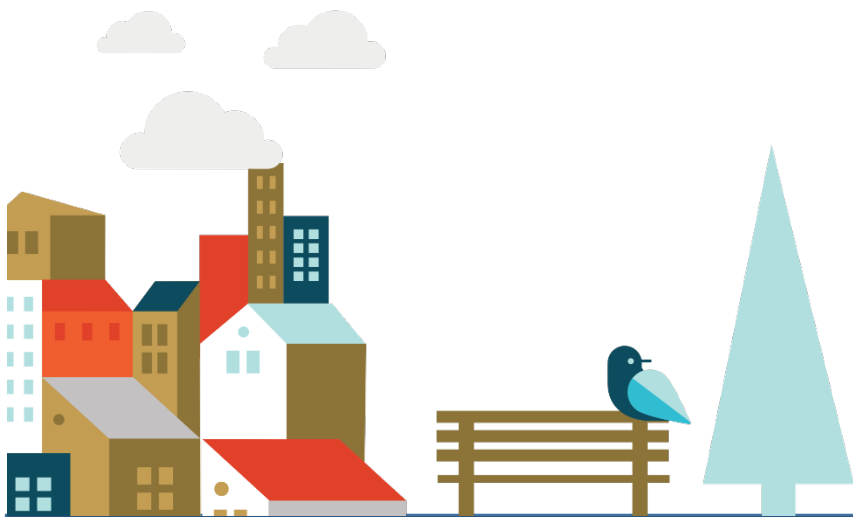


2009 **Seattle Housing Levy**

2015 Report of Accomplishments



Edward B. Murray, Mayor
City of Seattle

Tim Burgess, Chair
Housing Affordability, Neighborhoods, and
Finance Committee, Seattle City Council

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www.seattle.gov/housing/levy

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City of Seattle

Housing Levy Oversight Committee

We are pleased to present this 2015 Report of Accomplishments for the Seattle Housing Levy.

Seattle's Housing Levy is a unique resource and one that we are very proud of. It is the foundation of our City's efforts to address the housing needs of our lowest income and most vulnerable residents. As Seattle continues its rapid growth, the Levy gives us a major tool to work towards an equitable city.

One reason the Housing Levy is a significant resource is because it enables our community to attract and leverage other public, private and philanthropic resources: each City dollar in rental housing development leverages \$3 from other sources. The Levy also provides housing operating funds that, along with vouchers from the Seattle Housing Authority, ensure that we can serve formerly homeless residents and others who need supportive housing. The Levy operating funds enable our community to secure significant federal homelessness funding, so residents can pay rents they can afford and buildings can operate successfully.

At the completion of its sixth year, the Housing Levy is clearly keeping its promise to Seattle voters. Each Levy program has already exceeded, or is on track to meet, its performance goal by the end of this year. More importantly, Housing Levy investments are changing the lives of thousands of Seattle families and individuals for the better. By the end of 2015:

- 2,184 apartments have been produced or preserved, and will serve families with children, seniors, people with disabilities, and formerly homeless people for 50 years or more. In addition, five previously-funded buildings were upgraded, extending their years of service as affordable housing.
- 2,442 families and individuals received emergency rent assistance and services. Rent assistance averaging just \$1,776 per household helped families maintain stable housing, preventing eviction and potential homelessness.
- 144 low-income households received a loan to purchase their first home; another 43 loans are projected as Levy funds are used for home purchases.

In 2015, Levy funds were awarded for 269 affordable apartments that will serve low-wage workers and their families, homeless families and veterans, and chronically homeless people with disabilities. In addition, the City's overall funding of affordable rental housing was boosted by revenues from City incentive programs. The Office of Housing received substantial payments from commercial and residential developers taking advantage of City land use codes that allow increased development in exchange for affordable housing contributions. The unusually high level of incentive zoning (or Bonus) funding in 2015 supported larger Levy-funded projects, as well as three additional developments that

did not receive Levy funding, for a total of 898 new units. Levy investment reduced rents in a portion of the units to 30% of median income. However, due to the financing used for these projects, most of the additional housing units are affordable at 50% and 60% of area median income.

The 2015 funding round illustrates the challenge of producing housing for the lowest income Seattle residents. The lack of capital, operating and services funding needed to house extremely low income and formerly homeless residents limits our efforts to serve those with the greatest need.

We offer these observations both in support of increasing the size of the Housing Levy and to encourage the City and broader community to advocate strongly for other capital, operating and services funding. While the Housing Levy is meeting its goals, current resources are clearly not enough to meet housing needs of low-income people in this increasingly expensive city. This is the time to increase our efforts to create an affordable and equitable city.

Sincerely,

A handwritten signature in black ink, appearing to read 'Maiko Winkler-Chin', written in a cursive style.

Maiko Winkler-Chin
Chair

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REPORT SUMMARY

2009 Seattle Housing Levy Funding and Production – 2010 to 2015

At the end of year six of this seven-year Housing Levy, each program is on track to meet or exceed performance goals by the end of this year.

The largest Levy program, Rental Production & Preservation, has now invested over \$88.5 million in 34 rental housing projects. These developments – both new construction and acquisition and rehabilitation of existing buildings – provide 2,184 affordable apartments for low-income Seattle residents for a minimum of 50 years, exceeding the Levy goal of 1,670 units. The program also funded improvements to five buildings with 410 units that had previously received City funding. These critical upgrades extend the useful life of the building and provide additional years of affordable housing for low-income residents.

The Homebuyer Assistance Program has exceeded its goal with 187 home purchases projected using funds already allocated. The Rental Assistance Program's funding and performance reflects four years of operation, with thousands of families and individuals receiving emergency assistance to prevent homelessness; its program goal will be met this year. Acquisition & Opportunity loans provided short-term loan financing to acquire development sites in the slow economy of 2010-2012. The A & O loans are all now repaid; owners secured sites for 234 rental and ownership units and the projects are completed or under development.

