

Seattle Office of Housing

# Annual Investments Report - 2017

March 2018

## DRAFT 3/12/18



Mayor Jenny A. Durkan

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**Attachment 1: Seattle Housing Levy 2017 Report of Accomplishments**

**Attachment 2: Mandatory Housing Affordability Annual Report**

## I. FUNDS AWARDED IN 2017

The Office of Housing awarded **more than \$100 million** in 2017 to build and preserve 1,450 affordable homes in neighborhoods across Seattle. These investments represent a spectrum of housing types for low-income residents, including supportive housing for those experiencing homelessness, apartments for low-income individuals and families, transit-oriented development, and homes for first-time homebuyers.

### Rental Housing Program fund sources

Fund Source	2017 Funding	Description
Seattle Housing Levy	\$28.56 M	Annual amount for 7-year levy. More than half of capital funding must support housing for extremely low-income residents
Incentive Zoning / Bonus payments	\$30.76 M	Strong residential and commercial development market has produced a high level of payments for the past three years
Seattle Housing Bonds	\$29.00 M	City Council-authorized bonds
City Surplus Property	\$2.00 M	Proceeds from the disposition of two City-owned properties
Federal HOME and CDBG	\$4.10 M	Projected amount. Funding delayed due to inaction on the federal budget
<b>Total</b>	<b>\$94.42 M</b>	

### Homeownership Development fund sources

Fund Source	2017 Funding	Description
Seattle Housing Levy	\$2.25 M	Funding available for affordable ownership development that is resale-restricted to assist eligible buyers for 50 years or more

### Mandatory Housing Affordability

In areas of the City where Mandatory Housing Affordability now applies, new developments are subject to MHA and some will select the payment option. Such payments did not occur in 2017 but are anticipated for 2018. Both rental and homeownership developments are eligible for funding.

### Housing Development on Publicly Owned Sites

Several 2017 affordable housing projects were selected via Requests for Proposals for development on surplus publicly owned sites. Sound Transit's surplus property at the Roosevelt station area provides both excellent transit access for residents and public amenities for the community. The City-owned site in Central Area provided a unique homeownership opportunity in a neighborhood experiencing displacement; it was made available at no cost to assist with project financing.

## Capital Funds Leveraged

The funds awarded by OH leverage significant public and private investment in low-income housing in Seattle. For rental housing the primary capital source is private equity investment through the federal Low Income Housing Tax Credit program administered by the Washington State Housing Finance Commission. Many projects also leverage operating funds such as project-based Section 8 from the Seattle Housing Authority and services funding for on-site resident support.

**Capital Funds Leveraged - Rental Production**  
Rental Projects Funded in 2017  
10 projects / 944 units

Insert pie – pending  
State Housing Trust Fund awards

**2017 Highlights**

- City funds leveraged \$\_\_\_ for each City dollar invested
- Private equity through federal tax credits remains the most significant source
- Owner Contribution / Fundraising is high due to a large grant from the Paul G. Allen Foundation
- State Housing Trust Fund . . . .

**Homeownership:** Ownership development projects have fewer sources of leverage financing. The first mortgage obtained by the home purchaser brings the largest share of permanent financing. State Housing Trust Funds is the largest public source other than Seattle Levy; some projects also leverage significant philanthropic and volunteer contributions.

Insert - Homeownership leverage data

## Commercial, Community and Cultural Spaces

In addition to housing, affordable housing development provides the opportunity to achieve other community objectives. Planning for ground floor uses is well underway in several developments funded in 2017. Examples include a Youth Innovation Learning Center at the Filipino Community Village senior housing, affordable bilingual childcare at 6600 Roosevelt at the light rail station, and preservation of the family-owned Four Seas restaurant in Chinatown International District.

