The Office of Housing continues to preserve and increase the supply of housing affordable to a range of households, from recently homeless individuals and struggling low-income families, to moderate-wage workers and seniors living on fixed incomes. One aspect of OH's work, the multifamily rental loan portfolio, now includes 285 developments with more than 11,600 apartments, representing a nearly $2 billion dollar investment of City and other funding in affordable housing over 30 years.

This report provides information on our many accomplishments in 2011, including:

- The Rental Housing Program awarded nearly $27 million in capital funding for the construction of more than 450 new affordable apartments around the city.
- The HomeWise Program expended the last of nearly $4.8 million in federal stimulus funds for energy efficiency efforts, improving nearly 2,300 houses and apartments over the three-year term of the funding.
- We celebrated the sale of the final Wolcott home, part of a 15-home development purchased out of foreclosure by Homestead Community Land Trust using an OH loan, providing new affordable homes to moderate-wage young couples and families with children in Rainier Beach.
- Through OH, the City received a HUD Challenge Grant to support a three-year $8.9 million transit-oriented development program that will produce and support affordable housing, as well as commercial and community space around transit stations in Southeast Seattle.
Ending homelessness and increasing the supply of affordable rental housing

OH's Rental Housing Program funds the development of affordable rental housing in Seattle using the Housing Levy Rental Preservation and Production Program funds, Bonus Program funds, federal funds, and other fund sources.

In 2011, OH awarded nearly $27 million in funding, mainly from the 2009 Seattle Housing Levy, to help construct seven new apartment buildings. Overall, the funding will create 205 apartments for low-income families earning between $23,000-$47,500, 70 apartments for low-income seniors earning up to $37,000 for an individual, and 191 apartments with supportive services for formerly homeless families and individuals. As a result, an estimated total of more than $100 million in public and private capital funding will be invested in Seattle neighborhoods from Fremont to Sand Point and Capitol Hill to Rainier Beach, revitalizing communities and providing living-wage jobs.

Developments funded in 2011:

- Capitol Hill Housing's 12th Avenue Arts, 88 units of housing affordable to low-income families as well as retail and community arts space, to be constructed on the Seattle Police Department’s East Precinct parking lot.
- Catholic Housing Services’ 4251 Aurora Ave., 71 units of permanent supportive housing for chronically homeless individuals, including eight apartments for veterans.
- Downtown Emergency Service Center’s Delridge Supportive Housing, 66 studios serving highly vulnerable homeless individuals with onsite supportive services tailored to residents’ needs.
- SouthEast Effective Development’s Rainier Court III, 70 units for low-income seniors in the Rainier Valley. This is the third phase of SEED’s mixed-use, multi-phase residential rental housing development known as Rainier Court.
- Mercy Housing Northwest and Urban Impact’s Impact Family Village, 61 units for low-income families in Rainier Beach. Twelve units will be set aside for households with a member who is disabled.
- Solid Ground’s Sand Point Phase 2, 54 units of permanent supportive housing with on-site services for homeless families and individuals. This is the final housing component of the 1993 Sand Point Reuse Plan.
- Artspace’s Mt. Baker Lofts, 56 units designed to meet the needs of artists and their families to be constructed next to the Mt. Baker Light Rail Station.

Six developments funded in prior years were completed in 2011, providing new homes to 199 households and rehabilitating 70 existing senior apartments, extending the life of this
essential affordable housing stock. Finally, eight projects funded in prior years began construction in 2011. These developments include 240 new apartments and preservation of 217 existing apartments.

Our work with affordable housing developers continues long after new projects open, as OH’s Asset Management unit assists project sponsors in keeping housing in good financial and physical condition. As of the end of 2011, OH’s rental housing loan portfolio now includes 285 developments with more than 11,600 apartments, representing a nearly $2 billion dollar investment of City and other funding in affordable housing over 30 years.

Improving and extending the life of existing affordable housing

OH’s HomeWise Program helps low- to moderate-income Seattle renters and homeowners by providing free energy-saving measures that help to lower energy consumption, reduce carbon emissions and cut utility costs. The home repair loan program, funded by local and federal programs, helps lower-income homeowners finance costly home repairs.

Weatherization & Energy Efficiency

As 2011 came to a close, so did the era of ARRA. In 2009, OH’s HomeWise weatherization program received $4.8 million for energy efficiency efforts from the federal stimulus program known as the American Reinvestment and Recovery Act (ARRA). These funds came with a target of completing 1,582 units by Dec. 31, 2011 — a target that HomeWise surpassed six months early. Over the three-year life of the ARRA funding, HomeWise used it to complete 2,277 units, exceeding the target by 44%.

