousands of Seattle residents each year. This report presents the Levy-funded housing only; a full summary of City housing investments, including demographics of households served, can be found in the **Office of Housing 2019 Investments Report**.

Rental Production and Preservation

In 2019, this program awarded \$29.2 million in Levy funds to six housing development projects that will provide 887 affordable apartments. The availability of significant capital leverage funding, particularly Low Income Housing Tax Credit equity, helped the program exceed annual production targets for the third year of the levy. Funded projects will begin operations in 1 to 3 years after buildings permits are issued and construction is completed.

Operating and Maintenance

In 2019, three Levy-funded buildings serving extremely low-income and homeless residents were identified for preliminary O&M funding commitments. The 2019 preliminary funding commitments of up to \$15.2 M will provide annual operating subsidies for up to 304 rental units. This funding is provided as an “up to” amount demonstrating OH commitment to the project but recognizing that other operating subsidies may be secured, so O&M funds can be made available for future projects. Over the course of the 2016 Levy reporting period thus far, two projects previously identified for preliminary funding commitments have reached construction completion and will begin receiving O&M funds.

Homelessness Prevention and Housing Stability Services

In 2019, Seattle’s Human Services Department provided \$2.07 million in Levy funds, combined with other City funds, to community-based agencies for homelessness services and rent assistance. The program assisted 555 households at imminent risk of eviction and homelessness to maintain stable housing, and 126 households to move into housing after living in their car, shelter or on the street – exceeding the program’s annual targets.

Homeownership

In 2019, this program funded two developments for low-income, first-time buyers, both located on sites owned by Seattle City Light. A site in Phinney Ridge will include 19 permanently affordable homes for ownership, and a site in Loyal Heights will include 7 permanently affordable townhomes. The program also provided grants for urgent home repairs to 32 low-income homeowners unable to access home repair loans.

Acquisition and Preservation Loans

Over the course of the 2016 Levy reporting period thus far, OH has made six loans totaling approximately \$28.174 million, which will produce 634 affordable apartments. No new loans were closed in 2019, and one loan that closed earlier in the 2016 Levy reporting period was repaid.

Administration

The Housing Levy ordinance sets aside 9% of revenues for administration. In 2019, OH expended \$2.82 million for overall Levy administration and the Human Services Department expended \$96,975 to administer the Homelessness Prevention and Housing Stability Services Program. Unspent funds are reserved for later years of the Levy when inflation is expected to push administrative costs above the annual allocation.

Summary of Levy Funding and Housing Outcomes

The 2016 Housing Levy ordinance set forth the total funding and housing goals for each program over the seven years of the levy, with the reporting period beginning in 2017. Based on outcomes over the first three years of the current levy period, all programs are on track to meet or exceed the seven-year goals.

Levy Program	Funding		Housing Outcomes	
	7-year Funds Allocated 2017-23	3-year Funds Committed 2017-19	7-year Goals 2017-23	3-year Outcomes 2017-19
Rental Production and Preservation	\$201 M	\$86.46 M	2,150 units added	1,918 units added
			350 units reinvestment	233 units reinvestment
Operating and Maintenance ¹	\$42 M	Up to \$32.6 M	510 units	Up to 652 units
Homelessness Prevention / Housing Stability Services	\$11.5 M	\$3.3 M	4,500 households	2,302 households

¹ Operating and Maintenance Program makes preliminary funding commitments to enable projects to proceed with pre-development. For some projects the units and funding amounts will be reduced as rental vouchers and other operating subsidies are secured.

Levy Program	Funding		Housing Outcomes	
	7-year Funds Allocated 2017-23	3-year Funds Committed 2017-19	7-year Goals 2017-23	3-year Outcomes 2017-19
Homeownership ²	\$14.3 M	\$10.52 M	280 households	186 households
Acquisition and Preservation ³	Up to \$30 M committed at any time	\$28.2 M	No 7-year goal associated with this program	634 units added

Summary of 3-Year Progress Toward 7-Year Levy Goals (2017-2019)

Rental Production and Preservation Program



Operating and Maintenance Program



Homelessness Prevention and Housing Stability Services Program



Homeownership Program



Acquisition and Preservation Program



0% 10% 20% 30% 40% 50% 60% 70% 80% 90% 100%

Progress Toward 7-Year Levy Goals

² Homeownership Program funding includes \$9.5 million in 2016 Levy funds and \$4.5 million carried forward from the 2009 Levy; additional funds may become available from loan repayments or reprogramming unspent funds.