## II. PROJECTS FUNDED IN 2017

### Rental Housing Program Funding Awards, New Developments, 2017

Project Name <i>Project Sponsor</i> <i>Neighborhood</i>	Project Description	Total Funded Units	Levy Units	MHA Units	Capital Funding		
					Total City \$	Levy \$	MHA \$
<b>6600 Roosevelt</b> <i>Bellwether Housing and Mercy Housing Northwest</i> Sound Transit site, Roosevelt	New construction affordable to families and individuals up to 30%, 50% and 60% AMI, with over 100 2- and 3-bedroom apartments. Includes retail space, community room, outdoor gathering space, and bilingual affordable childcare. Site at the Roosevelt light rail station area purchased from Sound Transit.	245	--		\$15 M	--	
<b>Judkins Junction</b> <i>Community House Mental Health Agency</i> Central Area	New construction of studio, 1- and 2-bedroom apartments for families and individuals up to 60% AMI. In a transit-rich commercial district, with retail spaces available to long-time neighborhood businesses; adjacent to Patricia K Apartments.	74	--		\$8.8 M	--	
<b>22<sup>nd</sup> Avenue Supportive Housing</b> <i>Downtown Emergency Service Center</i> North Rainier	New construction of 85 studio units providing housing with intensive supportive services for homeless individuals with chronic mental illness and co-occurring disorders. A second phase will add a primary and behavioral health care clinic.	85	85		\$10.8 M	\$7.8 M	
<b>Filipino Community Village</b> <i>HumanGood Affordable Housing and Filipino Community of Seattle</i> Rainier Valley	Construction of studio and 1-bedroom units for seniors aged 55 and older, affordable at 30%, 50% and 60% AMI, adjacent to the Filipino Community Center. Includes community space for residents, computer access, and a Youth Innovation Learning Center.	93	93		\$10.9 M	\$3.7 M	

<b>Uncle Bob's Place</b> <i>InterIm Community Development Association</i> Chinatown/ International District	Construction of apartments affordable at 60% AMI, including 35 2- and 3-bedroom units. The long-time owners of the Four Seas restaurant located at the site will retain ownership of ground floor commercial space.	103	--		\$8.4 M	--	
<b>Mt. Baker Family Housing</b> <i>Mercy Housing Northwest</i> Mount Baker	Construction of affordable apartments, mostly 2- and 3-bedroom units suitable for families. Half the apartments are affordable at 30% AMI and reserved for homeless families, and half at 60% AMI. Located one block from the Mt. Baker light rail station.	94	94		\$5.0 M	\$2.0 M	
<b>Belmont Avenue</b> <i>Pioneer Human Services</i> Capitol Hill	Construction of 90 studio apartments affordable at 30%, 50% and 60% AMI, including supportive housing for formerly incarcerated and homeless residents, one manager unit, and classroom and community space.	89	89		\$7.9 M	\$3.4 M	
<b>501 Rainier Supportive Housing</b> <i>Plymouth Housing Group</i> Little Saigon	Construction of 105 studio apartments for chronically homeless adults with on-site case management services and coordination with other clinical and community services. Community meeting space and street-level retail on King Street.	102	102		\$9.7 M	\$6.7 M	
<b>Eng House</b> <i>Plymouth Healing Communities</i> Beacon Hill	Renovation of the Eng House for supportive housing for seven residents released from psychiatric care and one on-site Residential Companion, supported by community volunteers, mental health and economic empowerment services.	7	7		\$800,000	\$800,000	
<b>Patricia K Apartments</b> <i>Community House Mental Health Agency</i> Central Area	Construction of 52 studio apartments for adults with chronic mental illness, most of whom will be coming from homelessness. Ground floor kitchen, dining, community space and computer room; second floor office space for Community House.	52	52		\$4.2 M	\$1.25 M	
<b>Total - New Development</b>		<b>944</b>	<b>522</b>		<b>\$81.4 M</b>	<b>\$25.6 M</b>	