Levy Program	Funding		Housing Produced		Status: Exceeding goal, On track
	Total Levy Funding 2010-2016	Funding Committed 2010-2015	Levy Goals 2010-2016	Housing Outcomes 2010-2015	
Rental Production & Preservation	\$104 M	\$88.5 M	1,670 rental units	2,184 units added	✓ +
			no goal for reinvestment	410 reinvestment units	✓ +
Acquisition & Opportunity Loans¹	\$6.5 M	\$7.9 M	175 housing units	234	✓ +
Operating & Maintenance	\$14.4 M	\$12 M	220 rental units	207	✓
Rental Assistance/ Homelessness Prevention	\$4.25 M	\$3.4 M	3,025 households (2012-2016)	2,442 (2012-2015)	✓
Homebuyer Assistance	\$9.1 M	\$5.8 M	180 home purchases	144 closed loans 43 projected	✓ +

¹ Acquisition & Opportunity Loans are short-term loans made with other Levy program funds that are not yet expended. The program stopped making new loans at the end of 2012. In this table, if Levy funds were used for permanent financing, the units are shown as production for both the A & O Loan and the Rental or Homebuyer program.

Housing Levy Funding in 2015

In 2015, the sixth year of the current Housing Levy, three programs awarded funding:

- **Rental Housing Program** funds new construction or acquisition/rehabilitation projects; the housing serves eligible residents for a minimum of 50 years. The Program awarded \$14.6 million in Levy funding to four housing projects with 485 affordable apartments, 269 of these are Levy-funded units. These four projects also received \$21.6 million in other City housing funds. One additional project received supplemental Levy funding of \$600,000 to fill an unanticipated funding gap.
- **Rental Assistance/Homelessness Prevention Program** provides short term assistance to families and individuals who are at risk of eviction and homelessness. The Program funded seven community-based organizations that assisted 560 households to prevent eviction or transition from homelessness to housing. This short term assistance provides lasting results: 83% of households were in stable housing six months after assistance ended.
- **Homebuyer Program** creates affordable homeownership opportunities through low-interest deferred loans to first-time homebuyers and loans to nonprofits for affordable developments. The Program committed \$575,000 million in Levy funding to two lending programs that will assist approximately 15 first-time home buyers over the next 12 to 18 months. City funds will be used both for purchase of permanently affordable homes and for deferred loans that will be repaid and made available for future homebuyers.

Two Levy programs did not award funds in 2015:

- **Operating & Maintenance Program** provides annual subsidies for buildings that serve extremely low-income residents who pay very low rents that are insufficient to support building operations. O&M funding awards are made when the Levy-funded building is under development and will be occupied within the next year and have traditionally provided been used to match federal operating and service funding. Because no federal resources were available for City-funded projects in 2015, no O&M funds were awarded this year. Funding remains available for one more project in the final year of the Levy.
- **Acquisition & Opportunity Loans** were offered in the first three years of the 2009 Housing Levy to take advantage of strategic site acquisitions during the economic downturn. The Program exceeded its production goal, and all projects are now complete or under construction. Acquisition loans continue to be available on a limited basis through the Rental Housing and Homebuyer programs.

ABOUT THE 2009 SEATTLE HOUSING LEVY

An opportunity to live in a safe, affordable home

In November 2009, Seattle voters passed a \$145 million property tax levy to provide affordable housing opportunities for low-income Seattle residents. The levy provides funding for seven years, 2010 to 2016.

Housing Levy funding directly assists some of the most vulnerable people in our community – homeless families and individuals, seniors and people with disabilities living on fixed incomes – as well as people working for low wages who struggle to make ends meet. Levy programs create and preserve affordable rental housing, provide loans to low-income first-time homebuyers to purchase a home, and provide emergency rent assistance to people facing eviction and homelessness. Seattle voters approved the first housing bond for senior housing in 1981 as well as four subsequent housing levies to renew and grow these critical programs. There are now over 12,500 City-funded homes for lower-income Seattle residents. In addition, over 800 homebuyers purchased their first home with affordable City-funded loans.

Affordable Rental Housing

More than half the Levy's Rental Production & Preservation Program funding is dedicated to serving households earning below 30% of the median income, up to \$18,850 for a single person or \$24,250 for a three-person family. This housing serves our neighbors with the fewest resources – seniors and people with disabilities who live on social security alone, people supporting dependents with low wage jobs, and those unable to find full-time work. This housing also assists people experiencing the crisis of homelessness – families facing economic hardship or domestic violence, and people with physical and mental disabilities. The Levy Operating & Maintenance Program, and Section 8 vouchers from the Seattle Housing Authority, help ensure this housing is financially feasible and well maintained.

The rest of the Rental Production & Preservation funding provides affordable housing for people earning up to 60% of median income, about \$37,680 for a single person or \$48,420 for a family of three. People in this income bracket provide valuable everyday services to Seattle residents and visitors – food service workers, retail sales persons, social services providers, and office support staff. Still, they have difficulty finding affordable rents near their jobs.