³ Acquisition & Preservation Program makes short-term loans for acquisition of buildings or development sites, using other Levy program funds that are not yet needed for projects.

RENTAL PRODUCTION AND PRESERVATION PROGRAM

The largest Levy program provides approximately \$29 million annually in capital funds to support development and preservation of affordable rental housing. Levy funds provide affordable opportunities in neighborhoods throughout the city and leverage other public and private investment for housing development and operations.

- The program funds new construction, building acquisition and rehabilitation to preserve low-cost housing, and reinvestment in affordable housing when major upgrades are needed. The housing serves eligible residents for a minimum of 50 years.
- At least 60% of total Rental Production & Preservation and Operating & Maintenance housing funds must serve extremely low-income households below 30% AMI. This policy is met by reserving all Operating & Maintenance funds to serve this income group and awarding at least 52% of Rental Production and Preservation funds to housing set-aside for extremely low-income residents.
- Physical inspections and annual compliance reporting ensure that the housing is well maintained, serves the intended resident population, and is financially viable.

Housing Levy Impact Rental Production & Preservation

2019 Outcome: 887 new rental units produced

2019 Summary

OH awarded \$29.2 million in Housing Levy funds, and \$23.31 million in other City funds, to six new development projects that will produce 887 affordable rental apartments. With these new funded projects, the Rental Housing Program is continuing to make substantial progress toward the Levy's 7-year production goals. The 887 new units funded nearly triples the benchmark of 307 units per year, bringing total production to 1,918 affordable apartments. No funds were awarded in 2019 to reinvestment units.

Per the Administrative & Financial Plan, at least 60% of the sum of Rental Production & Preservation funds, combined with Operating & Maintenance funds, must support housing affordable to people with incomes at or below 30% AMI. Funding awarded through the Rental Production & Preservation program in the first three years of the 2016 Levy will primarily serve extremely low-income households: 65% of program funds awarded to date will support housing for people with incomes at or below 30% AMI, with the rest serving households up to 60% AMI.

This level of production reflects continued success in leveraging other key sources of public and private capital investment. The six Levy-funded projects funded in 2019 leveraged \$4.72 in other capital investment for each City dollar, and some projects will also leverage significant operating and services funding. Private equity investment through the Low Income Housing Tax Credit program continued to be the largest fund source, particularly for supportive housing and other housing serving homeless and extremely low-income residents. Other sources of funding in 2019 include: funds from the Real Estate Excise Tax (REET), a local sales and use tax credited against the state sales tax for affordable housing, and one-time proceeds from the sale of surplus City land known as the Mercer Megablock. These new sources of leverage allowed for a historic increase in production in the third year of the 2016 Levy.

Project Name <i>Project Sponsor</i> Location	Project Description	Affordability			Capital Funding	
		<30% AMI	<50% AMI	<60% AMI	Total City \$	Levy Funding
Madison/Boylston <i>Bellwether Housing / Plymouth Housing</i> First Hill	Construction of studio apartments serving seniors and veterans experiencing chronic homelessness, and studios, one-, two-, and three-bedroom apartments serving families and individuals	112 units	--	252 units	\$11.93 M	\$1.63 M
The Eldridge <i>Capitol Hill Housing</i> Capitol Hill	Construction of studio and one-bedroom apartments serving LGBTQ seniors; on-site community and health services center operated by GenPRIDE	13 units	112 units	--	\$8.56 M	\$7.21 M
12th and Spruce Supportive Housing <i>Plymouth Housing</i> First Hill	Construction of permanent supportive housing (studio apartments) serving individuals experiencing chronic homelessness	100 units	--	--	\$8.03 M	\$8.03 M
Ethiopian Village <i>Ethiopian Community in Seattle / HumanGood</i> Rainier Beach	Construction of studio and one-bedroom apartments serving seniors, with emphasis on serving East African community; on-site community center for Ethiopian Community in Seattle	22 units	45 units	22 units	\$7.73 M	\$7.73 M
Hobson Place II <i>Downtown Emergency Service Center (DESC)</i> North Rainier	Construction of permanent supportive housing (studio apartments) serving individuals experiencing chronic homelessness; on-site primary care and behavioral health clinic	92 units	--	--	\$5.56 M	\$2.56 M
Nesbit Family Housing <i>Low Income Housing Institute (LIHI)</i> Licton Springs	Construction of studio, one-, and two-bedroom apartments, and three-bedroom townhomes serving families and individuals	12 units	24 units	81 units	\$10.71 M	\$2.05 M
TOTAL		351 units	181 units	355 units	\$52.52 M	\$29.21 M