## Rental Housing Program Funding Awards, Portfolio Preservation, 2017

Project Name <i>Project Sponsor</i> Location	Project Description	Total Funded Units	Levy Units	MHA Units	Capital Funding		
					Total City \$	Levy \$	MHA \$
<b>DNDA Rehabilitation</b> <i>Delridge Neighborhood                      Development Association</i> Delridge	Rehabilitation of residential buildings at four sites serving individuals and families, including studios, one-bedroom and two-bedroom units, with an income mix at 30%, 50% and 65% AMI. Includes improvements to the site, exterior systems, and building interiors, and abatement of foundation settling.	70	--		\$1 M	--	
<b>Morrison Hotel</b> <i>Downtown Emergency                      Services Center</i> Pioneer Square	Rehabilitation addressing critical repairs to support operation of supportive housing of extremely low-income adults with chronic disabilities. Includes hydronic heating system, security and intercom system, boiler repairs and roofing.	190	--		\$3.6 M	--	
<b>Frye Hotel</b> <i>Low Income Housing                      Institute</i> Pioneer Square	Comprehensive update of 1908 historic building that has operated a low-income housing since the 1970s and purchased by LIHI in 1997. Project includes mechanical, electrical and plumbing systems overhaul, as well as exterior renovation.	233	233		\$15 M	\$2.93 M	
<b>Martin Court</b> <i>Low Income Housing                      Institute</i> Georgetown	Originally constructed as a motel, this property has operating as homeless housing for over 15 years, providing a mix of unit sizes at 30% AMI, a playground, community space and computer access. Project includes site and exterior building upgrades, plumbing system, interior upgrades, and enhanced security.	41	--		\$2 M	--	
<b>Total – Portfolio                      Preservation</b>		<b>534</b>	<b>233</b>		<b>\$21.7 M</b>	<b>\$2.93 M</b>	

## Homeownership Program Funding Awards, New Development, 2017

Project Name <i>Project Sponsor</i> Location	Project Description	Total Funded Units	Levy Units	MHA Units	Capital Funding		
					Total City \$	Levy \$	MHA \$
<b>Habitat 35<sup>th</sup> @ Lake City</b> <i>Habitat for Humanity of Seattle</i> King County Lake City	Construction of 3-bedroom townhomes in duplex, triplex and fourplex structures, affordable to families up to 60% AMI who must complete sweat equity participation. Homes will be resale-restricted to be permanently affordable.	16	16		\$1.44 M	\$1.44 M	
<b>Yakima Avenue Townhomes</b> <i>Edge Developers and Homestead</i> Community Land Trust City-owned site, Central Area	Construction of 3-bedroom townhomes affordable to families up to 80% AMI on a surplus City-owned site. Homes will be resale-restricted to be affordable to income eligible buyers for at least 50 years.	9	9		\$810,000	\$810,000	
<b>Total</b>		<b>25</b>	<b>25</b>		<b>\$2.25 M</b>	<b>\$2.25 M</b>	

### III. HOUSING INVESTMENTS THROUGHOUT SEATTLE

In order to maximize choice for low-income residents and promote City goals to affirmatively further fair housing, the Office of Housing invests in affordable housing in all Seattle neighborhoods.

OH prioritizes investments in locations that:

- Provide access to transit
- Provide access to opportunity
- Advance equitable development goals and address displacement
- Serve needs of residents

In addition, for purposes of investing payment funds from the Mandatory Housing Affordability program, OH considers a project's proximity to areas where development has generated payment contributions.

The following maps and table illustrate how the location of OH-funded affordable housing addresses City priorities

- Map A: Rental Housing Investments
- Map B: Homeownership Investments
- Map C: Access to LINK light rail and location within urban center/urban village boundaries
  - Table X: Location Within Urban Center/Urban Village Boundaries
- Map D: Access to frequent bus and train service
- Map E: Access to opportunity index