Back in 2009, the ARRA goal appeared almost unattainable, but strong partnerships between OH and Seattle’s affordable housing community, HomeWise contractors, utility partners, and other funders helped HomeWise deliver on the sky-high goal. Importantly, the ARRA funds have been heavily leveraged with other sources, including utility incentives, private contributions, state funds and more. The boost of funds allowed HomeWise to more than double the total number of units served in 2011 as compared to 2008 (1,872 vs. 859).

Including all funding sources, in 2011 HomeWise expended about $6.5 million to substantially improve the energy efficiency of 1,653 multifamily units and 185 single family homes.

Home Repair

Many low- to moderate-income homeowners have trouble keeping their homes in good condition. Faulty wiring, broken side sewers and leaking roofs put families at risk and can lead to unnecessary tear-downs. Unfortunately, needed repairs are often beyond the financial grasp of these homeowners, and can jeopardize not only the health of the residents, but also the long-term viability of the home.

OH’s low-interest home repair loans help lower-income homeowners finance costly home repairs. In 2011, the home repair loan program helped 30 lower-income homeowners accomplish needed home repairs, improving current living conditions and extending the life of the home without breaking the bank.

This adorable home looks just fine on the outside, but on the inside, repeated basement flooding had left mold behind, creating an unhealthy environment that led to respiratory infections for the owner, Alexandra Rust. A recent widow living on a fixed income, Rust contacted HomeWise for help. With the guidance of OH property rehab specialist Aziz Rahmani and a home repair loan, Rust was able to afford necessary improvements that included chimney repair, plumbing replacement, and most importantly, removal of water-damaged drywall, followed by waterproofing of the basement.

Aziz helped me to prioritize, make the correct decisions to get my basement dry and healthy, directed me to good contractors and followed up on their work to be sure that it was done correctly...

My house no longer floods. The mold and asbestos are gone. And I have not been ill once since the work was done.

— Alexandra Rust, homeowner
New stable homeownership opportunities

OH creates affordable homeownership opportunities through downpayment assistance loans to first-time homebuyers and through loans to nonprofit organizations. Homebuyers contribute their own funds or sweat equity, complete pre-purchase counseling, and gain security with a steady housing payment and a home to call their own.

In 2011, 81 families purchased their first home with help from OH’s Homebuyer Program.

The Wolcott Avenue Homes in Rainier Beach was a remarkable project made possible by OH. In 2009, the yet-unfinished 15-home subdivision was in foreclosure. When construction stopped, the development might have sat incomplete for years and would have likely attracted criminal activity. Homestead Community Land Trust, seeing the potential in the half-built homes and empty foundations, partnered with OH to purchase the development. OH financed Homestead’s acquisition of the project using an innovative mix of funds from the federal Neighborhood Stabilization Program and the Housing Levy’s Acquisition and Opportunity Program. Homestead then completed construction and marketed the homes. On Oct. 15, 2011 — a year to the day after Homestead closed on the acquisition loan — the fifteenth and final Wolcott homebuyer closed on their new home. Instead of blight, 15 houses were added to Seattle’s stock of permanently affordable homes.

Expanding housing opportunities for low- to moderate-wage workers

OH administers several programs that provide commercial and residential developers incentives to build, preserve or contribute funding for affordable housing in Urban Centers and Urban Villages.

In 2011, Seattle City Council reauthorized the Multifamily Tax Exemption (MFTE) program, lowering the income levels and maximum rents for the affordable rental housing reserved through the program. The program allows developers of newly constructed rental housing to receive a property tax exemption on the residential portion of the development for up to 12 years. In exchange, at least 20% of the housing must be affordable for moderate-wage workers. This program helps both for-profit and nonprofit developers get new projects underway during these uncertain economic times. In 2011, developers committed to creating 1,428 new apartments in 15 projects, with 412 units restricted to households earning up to 65%-85% of area median income (AMI).

The City’s Bonus programs, administered by OH, allow developers to build beyond what zoning allows in certain areas in exchange for including affordable housing in the projects or for contributing to OH’s affordable housing fund. In 2011, $4 million of Downtown Commercial Bonus Program funds collected by OH in years past were expended by non-profit developers for renovation or new construction of 384 affordable apartments in seven buildings. These developments offer homes to individuals and families with a wide range of incomes: 109 units at 30% of AMI; 93 at 50% of AMI; 131 at 60% of AMI; and 51 at 80% of AMI.

In February 2011, City Place V LLC (Vulcan Real Estate) contributed $1.6 million in connection with the Amazon Phase V development for housing affordable to low- to moderate-wage workers through the South Lake Union Commercial Bonus incentive. The funds will be awarded for new construction of affordable housing within the South Lake Union Urban Center or another Seattle neighborhood from which workers can easily commute by public transit to and from jobs in South Lake Union.