Selected 2019 Income Levels

AMI = Area Median Income

	30% AMI	50% AMI	60% AMI
Single person	\$23,250	\$38,750	\$46,500
3-person household	\$29,900	\$49,800	\$59,800

OPERATING & MAINTENANCE PROGRAM

The Operating & Maintenance (O&M) Program provides annual subsidies for buildings that serve extremely low-income and formerly homeless residents who pay very low rents. Levy funds, along with other critical operating subsidies, help ensure the housing is well maintained and financially viable.

- Funds are available only to housing that received Housing Levy capital funds. O&M funds are typically matched with other funding for building operations and resident services.
- Affordable housing projects receive a 20-year operating support commitment. Funds are allocated each year to fill the gap between project income and expenses, up to a maximum of \$2,500 per unit in the first year, with annual adjustments for inflation.

2016 Housing Levy Impact Operating & Maintenance

2019 Outcome: 132 rental units receiving O&M support, up to 304 rental units identified for future support

2019 Summary

Over the course of the 2016 Levy reporting period thus far, nine projects have been identified for preliminary commitments of O&M funds, with two projects including 132 units receiving O&M funding commitments in 2019. Providing preliminary O&M funding commitments earlier in the development process is intended to assist project sponsors to secure other capital and operating funding. These funding commitments set the maximum number of housing units that will be supported; the final awards may be lower and will be based on the final number of eligible units affordable at or below 30% of median income, other operating subsidies secured, and projects' operating budgets.

Affordable housing projects identified for preliminary commitments of O&M funds in 2019

In 2019, three Levy-funded buildings serving extremely low-income and homeless residents were identified for preliminary O&M funding commitments. The 2019 funding commitments of up to \$15.2 M will provide annual operating subsidies for up to 304 rental units.

Project Name <i>Project Sponsor</i>	Population Served	Supported Units (maximum)	First Year Funding Estimate	Funding Award (20 years)
Hobson Place II <i>Downtown Emergency Services Center</i>	Individuals experiencing chronic homelessness	92	\$230,000	\$4.6 M
Madison/Boylston <i>Plymouth Housing</i>	Seniors and veterans experiencing chronic homelessness	112	\$280,000	\$5.6 M
12th and Spruce <i>Plymouth Housing</i>	Individuals experiencing chronic homelessness	100	\$250,000	\$5.0 M
TOTAL		304	\$760,000	\$15.2 M

Affordable housing projects previously identified for commitments of O&M funds

The affordable housing projects shown in the table below were awarded preliminary commitments of O&M funds in 2018. Gardner House and Hobson Place I are now nearing construction completion and will begin receiving program funds to support operations. In future reports, as other projects proceed to construction completion and begin to access O&M program funds, this table will be updated. The funding commitments shown below set the maximum number of housing units that will be supported; the final awards may be lower, as projects may ultimately secure other operating subsidies.

Project Name Project Sponsor	Population Served	Supported Units (maximum)	First Year Funding Estimate	Funding Award (20 years)
Projects Receiving O&M Program Funds				
Gardner House (Mt. Baker Family Housing) <i>Mercy Housing NW</i>	Families experiencing homelessness	47	\$117,500	\$2.35 M
Hobson Place I (22nd Ave Permanent Supportive Housing) <i>Downtown Emergency Services Center</i>	Supportive housing for homeless adults with chronic disabilities	85	\$212,500	\$4.25 M
TOTAL		132	\$330,000	\$6.6 M
Projects Awarded Preliminary Commitments but Not Yet Receiving Program Funds				
Chief Seattle Club ?al ?al Housing <i>Chief Seattle Club</i>	Homeless and low-income individuals, Native oriented	60	\$150,000	\$3 M
K Site Housing <i>Plymouth Housing</i>	Formerly homeless individuals	91	\$227,500	\$4.55 M
Northaven Senior Housing <i>Northaven and HumanGood Affordable Housing</i>	Low-income seniors	21	\$52,500	\$1.05 M
Yancy Street Housing <i>Transitional Resources</i>	Homeless and low-income individuals, serious and persistent mental illness	44	\$110,000	\$2.2 M
TOTAL		216	\$540,000	\$10.8 M