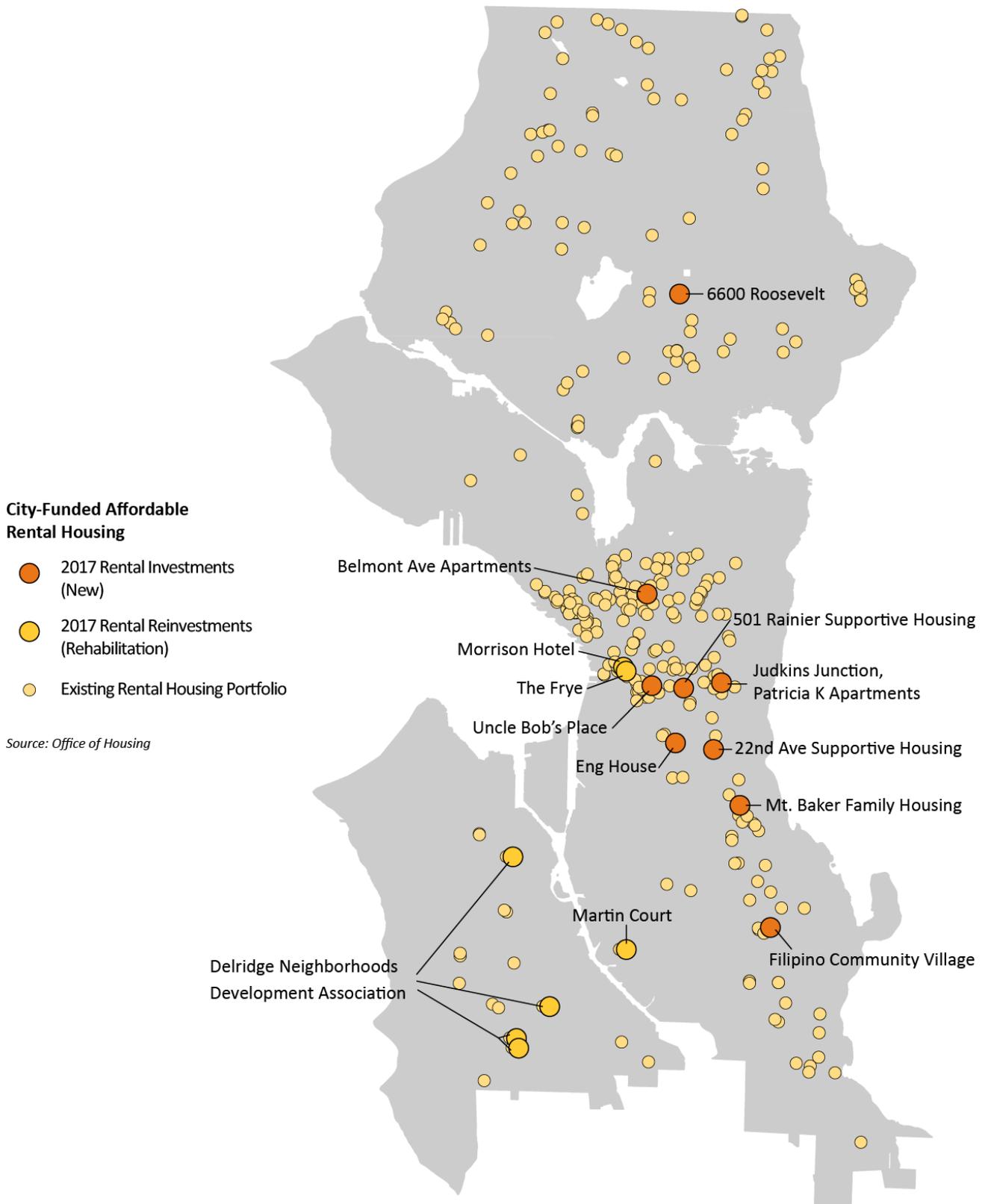
OH prioritizes locations that afford low-income residents the greatest access to opportunities such as jobs, quality education, parks and open space, and services.

- Map F: Displacement risk index

OH prioritizes locations that support community development investments in low-income communities, including neighborhoods where marginalized groups have historic roots or access to culturally-relevant business and services, and locations where low-income residents have a high risk of displacement.