Preventing Homelessness

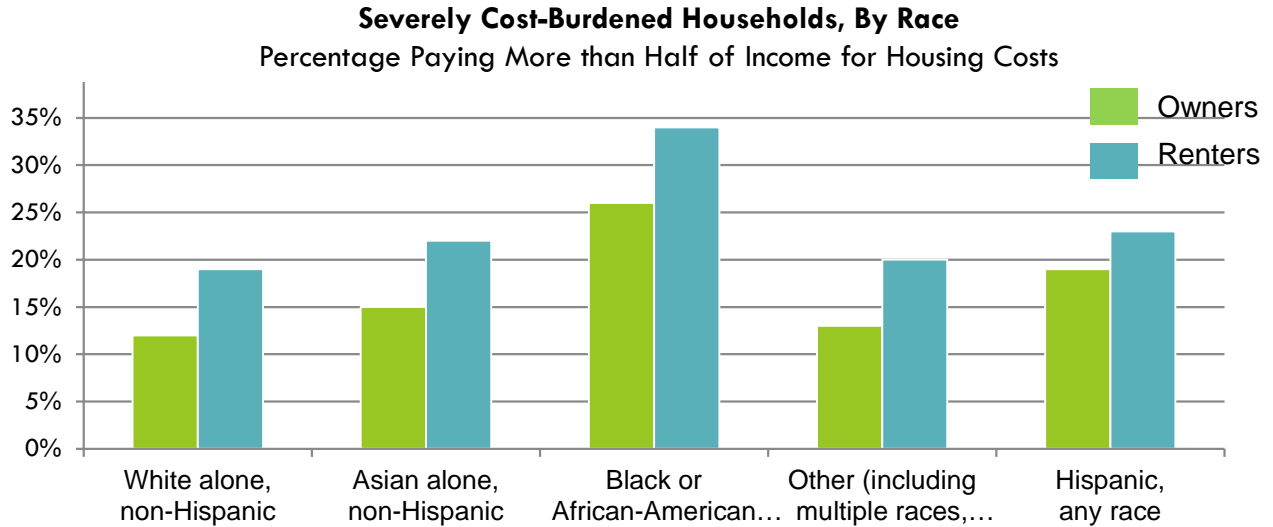
Levy funding provides rental assistance to help individuals and families manage short-term economic crises to prevent homelessness. For those who have become homeless, rental assistance helps them to rapidly regain stable housing. Households with incomes up to 50% of median income are eligible for assistance; the vast majority of assisted residents are below 30% of median incomes. The vast majority of households are in stable housing at program exit and six month after rent assistance ends, demonstrating that a small amount of financial help can make a huge impact.

Homeownership Opportunities

The Homebuyer Program provides affordable loans to first-time buyers earning up to 80% of area median income, up to \$46,100 for a single person and \$59,250 for a three-person family, giving them an opportunity to live close to where they work. These families include a variety of moderate-income workers, such as hotel, office and retail workers, teacher's aides and other school employees, people working in health care, and people providing technology support.

Meeting the Needs of a Diverse City

The Housing Levy is one of the City’s most important tools to address economic and racial disparities in housing and make Seattle a more equitable city. One important measure of disparity is severe cost burden. Among Seattle residents, extremely low income households, people of color, and seniors are all more likely to pay more than half their income for rent. Racial disparities for renter and owner households are illustrated in the following table. All Levy programs collect demographic data about the households served to ensure that programs are serving those most in need. Demographic data for rental housing is shown below. Demographic data for households receiving rental assistance is on page 14, and for homebuyers on page 16.



U.S. Census Bureau 2006-2010 American Community Survey 5-Year Average, Seattle

Rental Production & Preservation Program

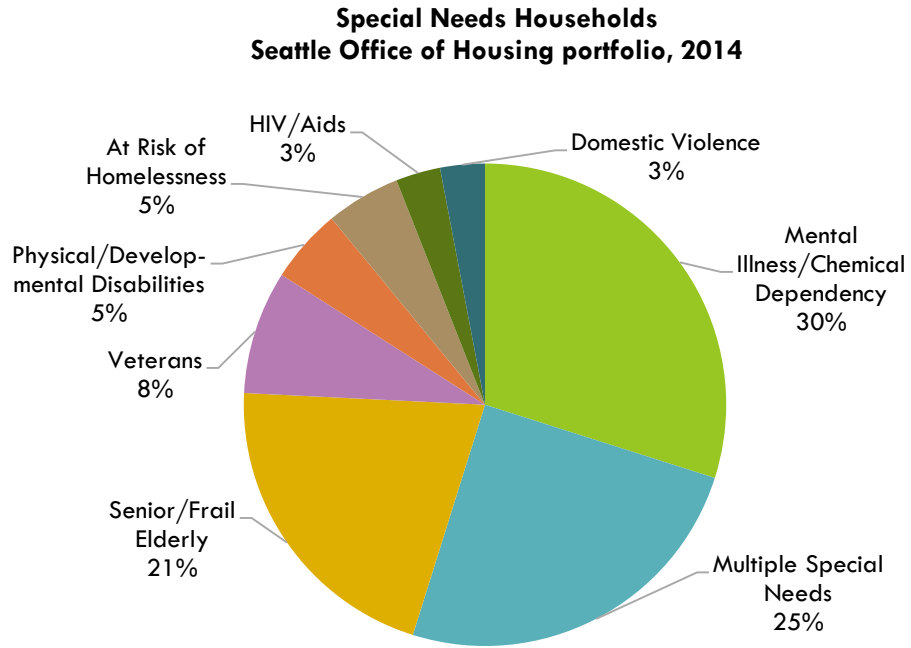
Demographic data is collected for all properties that have been in operation for a year or more, and include all households who reside in the housing over the course of the year. In 2014, the most recent available data, 13,870 households were served in 11,707 housing units.

Race/Ethnicity: City-funded housing serves a higher proportion of people of color, 66%, than is represented in Seattle’s lower-income renter population as a whole. The table shows resident race and ethnicity compared to Seattle renter households below 80% of median income. Black/African American households make up 29% of residents in City-funded housing, compared to 12% of low-income Seattle renters.

Demographics – Race	Rental Housing Program*	Seattle Renters, <80%AMI**
White	44%	61%
Black/African American	29%	12%
Asian/Pacific Islander	12%	15%
Hispanic	5%	8%
Multi-Racial	6%	4%
American Indian, Alaska Native	3%	1%

*Seattle Office of Housing, 2014 occupancy data
** U.S. Census Bureau 2006-2010 ACS 5-Year Average, Seattle

Special Needs Residents: Just over half of households residing in City-funded housing in 2014 were identified as having special needs. The largest categories were seniors/frail elderly, mental illness/chemical dependency, and multiple special needs. Some residents, but not all, resided in housing where on-site services were provided for the particular special needs population. Others occupied affordable apartments available to any income-eligible household.