Operating Support Using Seattle Housing Authority Vouchers

In addition to Levy O&M Program funds, projects that receive Levy capital funding may apply for vouchers from Seattle Housing Authority (SHA). SHA has committed 300 Section 8 vouchers to the 2016 Housing Levy, which will be “project-based” to provide ongoing building operating subsidies. Levy vouchers are generally awarded the year before the building will begin operations – one or two years after capital funding. At the time of reporting, OH and SHA have released a Request for Proposals (RFP) for up to 120 of the 300 committed SHA vouchers. Also included in this RFP is Levy O&M funding for up to 150 units. Proposals will be reviewed and funding awarded in 2020.

Separately, SHA will allocate additional vouchers to replacement housing at Yesler Terrace that receives Levy capital funding. The Yesler Family Housing project, funded in 2018, will receive 92 project-based vouchers.

HOMELESSNESS PREVENTION AND HOUSING STABILITY SERVICES PROGRAM

The Seattle Human Services Department (HSD) administers the Homelessness Prevention and Housing Stability Services Program which serves families and individuals who are at imminent risk of homelessness or experiencing homelessness.

The Program provides case management and rent assistance for eligible households at or below 50% of area median income (AMI).

Program funding can be used for case management that includes landlord negotiations, connection to mainstream benefits, budgeting, direct referrals to legal eviction prevention resources, and financial assistance as needed. Financial assistance includes rent assistance, security and utility deposits, move in costs, rent and utility arrears, and moving fees paid directly to landlords and/or organizations, not households.

The Program funds two distinct interventions:

- **Homelessness Prevention** serves households at risk of losing their housing in 30 days or less (imminent risk). Households seeking homeless prevention services access services via referrals from 2-1-1, walk in or direct contact with the agencies.
- **Rapid Rehousing** serves households experiencing homelessness to move into stable housing after living in a car, shelter or a place not meant for human habitation. Households access Rapid Rehousing via the Coordinated Entry for All (CEA) System.

Program performance and activities are measured and monitored in accordance with U.S. Department of Housing and Urban Development requirements via the region's Homelessness Management Information System (HMIS) called Clarity.

2019 Summary

In 2019, seven different community-based nonprofit agencies received \$2,073,552 in Housing Levy funds. Each agency offers culturally rich and linguistically relevant services, targets services to historically underserved communities and communities with emerging needs and provides specialized programs for a range of household types.

In total, 681 households received case management and rent assistance, as needed, in six homelessness prevention and two rapid rehousing programs. In 2019, 574 households exited the programs, and 112 were still enrolled going into 2020.



Housing Levy Impact Homelessness Services

2019 Outcome: 680 households supported

Homelessness Prevention

The programs offered by Levy-funded community-based nonprofit agencies assisted 555 households who were at imminent risk of homelessness. Households were enrolled an average of 89 days from initial case management appointment until both case management and rent assistance ended (program exit). Direct financial assistance—for costs such as one-time rent and utility arrears, move-in costs, and/or ongoing rent assistance—averaged \$1,420 per household, which was fully funded with Housing Levy funds.

Homelessness Prevention: Nonprofit Agencies Receiving Levy Funds in 2019

Levy-Funded Nonprofit Agencies	Levy Investment
Neighborhood House	\$491,173
YWCA	\$256,849
InterIm Community Development Association	\$373,714
El Centro de la Raza	\$144,813
Muslim Housing Services	\$160,300
St. Vincent de Paul of Seattle/King County	\$150,000
Homelessness Prevention Total	\$1,576,849

Regional performance measures for Homelessness Prevention include:

- **Retention of permanent housing:** 95% of households successfully maintained their housing once case management and financial assistance has ended (program exit).
- **Housing stability at 6 months after program exit:** Of those households who received prevention assistance in 2019 alone, 98% retained their housing during the 6-month period after receiving that assistance. We can report on a 12-month outcome for housing stability for these households in July 2020.⁴
- **Housing stability at 12 months after program exit:** Of those households who maintained their housing after receiving prevention assistance in 2018, 94% retained their housing during the 12-month period after receiving that assistance, as reported in July 2019.