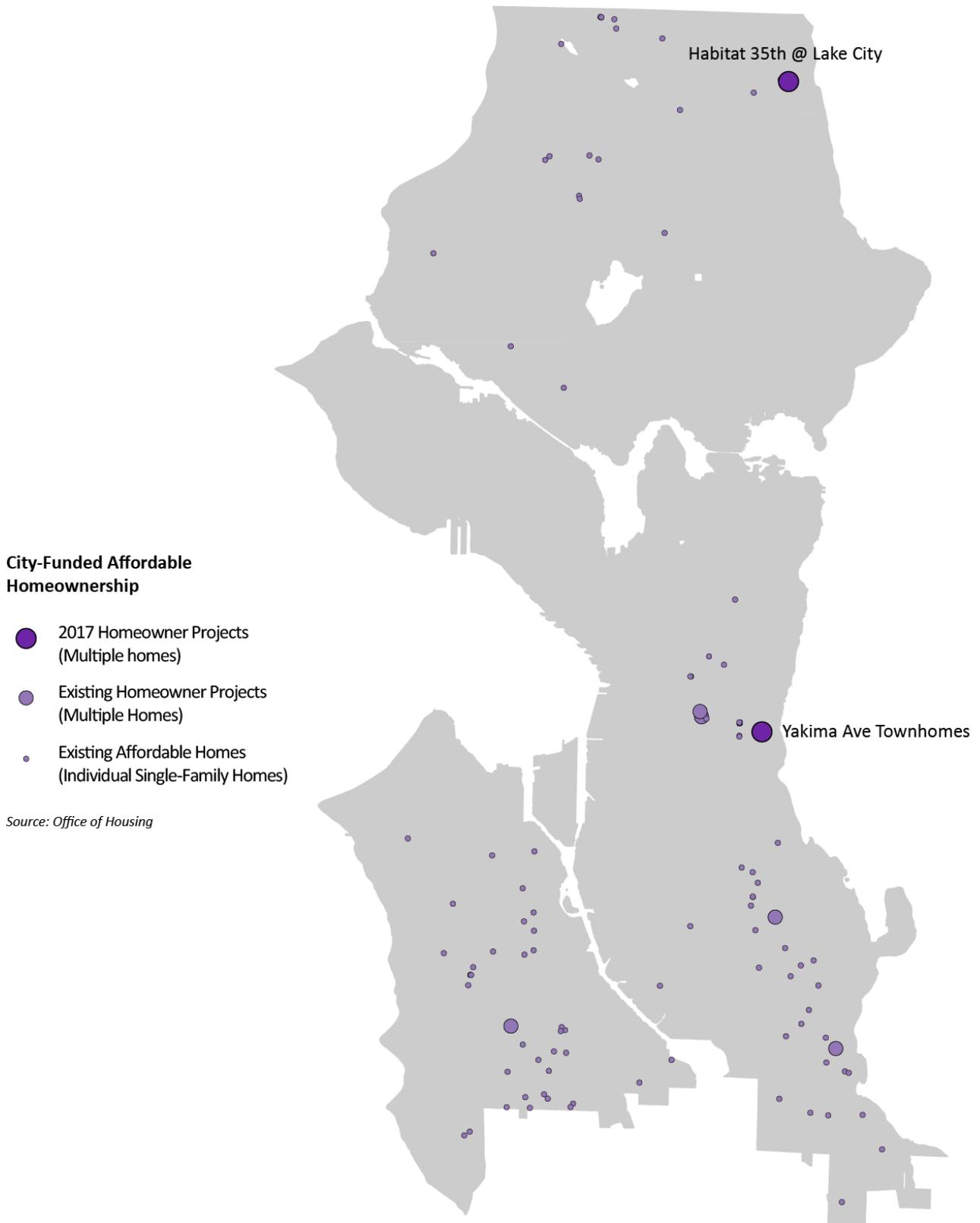
*Note: Maps C-F overlay OH-funded projects on maps produced for the Office of Planning and Community Development's Growth and Equity Report (May 2016). This report describes the data and methodology used to create the Displacement Risk and Access to Opportunity Indices.*