RENTAL PRODUCTION & PRESERVATION PROGRAM

The largest Levy program provides approximately \$14.7 million annually in capital funds to support development of affordable rental housing. Levy funds serve vulnerable people in communities throughout the city, and leverage other public and private investment for housing development and operations.

- The program funds new construction or acquisition/rehabilitation to preserve housing, and the housing serves eligible residents for a minimum of 50 years. A large proportion of housing provides supportive services for residents with special needs.
- Physical inspections and annual compliance reporting ensures that the housing is well maintained, serves the intended resident population, and is financially viable.

2015 Funding Summary

The Rental Housing Program awarded \$15.2 million in Housing Levy funds and \$21.6 million in other City-administered funds to four new Levy projects and one previously funded project. The four new projects contain 485 City-funded affordable apartments, of which 269 are Levy-funded. Taken together with prior-year funding, these 269 units bring cumulative Levy production to 2,184 units.

The four new Levy projects address several Rental Housing priorities:

- Housing for the homeless and people with disabilities: Projects will provide 91 units of supportive housing for homeless single adults with disabling conditions, 40 units of housing and services for homeless families and individuals, and 10 units for homeless veterans.
- Housing for low-wage workers and their families: Three projects provide housing for low-wage households at 30%, 50% and 60% of area median income. The projects include family-sized housing, including 108 two-bedroom and 29 three-bedroom apartments.
- Housing near transit: One project is within walking distance of the new University District light rail station. All project locations have regular transit service.

In 2015 OH awarded a record amount of funding: over \$68 million in City-administered funds. Collectively these funds will support development of seven projects comprising 898 units, as well as reinvestment to rehabilitate two small buildings serving homeless youth and young adults. The exceptional volume of funding derives primarily from payments made to OH under the City's incentive zoning (or "bonus") program. The Office of Housing received substantial payments from commercial and residential developers taking advantage of City land use codes that allow increased development in exchange for affordable housing contributions. Three projects (406 affordable units) and the one reinvestment project (26 units) were supported wholly from non-Levy sources. Even within the four Levy-funded projects, Levy proceeds were heavily leveraged with other City-administered fund sources; this mix of funding supported larger developments than typically funded. For this reason this report distinguishes between individual units attributed to Levy funds as opposed to those units financed with other City resources. Information about all of these housing projects can be found at Seattle.gov/housing.

The following table details each of the four Levy-funded projects from the 2015 funding round. A total of 269 units are attributed to the Levy out of the four projects' 485 total units. The total Levy investment in these projects is \$14.6 million. An additional \$600,000 in Levy funding was awarded to a project initially funded in 2014; the additional funding will help address an unanticipated gap in development financing.

Project Sponsor <i>Project Name</i> <i>Location</i>	Project Description	Total Funded Units	Levy Units	Capital Funding	
				Levy \$	Other City \$
Bellwether Housing <i>University District Apartments</i> 4738 15 th Ave NE	Construction of a mixed-income affordable building close to the planned University District light rail station. Provides a mix of unit sizes, including 33 2-bedroom and 20 3-bedroom. Apartments are primarily affordable at 60% AMI, with 13 units at 50% AMI, and 40 units dedicated to homeless individuals and families at 30% AMI. Compass Housing Alliance will provide services to residents transitioning from homelessness.	132	70	\$1.44 M	\$5.67 M
Capitol Hill Housing <i>Liberty Bank Building</i> 2320 E Union St	Construction of affordable housing, with a mix of studio, one-bedroom and two bedroom apartments, in the Union-Jackson area at the site of the historic Liberty Bank. Affordability is primarily at 60% AMI, with 10 units at 50% AMI. Eighteen units will be affordable at 30% AMI, with 10 of these dedicated to homeless veterans.	114	40	\$4.3 M	\$7.9 M
Downtown Emergency Service Center <i>Estelle Supportive Housing</i> 3501 Rainier Ave S	Construction of supportive housing, providing studio apartment and on-site services for chronically homeless single adults with chemical dependency and mental illness. Located close to transit, including light rail. The building will have 24-hour staff, kitchen and dining area with meals provided, and indoor and outdoor common space.	91	91	\$3.28 M	\$1.51 M
Mercy Housing Northwest <i>Building 9</i> 7101 62 nd Ave NE	Conversion and renovation of the former Sand Point Naval Base barracks. A \$9.7 million State grant will support historic preservation of the deteriorated structure, vacant for nearly 20 years. Apartments are primarily affordable at 60% AMI, with a mix of units sizes include 2-bedroom and 3-bedroom units for families. 20 units at 50% AMI and 20 at 30% AMI will serve workers with low wages. Includes on-site daycare, indoor exercise space, community room and computer lab and access to the amenities of Magnuson Park.	148	68	\$5.54 M	\$6.45 M
Total - New Development		485	269	\$14.55 M	\$21.55 M
Funding Amendment – Project previously received funding, not yet constructed					
Plymouth Housing Group <i>7th & Cherry Supportive Housing</i> 710 Cherry St	Construction of supportive housing for chronically homeless individuals, with substance abuse and mental health services provided on site. Location near First Hill medical centers provides health care access for medically frail residents.	77	77	\$600,000 amendment + \$5.35 M 2014 award	\$2.1 M 2014 award

Housing Affordability

Of the housing funded in 2015, 169 of the 269 Levy-funded apartments will serve extremely low-income households with incomes up to 30% of area median income (AMI). The balance will serve individuals and families up to 50% and 60% AMI. The allowable incomes and rents are indexed by household size and adjusted annually.

