

2009 Seattle Housing Levy

2016 Report of Accomplishments



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[Optional letter from Oversight Committee chair on behalf of the committee]

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REPORT SUMMARY

2009 Seattle Housing Levy - Funding and Production – 2010 to 2016

The Housing Levy approved by Seattle voters in 2009 ended in December 2016. Each of the five levy programs met or exceeded goals. In August 2016, Seattle voted to replace and expand the levy, doubling our investment in housing assistance for the next seven years. This final report summarizes the performance of the entire 2009 Housing Levy as well as 2016 funding and production.

- **Rental Production and Preservation.** The largest levy program funds both new housing construction and acquisition and rehabilitation projects; the housing remains affordable for low-income Seattle residents for a minimum of 50 years. Over seven years the program invested \$104 million in 38 rental housing developments to create 2,527 affordable apartments, far exceeding the levy goal of 1,670 units. The program also funded critical upgrades to extend the useful life of five buildings with 410 units that had previously received City funding.
- **Acquisition and 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 provided short-term loans that were repaid when permanent financing was secured. The program exceeded its production goal -- owners secured sites for 234 rental and ownership units and the projects are all now completed.
- **Operating and Maintenance.** The O&M Program makes 20-year funding commitments to provide annual subsidies for buildings that serve extremely low-income and homeless residents. The levy operating subsidies, matched with other operating and services funding, support building operations and allow residents to pay very low rents. Over seven years the program awarded \$13.2 million to meet its goal of supporting 220 units. The balance of \$1.2 million will be retained in the 2009 Levy O&M trust fund and will be available to extend contracts beyond the initial 20-year commitments.
- **Rental Assistance and Homelessness Prevention.** Working through community-based organizations, the program funds short term rent assistance that is combined with housing search and stability services. Over five years the program assisted 3,185 households to prevent eviction and homelessness or to transition from homelessness to housing. A balance of \$150,000 will be expended in 2017 Homelessness Prevention contracts.
- **Homebuyer Assistance Program.** The program creates affordable homeownership opportunities through low-interest deferred loans to first-time homebuyers and loans to nonprofit organizations developing for sale homes that will be permanently affordable. Over seven years the program has awarded funds that will assist 191 buyers, exceeding the program goal. To date, 161 homebuyers have purchased homes. Due in part to loan repayments resulting from low interest rates, \$4.8 million of remaining funds will be carried forward into the 2016 Housing Levy Homeownership Program.

The table below shows total funding over the seven years of the levy, as well as program performance against the goals presented to voters in the original levy ballot measure.

2009 Housing Levy Funding and Production

Levy Program	Funding		Housing Produced		Status: Meeting or Exceeding goal
	Total Levy Funding 2010-2016	Funding Committed 2010-2016	Levy Goals 2010-2016	Housing Outcomes 2010-2016	
Rental Production & Preservation	\$104 M	\$104 M	1,670 rental units	2,527 units added	✓ +
			no goal for reinvestment	410 reinvestment	✓ +
Acquisition & Opportunity Loans ¹	\$6.5 M	\$7.9 M	175 housing units	234	✓ +
Operating & Maintenance	\$14.4 M	\$13.2 M	220 rental units	220	✓
Rental Assistance and Homelessness Prevention (2012-16)	\$4.25 M	\$4.1 M	3,025 households	3,185	✓ +
Homebuyer Assistance	\$9.1 M	\$7.7 M	180 home purchases	191 projected	✓ +

¹ Acquisition & Opportunity Loans were short-term loans made with other Levy program funds and then repaid. The projects subsequently received Levy funds for permanent financing. In this table the units are shown as production for both the A & O Loan and the Rental or Homebuyer program.

Housing Levy Funding in 2016

In 2016, the final year of the 2009 Housing Levy, four programs awarded funding. Additional information for each program is provided in the report sections that follow.