⁴ Based on HMIS data of the 381 households that exited a Prevention program and maintained their current housing situation at least 6 months prior to the end of 2018. The 12-month return rate could increase up until 12/31/2019 as this is a full 12 months after the last possible exit to permanent housing in 2018. Data captures if a household subsequently enrolls in a program in HMIS that indicates they are experiencing homelessness (e.g. enrolls in an emergency shelter). This number only includes individuals who consent to sharing their personally identifiable information in HMIS.

Homelessness Prevention: Demographics of Households Served

Household Demographics	Percent of Households*
Households below 30% AMI	82%
Households with minor children	32%
Head of Household less than 25 years of age	6%
Percentage of participants that are minor children	33%
Head of Household with Race other than White	72%
Head of Household with Race as White	25%
Head of Household with Ethnicity as Hispanic/Latino	10%
Race Data Unknown, Refused, Not Collected	3%

** Based on households providing demographic information*

Rapid Rehousing

Two agencies assisted 126 households to move into stable housing from homelessness – living in a car, shelter or a place not meant for human habitation. Households were enrolled an average of 224 days from the initial case management appointment until rent assistance and case management ended. Direct financial assistance averaged \$1,740 of Housing Levy funds per household; households received an average of \$2,014 in client assistance including other funds also administered by HSD including King County and/or City General Fund.

Rapid Rehousing: Nonprofit Agencies Receiving Levy Funds in 2019

Levy-Funded Nonprofit Agencies	Levy Investment
Catholic Community Services (CCS)	\$267,074
YWCA	\$229,629
Rapid Rehousing Total	\$496,703

Regional performance measures for Rapid Rehousing include:

- **Exits to Permanent Housing:** 84% of households live in permanent housing once case management and financial assistance has ended (program exit).
- **Housing stability at 6 months after program exit:** Of those households who exited to permanent housing in 2019, 11% returned to using the homeless system within 6 months of their program exit. We can report on returns to the homeless system for the 2019 households in July 2020.⁵

Rapid Rehousing: Demographics of Households Served

Household Demographics	Percent of Households*
Households below 30% AMI	81%
Households with minor children	95%
Head of Household less than 25 years of age	14%
Percentage of participants that are minor children	58%
Head of Household with Race other than White	73%
Head of Household with Race as White	20%
Head of Household with Ethnicity as Hispanic/Latino	10%
Race Data Unknown, Refused, Not Collected	7%

* Based on households providing demographic information

⁵ Based on HMIS data of the 80 households that exited a Rapid Rehousing program to a permanent destination (e.g. Rental by client, no ongoing housing subsidy). The 12-month return rate could increase up until 12/31/2020 as this is a full 12 months after the last possible exit to permanent housing in 2019. Data captures if a household subsequently enrolls in a program in HMIS that indicates they are experiencing homelessness (e.g. enrolls in an emergency shelter). This number only includes individuals who consent to sharing their personally identifiable information in HMIS.

HOMEOWNERSHIP PROGRAM

The Homeownership Program creates and sustains homeownership opportunities for low-income Seattle residents. Approximately \$1.4 million in new funding is available annually, plus funds carried forward from the 2009 Housing Levy and down payment loan repayments from prior housing levies. Funds support:

- **Development:** Acquire or construct homes that are sold to first-time homebuyers with income up to 80% AMI, and are resale-restricted to be available and affordable for eligible buyers for a minimum of 50 years
- **Purchase Assistance:** Assist first-time homebuyers with income up to 80% AMI to purchase a home anywhere in Seattle. Buyers access Levy funding through participating nonprofit housing agencies and mortgage lenders. Upon resale or refinancing, loans are repaid to the Program to assist additional homebuyers.
- **Home Repair:** New in the 2016 Levy -- Grants to homeowners with income up to 50% AMI who need to make critical home repairs and are unable to access a home repair loan. Repairs improve living conditions, help owners access weatherization grants, and help preserve the home.
- **Foreclosure Prevention:** New in the 2016 Levy -- Assist homeowners with income up to 80% AMI to pay housing-related costs that are necessary to avert foreclosure and remain successfully in their homes and communities.