Over the first six years of the current seven-year Levy, 60% of the total Levy-funded units are restricted to households with incomes below 30% AMI.

The Levy’s affordability policy focuses on dollars spent rather than units produced. It requires that at least 60% of program funding must support housing that will serve extremely low-income households at or below 30% AMI. No more than 10% of funding may serve households at 60% to 80% AMI. The remaining funding must support housing serving households at 30% to 60% AMI.

Inclusive of the 2015 funding round, 61% of Levy funding has been committed to housing for extremely low income households, consistent with the affordability policy described above. Significantly, the requirement is now resulting in higher levels of Levy investment to create deeper affordability (below 30% AMI) in units that would otherwise have served households in the 50% and 60% AMI range. The use of Levy dollars to include 30% AMI units in debt-financed projects that would traditionally serve higher income levels is a trend that will likely continue into the future.

The following table summarizes the Levy expenditures at various affordability levels for the years 2010 through 2015.

Affordability Level	Affordability Policy % of Funds	Funds Awarded 2010-2015	Percent of Funds Awarded
0 - 30% AMI	At least 60%	\$54.1 million	61%
31 - 60% AMI	Up to 40%	\$ 34.4 million	39%
61 - 80% AMI	Up to 10%		0%

Selected Income Levels for 2015

30% AMI

\$18,850 for a single person,
\$24,250 for a three-person family

50% AMI

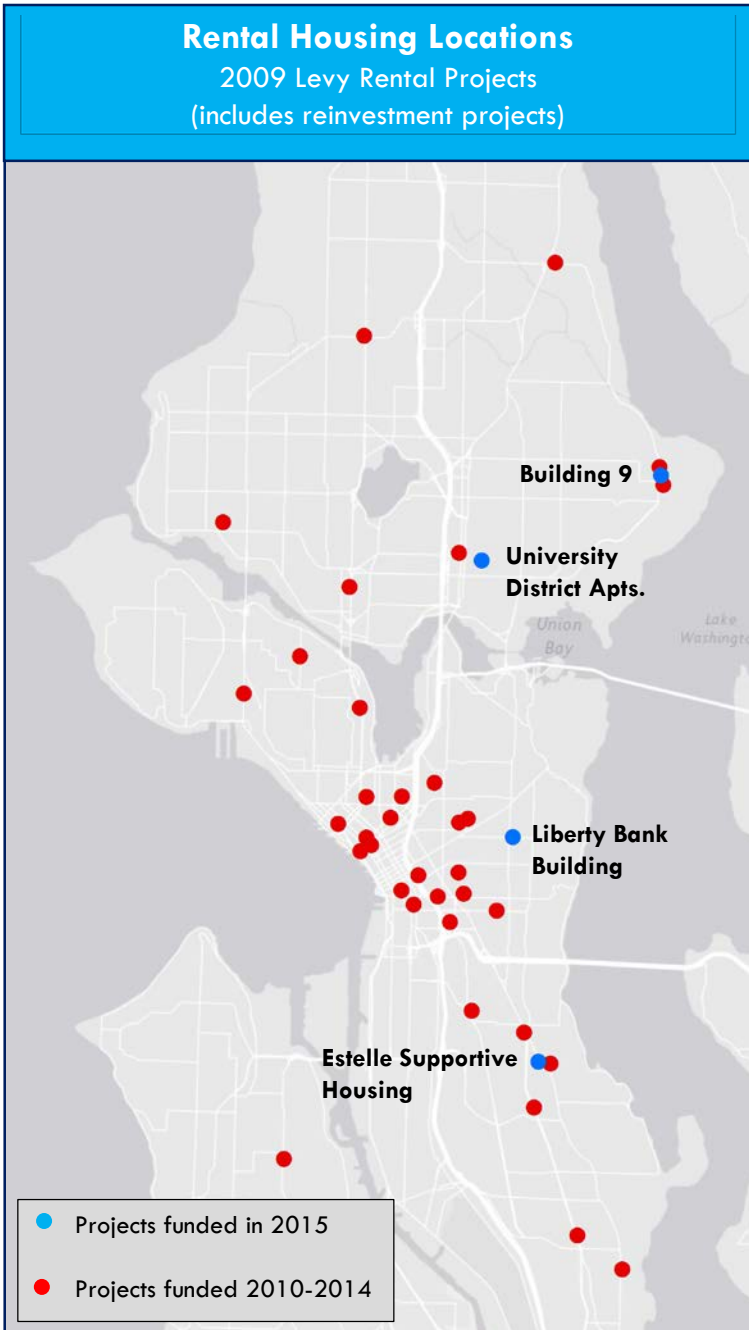
\$31,400 for a single person,
\$40,350 for a three-person family

60% AMI

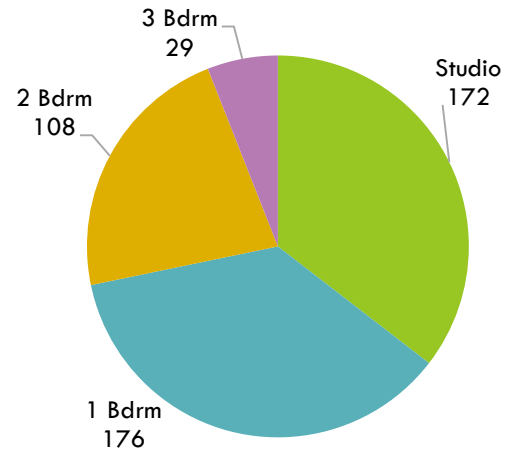
\$37,680 for a single person,
\$48,420 for a three-person family

Housing Project Location, Size and Unit Mix

The new housing developments funded this year include two Northeast Seattle sites, one Central Area site and one in Southeast Seattle. The Estelle Supportive Housing project serving homeless residents is entirely studio apartments; the other three developments have a combination of studios and one-, two-, and three-bedroom apartments for individuals and families. Twenty-eight percent of units are family-sized (2+ bedrooms) compared with 24% family-sized units in OH's portfolio of funded projects.