- Rental Housing Program** The program awarded \$15.9 million in Levy funds and \$10.9 million in other City housing funds to four housing projects with 343 affordable apartments. Projects included one permanent support housing development for chronically homeless adults, and three projects that will provide a mix of unit sizes and affordability levels, including units set-aside for homeless families.
- Operating and Maintenance Program.** In 2016, \$1.2 million was awarded to support 13 units within a larger, 76-unit permanent supportive housing project. The project secured significant operating and services funding through the federal McKinney program and King County's Operating, Services and Rental Assistance funding allocation; O&M funding was needed to fill a gap in operating funds.

- **Rental Assistance/Homelessness Prevention Program.** In 2016 the program contracted with seven community based agencies to assist 783 households; 54% of these households had children under age 18. Of the total households assisted, 672 received eviction prevention assistance and 71 were homeless and received rapid rehousing assistance to move into housing after living in their car or on the street.

- **Homebuyer Assistance Program.** The Program committed \$40,000 in Levy funding to assist with resale of four permanently affordable homes at a more affordable price. In addition, 17 homebuyers closed loans on purchase of homes in Seattle, with an average loan amount just exceeding \$36,000. Loans are structured as deferred loans that will be repaid upon resale, or to assist with purchase of homes that will be retained as permanently affordable for future homebuyers.

ABOUT THE 2009 SEATTLE HOUSING LEVY

An opportunity to live in a safe, affordable home

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. Through investment of levy and other housing funds, there are now 13,873 income and rent restricted rentals for lower-income Seattle residents in City-funded buildings. In addition, over 900 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 \$19,000 for a single person or \$24,400 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 \$37,980 for a single person or \$48,780 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 income. 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.

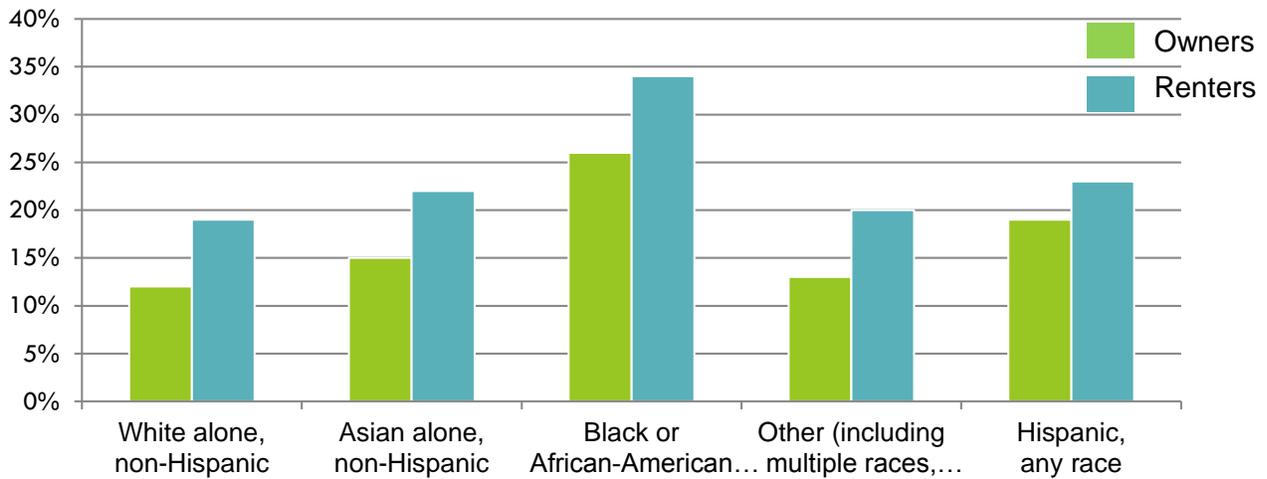
Homeownership Opportunities

The Homebuyer Program provides affordable loans to first-time buyers earning up to 80% of area median income, up to \$48,550 for a single person and \$62,400 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.