2016 Housing Levy Impact Homeownership

2019 Outcome: 62 households served (26 new for-sale homes, 4 new homebuyers supported, 32 homeowners assisted)

2019 Summary

The Program awarded \$2.14 million for housing development and nearly \$218,364 in home repair grants; these activities are tracked for program performance. Demographic and income information for all assisted homeowners is reported in the **2019 Office of Housing Investments Report**. The 2019 Program milestones:

- 26 permanently affordable homes will be constructed on surplus Seattle City Light property using development funding
- 13 new homebuyers purchased a home using purchase assistance loans (Note: these loans were funded with 2009 Levy funds)
- 4 new homebuyers purchased a home through the resale of permanently affordable homes previously funded by the Program
- 32 low-income homeowners received grants for urgent home repairs

Homeownership Development

Project Name <i>Sponsor</i>	Description	Housing Units	Levy Funding
Loyal Heights Townhomes <i>Habitat for Humanity, Seattle-King County</i>	Development on surplus Seattle City Light property, transferred at no cost for affordable housing. The development includes 7 three-bedroom townhomes.	7	\$630,000
Phinney Ridge Condominium <i>Homestead Community Land Trust</i>	Development on surplus Seattle City Light property, transferred at no cost for affordable housing. This condominium development will include 19 homes.	19	\$1.51 M
Total		26	\$2.14 M

Home Purchases to Sustain Affordability

A funding award of \$300,000 was made in 2019 to support the acquisition and rehabilitation of three homes. This funding will help Habitat convert some of its Seattle homes from the down payment assistance model to a permanently affordable model to ensure homes continue to be affordable to low-income, first-time homebuyers for 50+ years. Historically, OH had supported Habitat for Humanity homebuyers through down payment assistance loans. Those loans were paid back to OH when the homeowner sold, but with no guarantee of ongoing affordability.

Permanently Affordable Homeownership Resales

Over the last 20 years the Office of Housing has invested in the creation of homes for ownership that are permanently affordable or resale-restricted. Eligible homebuyers purchase homes at affordable prices and in exchange limit the price at which they can sell that home to another income-eligible homebuyer in the future. During the 2016 Levy period there have been nine such resales, with four resales occurring in 2019, allowing funding that was invested in the past to continue serving income-eligible homebuyers well into the future.

Home Purchase Loans

Lending programs typically provide home purchase loans to eligible buyers over the 12 to 18 months following a Levy funding award. During the 2016 Levy period thus far, the participating lending organizations continued to provide this down payment assistance with funds awarded under the 2009 Housing Levy. Since those loans were attributed to the Program's performance under that prior levy, while we've reported them above they are not counted against 2016 Levy's seven-year goal.

Home Repair Grants

OH provided grants totaling \$218,364 to 32 low-income homeowners for small, urgent home repairs. The average grant was \$6,824; typical repairs were windows, doors, roofs, electrical, plumbing, siding, exterior painting, and flooring. Most homeowners had extremely low incomes (81% at or below 30% of area median income) and 72 percent had at least one household member aged 60 or above.

Foreclosure Prevention

In the spring of 2018, OH contracted with HomeSight to administer this program. This spring will mark the end of the 2-year Homeowner Stabilization Pilot Program which was designed to prevent the displacement of homeowners at risk of foreclosure.

HomeSight conducted ten community outreach meetings, a training with local housing counselling agencies and conducted cross-promotional activities with other Seattle housing organizations. However, due to the substantial decrease in foreclosure activity in Seattle during these same years, they have, to date originated only 2 loans. At the time of writing, given the unprecedented number of job losses due to measures required to combat the spread of COVID-19, the Office of Housing anticipates the need for these resources will increase over the next several months and years. The Office of Housing is currently in discussion with the program administrator and local housing counselors about how to increase access to the program and to deploy these resources in a strategic way in order to best fill the programmatic and funding gaps left by potential new and emerging federal and state programs and mandates.

ACQUISITION AND PRESERVATION PROGRAM

The Acquisition and Preservation Program provides short-term financing for strategic acquisition of sites for low-income rental or ownership housing development or preservation. Loan terms up to five years allow for strategic planning for use of the site, community engagement, formation of development partnerships, and securing funding for housing and other building uses.