# A. Rental Housing Investments

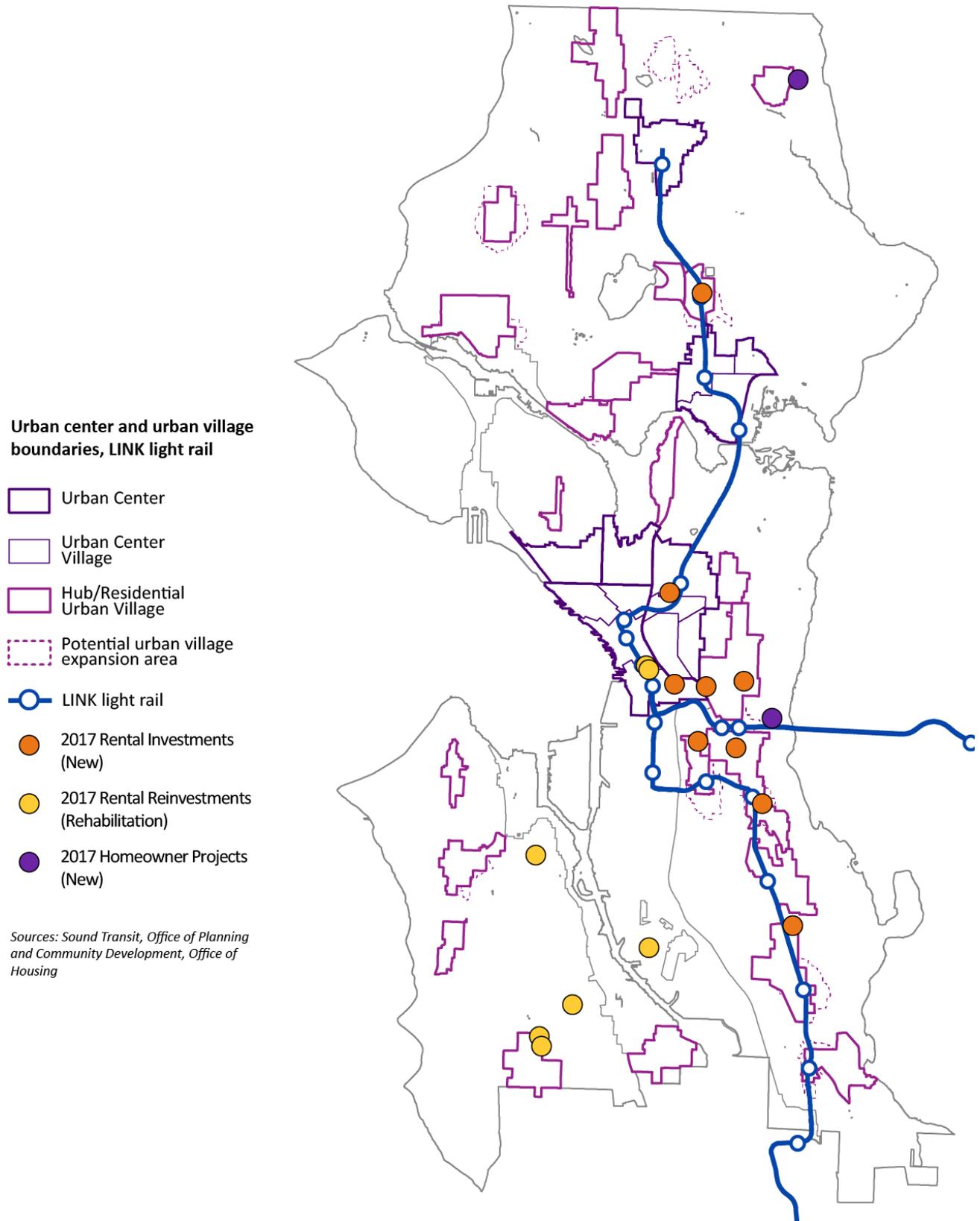


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## B. Homeownership Investments