Severely Cost-Burdened Households, By Race
Percentage Paying More than Half of Income for Housing Costs



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

Residents Served in City-funded Rental Housing

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 here. Demographic data for households receiving rental assistance is on page 15, and for homebuyers on page 17.

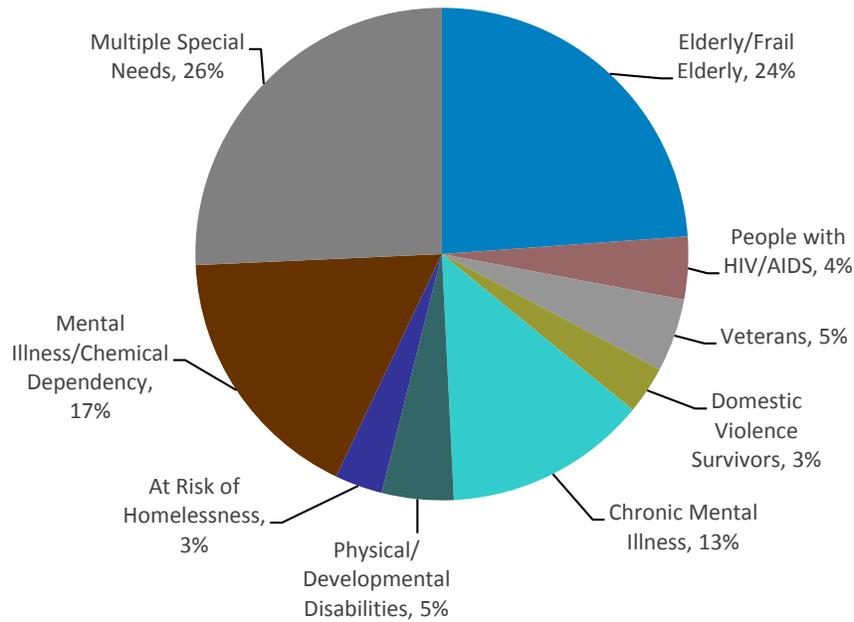
All rental properties that have been in operation for a year or more report demographic data for households who reside in the housing over the course of the year. ***In 2015, the most recent available data, 13,515 households were served in 10,922 City-regulated rental housing units.***

Race/Ethnicity: City-funded housing serves a higher proportion of people of color, 67%, than is represented in Seattle’s lower-income renter population. The table to the right shows resident race and ethnicity compared to Seattle renter households below 80% of median income. Black/African American households make up 30% of residents in City-funded housing, compared to 12% of low-income Seattle renters.

Demographics – Race	Rental Housing Program*	Seattle Renters, <80%AMI**
White	43%	61%
Black/African American	30%	12%
Asian/Pacific Islander	13%	15%
Hispanic	5%	8%
Multi-Racial	6%	4%
American Indian, Alaska Native	3%	1%
* Seattle Office of Housing, 2015 occupancy data ** U.S. Census Bureau 2006-2010 ACS 5-Year Average, Seattle		

Special Needs Residents: Just over half (54%) of households residing in City-regulated housing in 2015 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 resident population. Others occupied affordable apartments available to any income-eligible household and received services from community-based providers.

Special Needs Households
Served in Office of Housing Rental Portfolio
 7,264 households in 2015



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.

2016 Funding Summary

The Rental Housing Program awarded \$ 15.9 million in Housing Levy funds and \$10.9 million in other City-administered funds to four new Levy projects and one previously funded project. The four new projects contain 343 Levy-funded affordable apartments, plus three units for on-site property managers. Taken together with prior-year funding, these 343 units bring cumulative Levy production to 2,527 units.

The four new Levy projects address several Rental Housing Program priorities:

- Housing for the homeless and people with disabilities: The Downtown Emergency Services Center will provide 98 additional units of supportive housing for homeless single adults with disabling conditions, and the Compass Housing Alliance development includes 12 units for homeless families.
- Housing for low-wage workers and their families: Three projects provide housing for low-wage working people and their families with incomes at 30%, 50% and 60% of the area median. These projects include family-sized housing, including 79 two-bedroom and 16 three-bedroom apartments.
- Housing near transit: All project locations have regular transit service, including Rapid Ride on Aurora Avenue and the new streetcar through Yesler Terrace.