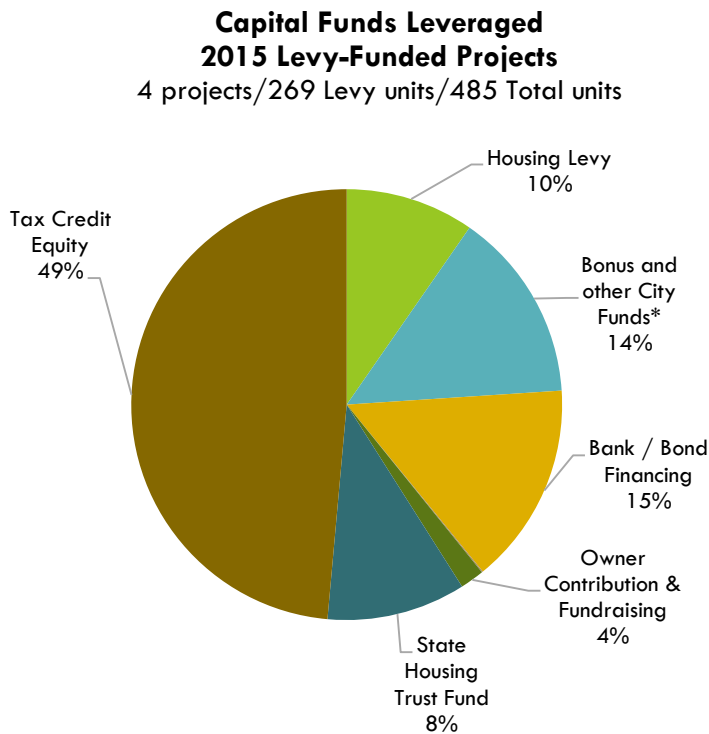
Unit Types
2015 Levy-Funded Projects
4 projects/269 Levy units/485 Total units



Capital Funds Leveraged

The success of the Rental Housing Program depends on leverage of other public and private funds. Securing other capital sources is challenging as always, and City staff works closely with the State, County, Housing Finance Commission and other funding partners to align funding priorities whenever possible.

The following chart show the major sources of capital funds invested in 2015’s four Levy projects. The \$36.1 million in City funding awarded to the four housing developments will secure an estimated \$114.6 million in non-City capital sources – resulting in over \$150 million in total capital investment in low-income housing construction and rehabilitation. Tax credit equity investment by private sector investors continues to be the largest source of funding by far, and is particularly critical to housing serving extremely low income residents. In addition, private sector lending is a significant source for housing developments that are able to support mortgage debt. The State Housing Trust Fund had limited funds available, however the Legislature’s allocation of \$9.7 million for renovation and historic preservation of Building 9 at Sand Point boosted the Housing Trust Fund amount.



2015 Highlights

- City funds continued to leverage \$3 for each City dollar invested
- Private equity through federal tax credits most significant source
- City Bonus funds – fees paid by developers using land use incentives – at highest level
- Higher percentage of bank/bond debt than prior years

*City Incentive Zoning/Bonus funds and Federal HOME and CDBG funds administered by the Office of Housing

The total capital investment produces significant economic returns. It creates construction jobs and ongoing employment, and generates State and local revenue. Based on economic modeling by the National Association of Home Builders, the four new construction projects will result in \$56.9 million in income for construction workers and local businesses, \$10.8 million in local government revenue, and 784 jobs. The recurring economic impacts are \$12.9 million in business and employment income annually, \$2.5 million in local government revenue annually, and 214 ongoing jobs.

ACQUISITION & OPPORTUNITY LOANS

Acquisition & Opportunity (A & O) Loans were designed to respond to opportunities in a slower economic environment in the first years of the levy. They provided short-term financing for strategic acquisition of sites for low-income rental or homeownership housing development. The loans are repaid with permanent project financing, using City and non-City sources, producing housing with long-term affordability.

- Funding was prioritized for projects with a low acquisition cost and/or projects expected to leverage significant capital, operating or services funding. Acquisition financing was critical to achieving cost savings or leverage.
- Preference was given to development in high-capacity transit station areas and acquisition/rehabilitation of existing buildings.

Available Funding

The Levy authorized up to \$6.5 million at any one time for A & O Loans, using funds from other levy programs not yet needed for planned projects. In addition, the City Council authorized up to \$5 million in short-term lending using the fund balance of the Operating & Maintenance (O & M) Program from prior housing levies. Loans were made throughout the year to enable sponsors to acquire properties when they became available.

Program Completion in 2012

The A & O Loan program stopped making new loans in 2012.

Over three years, the A & O Loan program provided short-term acquisition loans for nine projects -- seven rental housing developments and two homeownership projects. By 2012, the A & O Loans program had achieved its goals and OH recommended that funds revolve back to Levy programs to be used for permanent financing. City Council authorized the Rental Housing and Homebuyer programs to continue provide short-term acquisition loans on a limited basis using Levy O & M Program funds.

All of the nine A & O Loans have been repaid and the projects are completed or under development.

Summary of Levy A & O and Bridge Lending 2010 - 2012

Year	Projects/Units	A&O Loans (2009 Levy)	Bridge Loans (Levy O&M)
2010	4 projects/212 units	\$2.3 million	\$1.6 million
2011	1 project/66 units		\$800,000
2012	4 projects/172 units	\$5.6 million	
Total		\$7.9 million	\$2.4 million

OPERATING & MAINTENANCE PROGRAM

The Operating & Maintenance (O & M) Program provides annual subsidies for buildings that serve extremely low-income and formerly homeless residents. Levy funds provide critical operating subsidy so housing can serve residents who pay very low rents that are insufficient to support building operations. Levy and other operating sources help ensure that the housing is well maintained and financially viable.