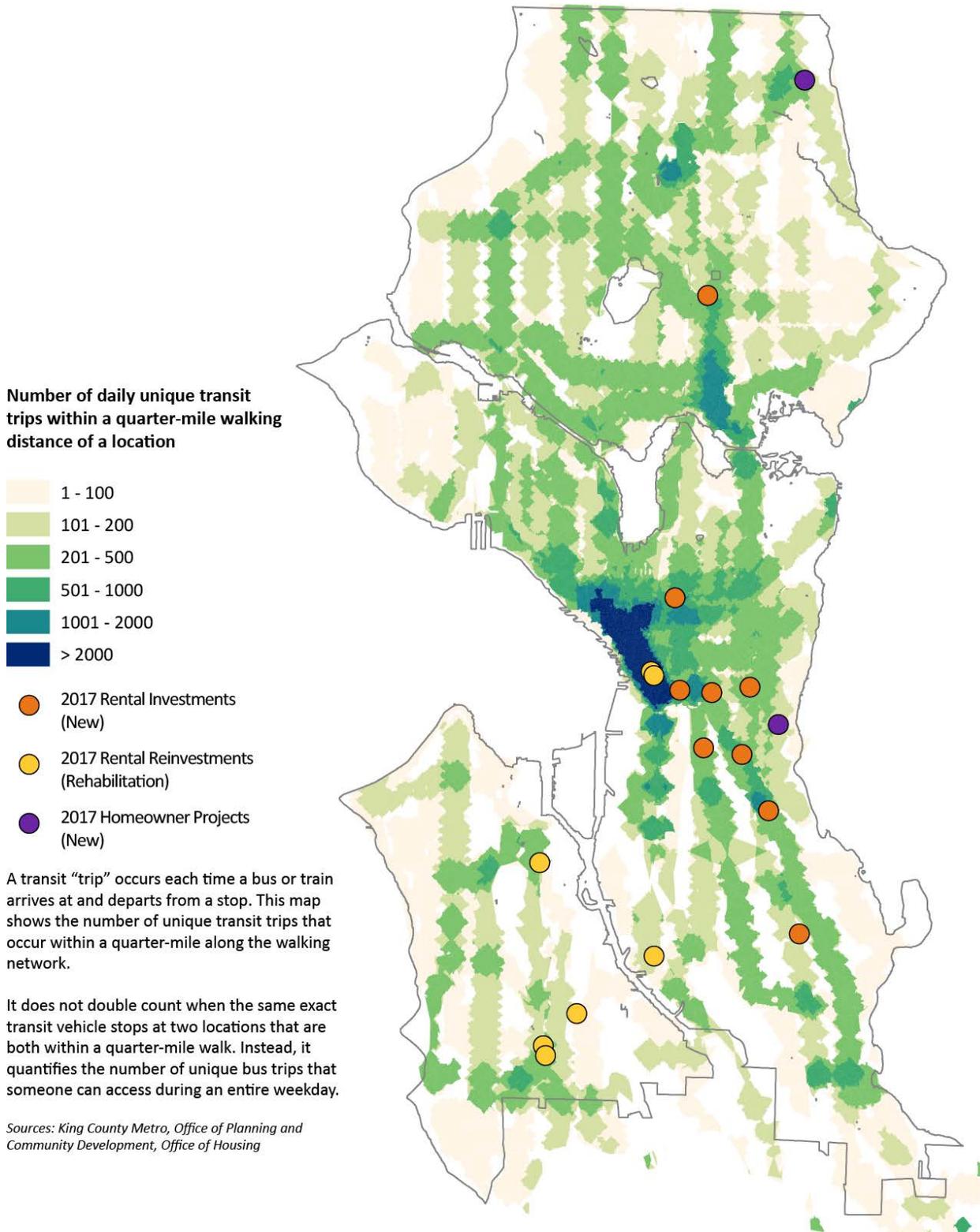
## C. Urban Centers and Villages, Light Rail Station Areas