OH funded additional housing development projects in 2016 – two new developments and three reinvestment projects – solely with other City housing funds. In total, over \$46.9 million in City funding will support development of six projects comprising 468 units, as well as reinvestment to rehabilitate three buildings serving primarily homeless adults. This is the second consecutive year with a high volume of funding derived from payments made to OH under the City’s incentive zoning (or “bonus”) program that allows increased development in exchange for affordable housing contributions. Information about all the housing projects can be found at Seattle.gov/housing.

The following table details each of the projects receiving Levy funding in 2016.

Project Sponsor <i>Project Name</i> Location	Project Description	Total Funded Units	Levy Units	Capital Funding	
				Levy \$	Other City \$
Compass Housing Alliance <i>Compass Broadview</i> 13047 Greenwood Avenue N	New construction of studio, 1-, 2- and 3-bedroom units for low-income families, plus one on-site manager unit. Includes 12 units for families who are homeless.	59	58	\$2.74 M	\$3.9 M
Downtown Emergency Service Center <i>96th and Aurora Supportive Housing</i> 937 N. 96th Street	New construction of studio apartments with on-site services for homeless chronically mentally ill residents.	98	98	\$7 M	\$0.7 M
Low Income Housing InSTITUTE <i>Lake City Family Housing</i> 12705 30th Avenue NE	New construction of studio, 1-, 2- and 3-bedroom units for low-income families plus one on-site manager unit, on surplus City-owned property, the former Fire Station 39.	70	69	\$2.74 M	\$6.3 M
Seattle Housing Authority <i>Red Cedar</i> 888 E. Fir Street	Yesler Terrace redevelopment with studio, 1-, 2- and 3-bedroom units for low-income families, plus one on-site manager unit. Includes 80 units of replacement housing to be offered to existing or returning Yesler Terrace residents.	119	118	\$3.42 M	-0-
Total - New Development		346	343	\$15.9 m	\$10.9 m

Housing Affordability

Of the housing funded in 2016, 281 of the 343 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.

In total, 60% of the Levy-funded units produced over the seven-year levy 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.