Up to \$30 million is authorized for A&P Program loans, using funds from other Housing Levy programs not yet needed for planned projects. Housing outcomes are tracked but the program does not have a housing production goal.

- Project sponsors must demonstrate that acquisition financing is necessary for the project to proceed. Loans can be made for land or buildings, including occupied buildings where low-income residents are at risk of displacement. A minimum 20-year affordability period is required.
- The loans are repaid when permanent project financing is secured. If City sources are awarded, affordability is extended to 50 years.

2016 Housing Levy Impact Acquisition & Preservation

**Estimated Homes to be
developed: 634**

2017-2019 Summary

During the 2016 Levy period, OH has made six loans totaling approximately \$28 million, which will produce 634 affordable apartments. No new loans were closed in 2019, and one loan was repaid.

Project Name <i>Project Sponsor</i>	Description	Housing Units	Loan Amount	Status
Outstanding Loans				
Midtown Center <i>Capitol Hill Housing and Africatown CLT</i>	Site acquisition for rental housing, potential homeownership component, for families and individuals	134	\$4.5 M	Loan closed 2017
Encore Apartments <i>GMD</i>	Site acquisition for rental housing for families and individuals	60	\$4.57 M	Loan closed 2018
Madison Apartments <i>Southport Financial</i>	Acquisition and preservation of expiring tax credit building	73	\$7.1 M	Loan closed 2018
Link Studios <i>Mt. Baker Housing Assoc.</i>	Acquisition of affordable newly constructed micro-unit building	60	\$3.02 M	Loan closed 2018
TOTAL		327	\$19.19 M	

Project Name Project Sponsor	Description	Housing Units	Loan Amount	Status
Loans Repaid				
Mt Baker Family Housing <i>Mercy Housing Northwest</i>	Site acquisition for rental housing for families, including homeless families	94	\$3.34 M	OH permanent financing 2017; Loan repaid 2018
Willow Crossing <i>GMD</i>	Acquisition of development site; OH permanent financing not anticipated	213	\$5.66 M	Loan closed 2018; Loan repaid 2019
TOTAL		307	\$9 M	

LEVY FUNDING POLICIES AND ADMINISTRATION

Administrative and Financial Plan

Housing Levy programs are guided by policies in the Levy Administrative and Financial Plan adopted by the City Council every two years. The A & F Plan is prepared by the Office of Housing, with the participation of the Human Services Department and the Housing Levy Oversight Committee, and the involvement of community members and stakeholders for each of the Levy programs.

Allocation of Levy Funds

All Levy programs award funds through a competitive application process. The Rental Production and Preservation Program and Operating and Maintenance Program funds are awarded via a Notice of Fund Availability (NOFA) along with other rental housing funds administered by OH. Homeownership funds are also awarded to housing development projects and mortgage lending programs through a competitive NOFA process.

When a publicly owned site is available for affordable housing development, Rental and Homeownership funds may be awarded through a site-specific Request for Proposal. The competitive RFP selects the developer for the site and awards OH development funding. The RFP may be conducted jointly with another public agency, such as King County or Sound Transit, that is making the property available.

For the Acquisition and Preservation Program, applicants submit project proposals on a rolling basis rather than a set deadline, enabling project sponsors to take advantage of market opportunities. As these short-term loans are repaid, the funds are made available as permanent financing via the other Levy programs.

Homelessness Prevention and Housing Stability Services Program funds are administered by the Seattle Human Services Department, which selects service providers via a competitive Request for Investment process. The selected agencies assist households who are homeless or at risk of homelessness by providing housing stability services and making rent payments directly to the housing owner.

Housing Levy Oversight Committee

A Housing Levy Oversight Committee is appointed by the Mayor and City Council to monitor the progress of Levy programs. The Oversight Committee reports to the Mayor and Council and the public regarding program accomplishments and makes recommendations for policy changes in the Administrative and Financial Plan. The Oversight Committee typically meets quarterly and is staffed by the Office of Housing.

MORE INFORMATION

For more information about the Seattle Housing Levy, contact the City of Seattle Office of Housing or visit www.seattle.gov/housing/levy.

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