- Funds are awarded to housing that has received Levy capital funds and will serve residents below 30% of median income. Funding is typically provided one or two years after capital funding, matched with other funding for building operations and resident services.
- 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 per year, with adjustments for inflation.
- Projects are reviewed in coordination with other funders through the King County Operating, Rent Assistance and Services (ORS) funding round, which allows strategic allocation of federal and local sources as projects come on-line.

Operating Support Using Seattle Housing Authority Section 8 Vouchers

The largest source of operating funds is 500 vouchers committed by Seattle Housing Authority over the seven-year Levy. Projects that receive Levy capital funding may apply for project-based Section 8 vouchers when the project will be ready for occupancy within a year. Section 8 vouchers must serve households with incomes below 30% of median income. Voucher awards are subject to the approval of the Seattle Housing Authority Director and availability of federal funds. To date, 323 of the 500 Section 8 vouchers committed to current Housing Levy have been awarded vouchers. The remaining vouchers are available for Levy-funded projects as they come on line. SHA is allocating additional vouchers to Levy-funded replacement housing at Yesler Terrace.

Levy Funding Commitments

Levy O&M funds have been awarded to three projects with a total of 207 O&M supported units. O&M funds were not awarded in 2015, and \$2.4 million remains to support one additional project in the current housing Levy. The following table shows the major sources of operating subsidy leveraged by Levy capital and O&M investment.

Project	Units	O&M funding	Other operating sources*
Cottage Grove Supportive Housing Downtown Emergency Service Center	66	\$70,000 in first year \$2m 20-year est.	McKinney (\$500,000/year) King County MIDD United Way
Caroline W Apartments Community House Mental Health	44	\$110,000 in first year \$3.3m 20-year est.	King County mental health (\$264,240/year) State O&M
Interbay Supportive Housing Downtown Emergency Service Center	97	\$215,820 in first year \$6.7m 20-year est.	McKinney (\$940,000/year)

*First year funding estimate

RENTAL ASSISTANCE PROGRAM

The Rental Assistance Program funding supports homeless prevention and housing stabilization programs administered by the Seattle Human Services Department (HSD). The program serves families and individuals who are at risk of homelessness or experiencing homelessness. Beginning in 2012, approximately \$849,000 is available annually. The program goal is to assist 605 households annually and evaluate their housing stability six months after rental assistance ends.

- The program provides short-term (one to three months) or medium-term (up to six months) rental assistance for households with incomes up to 50% area median income (AMI) who are at imminent risk of eviction and homelessness.
- Levy funding is used for rent assistance, security and/or utility deposits, move in costs, and rental and utility arrears.
- Program activity and performance are monitored with the region's Homelessness Management Information System, Safe Harbors.

Participating Agencies Referrals through 2-1-1

- Interim Community Development Association
- Muslim Housing Services
- Neighborhood House
- Solid Ground
- Wellspring Family Services
- YMCA of Greater Seattle
- YWCA Seattle-King-Snohomish Counties

2015 Funding Summary

Levy funds totaling \$994,555 were expended by seven community-based nonprofit agencies to provide rental assistance through eight unique programs. The homelessness prevention and rapid rehousing provider agencies offer rich culturally and linguistically relevant services, target services to underserved communities and communities with emerging needs, and provide specialized programs for a range of household types, including young adults, families with children, and single adults. The agency staff came together for quarterly provider meetings to exchange ideas, information and best practices.

In 2015, the programs achieved these milestones:

- 560 households received at least one form of financial assistance, including 310 households with children. Financial assistance included emergency rent and utility assistance needed to prevent evictions as well as security deposit and credit check fees to help homeless families transition into housing. Levy-funded assistance averaged \$1,776 per household.
- 499 households received eviction prevention assistance, and 61 homeless households received rapid rehousing assistance to move into housing after living in their car or on the street.¹
- Of the households eligible for a six-months stability follow-up, 83% were in stable housing six months after rent assistance ended.²
- The programs served significantly more large families. Average household size increased from 2.4 household members to 3.6 household members from 2014 to 2015.

¹ Fourteen households were in other situations or data was missing.

² Based on 730 households eligible for the six-month housing stability follow up during 2014. Agencies were able to contact and confirm housing stability of 611 households.

Households Receiving Financial Assistance to Prevent Eviction or Enter Housing, 2015

560 Households with 2,008 Individuals

Client Characteristics	Percent of Total
Extremely low-income household (below 30% of median)	82%
All households with children 0-17 years	55%
Single parent households with children 0-17 years	35%
People of color/ethnic minority individuals ¹	88%
Disabled individuals ²	14%
Refugee/immigrant individuals ³	27%

¹ Race/ethnicity data were available for 614 unduplicated individuals.

² Disability data were available for 650 unduplicated individuals.

³ Data were available on immigrant/refugee status for 677 unduplicated individuals.

Source: Safe Harbors HMIS

HOMEBUYER PROGRAM

The Homebuyer Program creates affordable homeownership opportunities through low-interest deferred loans to first-time homebuyers and loans to nonprofits. Eligible homebuyers may purchase a single family home, townhome or condominium anywhere in Seattle. Approximately \$1.3 million in new funding is available annually, plus any loan repayments from the current or prior housing levies.

- Homebuyers with income up to 80% of median income may apply for assistance through nonprofit housing agencies, participating lenders, and housing developers that have received City funds.
- The program provides deferred loans up to \$55,000, depending on each borrower's need. Borrowers may receive larger loans, up to \$70,000, if City funds are pooled with other subsidies and the average City subsidy is no greater than \$45,000 per buyer.
- Loans are repaid upon resale or refinancing, providing revolving funds for additional homebuyer loans, or are invested in homes that will remain affordable in perpetuity.