Selected Income Levels AMI = area median income

30% AMI

\$18,900 for a single person
\$24,400 for a three-person family

50% AMI

\$31,650 for a single person
\$40,650 for a three-person family

60% AMI

\$37,980 for a single person
\$48,780 for a three-person family

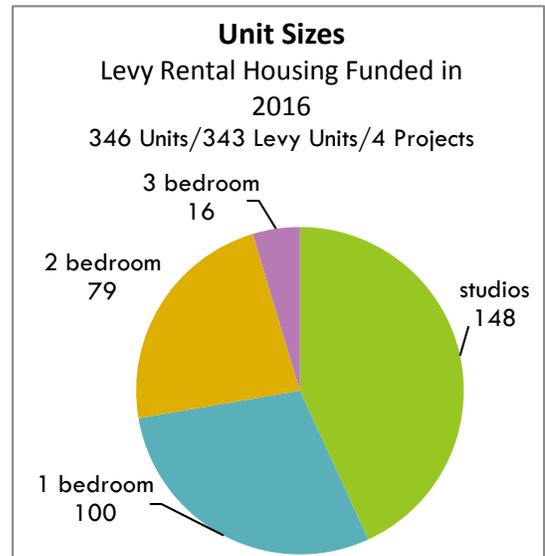
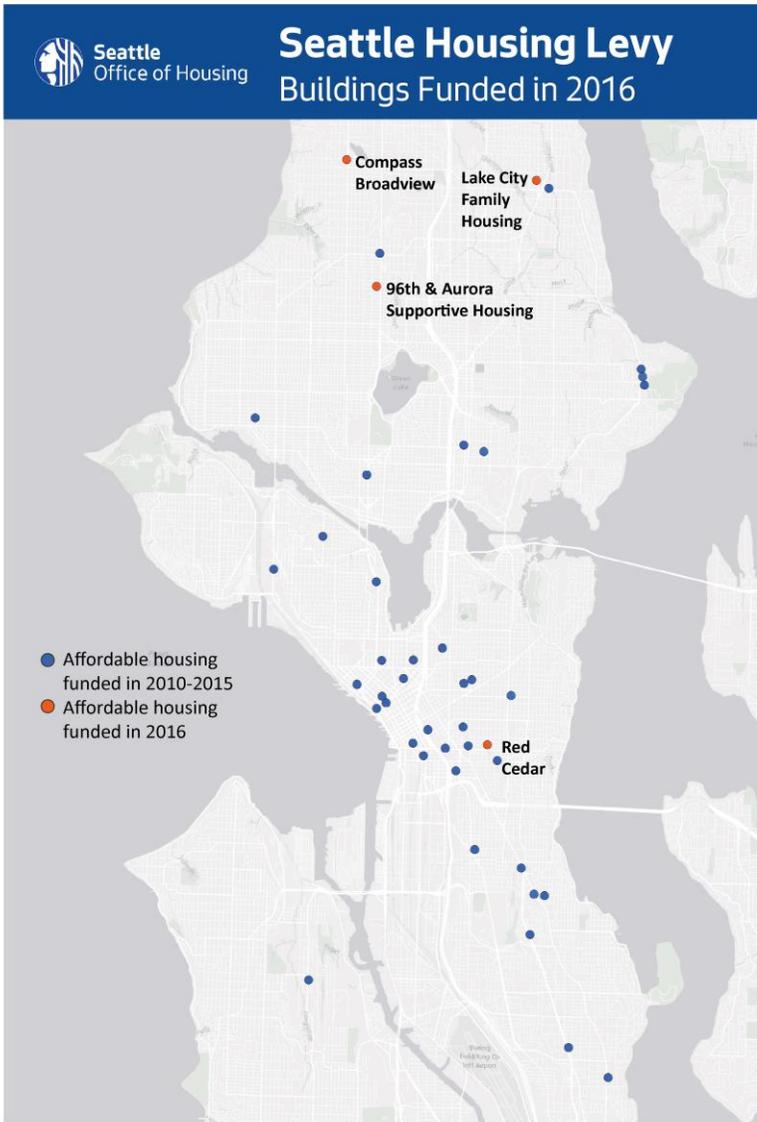
At the completion of Rental Production and Preservation Program, 63% of Levy funding has been committed to housing for extremely low income households, consistent with the affordability policy described above. In recent years, the requirement to invest in housing affordable at 30% AMI has resulted in higher levels of levy investment per unit; Levy dollars are being used to create deeper affordability by including 30% AMI units in debt-financed projects that traditionally serve higher income households in the 50% and 60% AMI range. This trend may continue in the future.

The following table summarizes the cumulative levy expenditures at various affordability levels for the 2016 Housing Levy, 2010 through 2016.

Affordability Level	Affordability Policy % of Funds	Funds Awarded 2010-2015	Percent of Funds Awarded
0 - 30% AMI	At least 60%	\$65.3 million	63%
31 - 60% AMI	Up to 40%	\$ 39.1 million	37%
61 - 80% AMI	Up to 10%		0%

Housing Project Location, Size and Unit Mix

The new housing developments funded this year include three in North Seattle, an area of the City with relatively fewer City-funded housing developments. The one supportive housing project serving chronically homeless adults 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 overall rental housing portfolio.

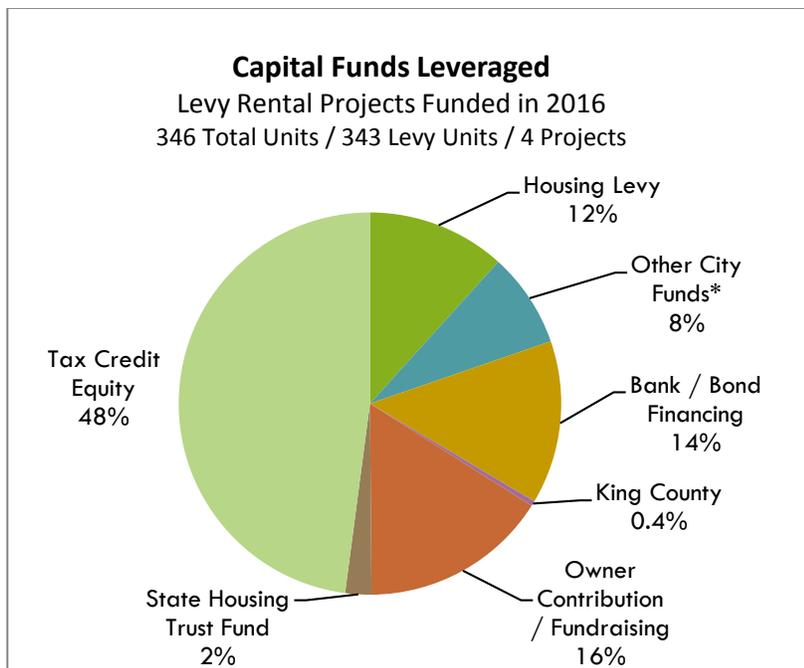


Capital Funds Leveraged

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 2016’s four levy projects. The \$26.8 million in levy and other City funding awarded to the four housing developments will secure an estimated \$109.2 million in non-City capital sources – resulting in \$136 million in total capital investment in low-income housing development. Tax credit equity investment by private sector investors continues to be the largest source of funding by far, contributing an estimated \$65 million. This equity investment is particularly critical to housing serving extremely low income residents. In addition, private sector lending is a significant source for housing developments able to support mortgage debt.

The 2016 funding includes an unusually large proportion of owner contribution due to Seattle Housing Authority’s reinvestment in Yesler Terrace redevelopment. The State Housing Trust Fund had limited funds available in 2016, however Seattle projects were able to secure \$3 million in State capital funding.



- 2016 Highlights**
- City funds leveraged \$4 for each City dollar invested
 - Private equity through federal tax credits is the most significant source
 - City Bonus funds – fees paid by developers using land use incentives – at high level for second year
 - Percentage of bank/bond debt higher than historic levels

*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. [to be updated]

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

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.

The A & O Loan program stopped making new loans in 2012. All nine A & O Loans have been repaid and the projects are completed and occupied.

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 who pay very low rents. Levy funds and other critical operating subsidies help ensure 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. Projects that received 2009 Levy capital funding may apply for project-based vouchers when the project will be ready for occupancy within a year. Voucher awards are subject to the approval of the SHA Director and availability of federal funds. To date, 464 of the 500 Section 8 vouchers committed to current Housing Levy have been awarded and the remaining 34 vouchers are expected to be awarded to 2009 Levy-funded projects in 2017. SHA is allocating additional vouchers to Levy-funded replacement housing at Yesler Terrace.

Levy Funding Commitments

Levy O&M funds have been awarded to four projects with a total of 220 O&M supported units. The following table shows the major sources of operating and services funding leveraged by Levy capital and O&M investment.

Project	Units	O&M funding	Other operating and services 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 MH (\$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)
Estelle Supportive Housing Downtown Emergency Service Center	76 (13 O&M)	\$32,500 in first year \$1.2m 20-year est.	McKinney (\$809,175/year) King County (\$220,000/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 was available annually. The program goal was to assist 605 households annually and evaluate their housing stability six months after rental assistance ends.

- The program provided 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 was 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, Clarity.