2015 Funding Commitments

The Office of Housing awarded \$575,000 in Levy funds to two lending programs in 2015. The two lending programs will assist approximately 15 homebuyers over the next 12 to 18 months.

- **Washington State Housing Finance Commission:** \$300,000. The Commission will assist up to 10 homebuyers, providing up to \$15,000 per buyer of the Commission's House Key Plus Seattle down payment assistance to match City funds.
- **Homestead Community Land Trust:** \$275,000. HCLT will sell five homes to low-income first time homebuyers. All homes will be permanently affordable, so that upon resale future low-income homeowners will have an opportunity to acquire them at an affordable price.

With 2015 funding awards, a total of \$5.8 million has been awarded to lending programs. These programs assisted 144 households to date to purchase a home, and an estimated 43 additional purchasers will be assisted with Levy funds awarded to programs. Combined, these home purchases exceed the Levy goal of 180 home purchases.

Approximately \$3.48 million remains available to commit to lending programs. This amount includes the balance of the original \$9.1 million allocated to the Homebuyer Assistance Program in the 2009 Levy as well as funds from Levy loans that were repaid due to sale or refinance of the home (known as program income). Program income grew in recent years, due primarily to home owners refinancing in a low-interest rate market. The Homebuyer Program received approximately \$2.9 million in loan repayments from 2010 to 2015 from loans made with Levy and other local sources. Additional program income from loan repayments is anticipated in coming years, but not at the same rate. As a result of this additional available funding, OH anticipates at least \$2.25 million unallocated funding at the end of the year, which can be carried forward for home purchase loans or other Levy programs as approved by City Council.

2015 Home Purchases

In 2015, 12 buyers purchased their first home using Levy funds awarded in 2014 or prior years, including Levy program income from prior loan repayments. The average Levy loan amount was \$41,646. Two of the buyers had household incomes below 50% of AMI, one buyer’s income was in the range of 51-60% of AMI, and the remaining nine buyers had incomes in the 61-80% of AMI range. The pace of closings has slowed (12 buyers in 2015 versus 23 buyers in 2014) as rising home prices have made it difficult for low-income buyers to find an affordable house even with a deferred down payment assistance loan.

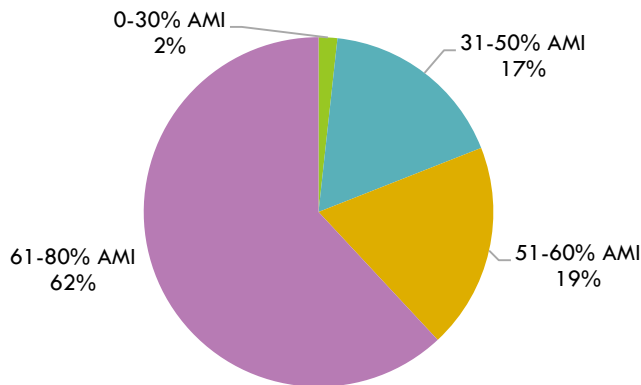
Demographics of Homebuyers, 2010 - 2015

As with other Levy programs, the Homebuyer Assistance Program provides resources that help address economic and racial disparities in housing. The program requires homebuyers to participate in homeownership education that helps to understand the home buying process and plan for long-term success. Outreach and counseling assist renter households to learn about the program and how to access the funding.

Since 2010, the Homebuyer Program assisted almost 300 buyers to purchase their first home using Housing Levy funds and other City-administered sources. In addition to providing ownership opportunity to lower-income households, the program served a higher proportion of people of color than homeowner households in Seattle.

Demographics - Race	Homeownership Program*	Seattle Homeowners**
White	55%	80%
Black/African American	21%	3%
Asian/Pacific Islander	20%	12%
Hispanic	3%	3%
Multi-Racial	1%	2%
American Indian, Alaska Native	<1%	<1%
*2010-2015 Homebuyer loans, Seattle Office of Housing ** U.S. Census Bureau ACS 2014 1-Year data		

**Households Receiving Homebuyer Loans, 2010 - 2015
By Income (all City fund sources)**



LEVY FUNDING POLICIES

Administrative & Financial Plan

Housing Levy programs are guided by policies in the Levy Administrative & Financial Plan adopted by the City Council every two years. The plan is prepared by the Seattle Office of Housing, with the participation of the Seattle Department of Human Services, 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 & Preservation funds are made available via a Notice of Fund Availability (NOFA) along with other housing funds administered by the Office of Housing, in coordination with other local and statewide funders. Applicants are typically nonprofit housing developers, sometimes in partnership with agencies that provide supportive services. Organizations that receive Levy funds commit to provide below-market-rate housing to low-income households for at least 50 years.

Acquisition & Opportunity Loans were available in 2010 through 2012. Unlike other Levy programs, applicants submitted project proposals on a rolling basis rather than a set deadline, enabling project sponsors to take advantage of market opportunities. This highly competitive program required that applicants and projects meet additional selection criteria. As these short term loans were repaid, funds were made available as permanent financing via the other Levy programs. Short-term acquisition funding continues to be available through the Rental Housing and Homebuyer programs on a limited basis.

Levy Operating & Maintenance Funds are made available in a combined NOFA with other sources that support building operations, rental assistance, housing-based services and other housing assistance. This coordinated funding approach helps to maximize the operating and services funding that can be secured, enabling Levy-funded housing to serve extremely low-income and homeless people.

Rental Assistance funds are administered by the Seattle Human Services Department, which selects service providers via a Request for Investment process. These agencies assist eligible households by providing housing stability services and making rent assistance payments directly to the housing owners.

Levy Homebuyer funds are awarded through a competitive process to housing development projects and/or mortgage lending programs. First-time homebuyers apply for purchase assistance loans through the selected lenders and nonprofit partners.

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 on program accomplishments and makes recommendations for policy changes in the Administrative & 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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