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 2016, the programs achieved these milestones:

- 743 households received at least one form of financial assistance, including 398 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 \$1,336 per household.¹
- 672 households received eviction prevention assistance, and 71 homeless households received rapid rehousing assistance to move into housing after living in their car or on the street.
- Of the households eligible for a six-month stability follow-up, 76% were in stable housing six months after rent assistance ended.²

¹ The programs served an additional 183 households in 2016 compared to 2015; the assistance needed to stabilize housing was reduced by \$440 per household.

² Based on 483 households eligible for the six-month housing stability follow up during 2016. Agencies were able to contact and confirm housing stability of 369 households.

Households Receiving Financial Assistance to Prevent Eviction or Enter Housing, 2016

743 Households with 1,792 Individuals

Client Characteristics	Percent of Total
Extremely low income (below 30% AMI)	89%
Households with children 0-17 years	55%
People of color/ethnic minority individuals ¹	88%
Disabled individuals ²	14%

¹ Race/ethnicity data were available for 621 unduplicated individuals.

² Disability data were available for 743 unduplicated individuals.

Source: Clarity 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 \$45,000, or up to \$55,000 for households below 60% of median income, 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.

2016 Funding Commitments

The Office of Housing awarded \$40,000 in Levy funds in 2016 to Homestead Community Land Trust to facilitate resale of four townhomes. The townhomes were developed on surplus City property with down payment subsidy of \$45,000 to each of the initial buyers. The townhomes are now part Homestead's portfolio of permanently affordable homes. The award of an additional \$10,000 per home will enable resale to a lower income first time homebuyer, and ensure that future low-income homebuyers will have an opportunity to acquire them at an affordable price.

With 2016 funding awards, a total of \$7.7 million has been awarded to lending programs. These programs assisted 161 households to date to purchase a home, and an estimated 30 additional purchasers will be assisted with Levy funds awarded to programs. Combined, these home purchases exceed the Levy goal of 180 home purchases.

Approximately \$4.8 million remains available which will be carried forward for home purchase loans and other Levy Homeownership programs authorized in the 2016 Housing Levy. This amount includes unspent funds from the \$9.1 million Homebuyer Assistance Program 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 \$3.1 million in loan repayments from 2010 to 2016 from loans made with Levy sources.

2016 Home Purchases

In 2016, 17 buyers purchased their first home using Levy funds awarded in 2015 or prior years, including Levy program income from prior loan repayments. The average Levy loan amount was \$36,108. Five buyers had household incomes below 60% AMI, and the remaining 12 buyers had incomes in the 61-80% AMI range. In the past two years the pace of closings has slowed (averaging 15 closings annually in 2015-2016 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 - 2016

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.

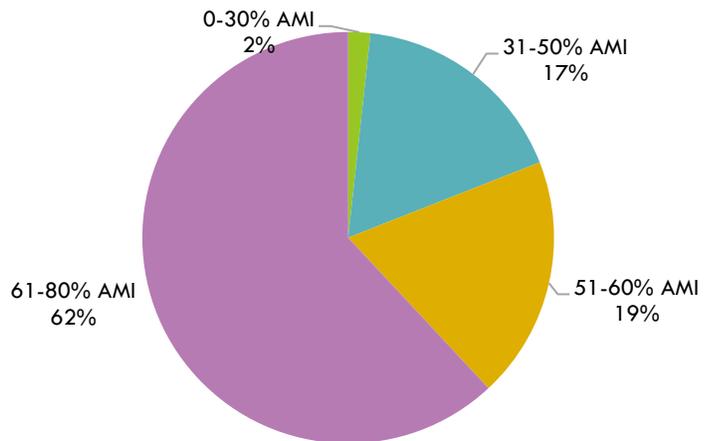
At the completion of the 2009 Housing Levy, the Homebuyer Program assisted a little over 300 buyers to purchase their first home using Housing Levy

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	Homebuyer Program*	Seattle Homeowners**
White	57%	80%
Black/African American	18%	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 OH, 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.

Levy Operating & Maintenance Funds are made available in a combined NOFA led by King County along 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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