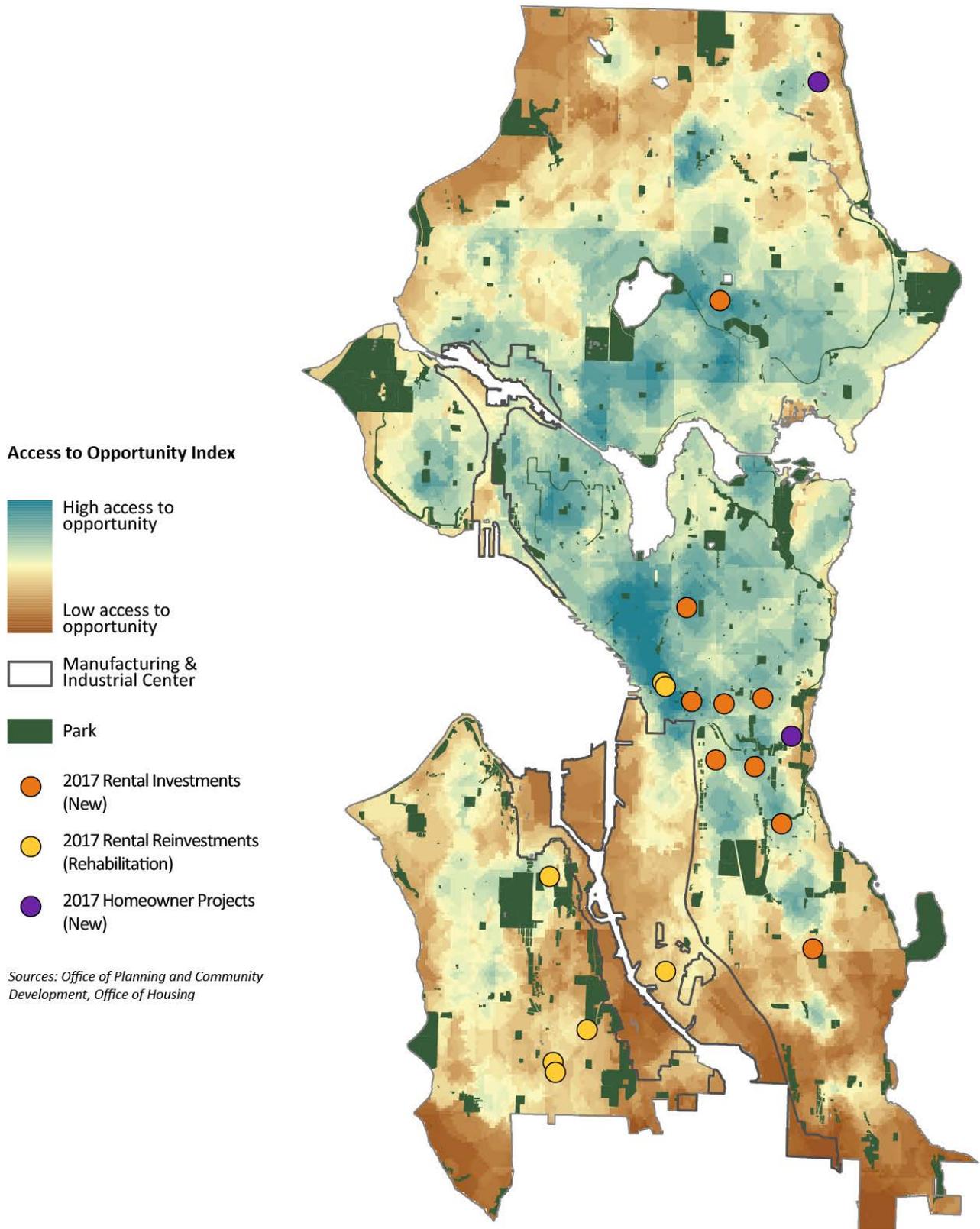
**Table X: Location Within Urban Center/Urban Village Boundaries**

Urban Center and Urban Village Groupings	Projects Funded in 2017		
	Project Name(s)	Total Funded Units	Total City \$
Downtown	501 Rainier Supportive Housing; Uncle Bob’s Place; Morrison Hotel; Frye Hotel	206 new rental units, 423 rental reinvestment units	\$36.7 M
South Lake Union	—	—	—
First Hill/Capitol Hill	Belmont Avenue Apartments	89 new rental units	\$7.9 M
Northgate	—	—	—
University District	—	—	—
Uptown & Upper Queen Anne	—	—	—
West Seattle Junction; Admiral; Morgan Junction; Westwood-Highland Park; South Park	Delridge Neighborhood Development Association Rehabilitation; Martin Court	111 rental reinvestment units	\$3 M
Mt. Baker; North Beacon Hill; Columbia City; Othello; Rainier Beach	22 <sup>nd</sup> Avenue Supportive Housing; Eng House; Mt. Baker Family Housing; Filipino Community Village	280 new rental units	\$26.6 M
23rd & Union-Jackson; Madison-Miller; Eastlake	Judkins Junction; Particia K Apartments; Yakima Avenue Townhomes	126 new rental units, 9 new ownership units	\$ 10.41 M
Wallingford; Fremont; Roosevelt; Green Lake	6600 Roosevelt	245 new rental units	\$15 M
Crown Hill; Ballard; Greenwood-Phinney Ridge	—	—	—
Lake City; Bitter Lake Village; Aurora-Licton Springs	Habitat 35 <sup>th</sup> @ Lake City	16 new ownership units	\$1.44 M
<b>Total</b>		<b>CHECK</b>	<b>CHECK</b>

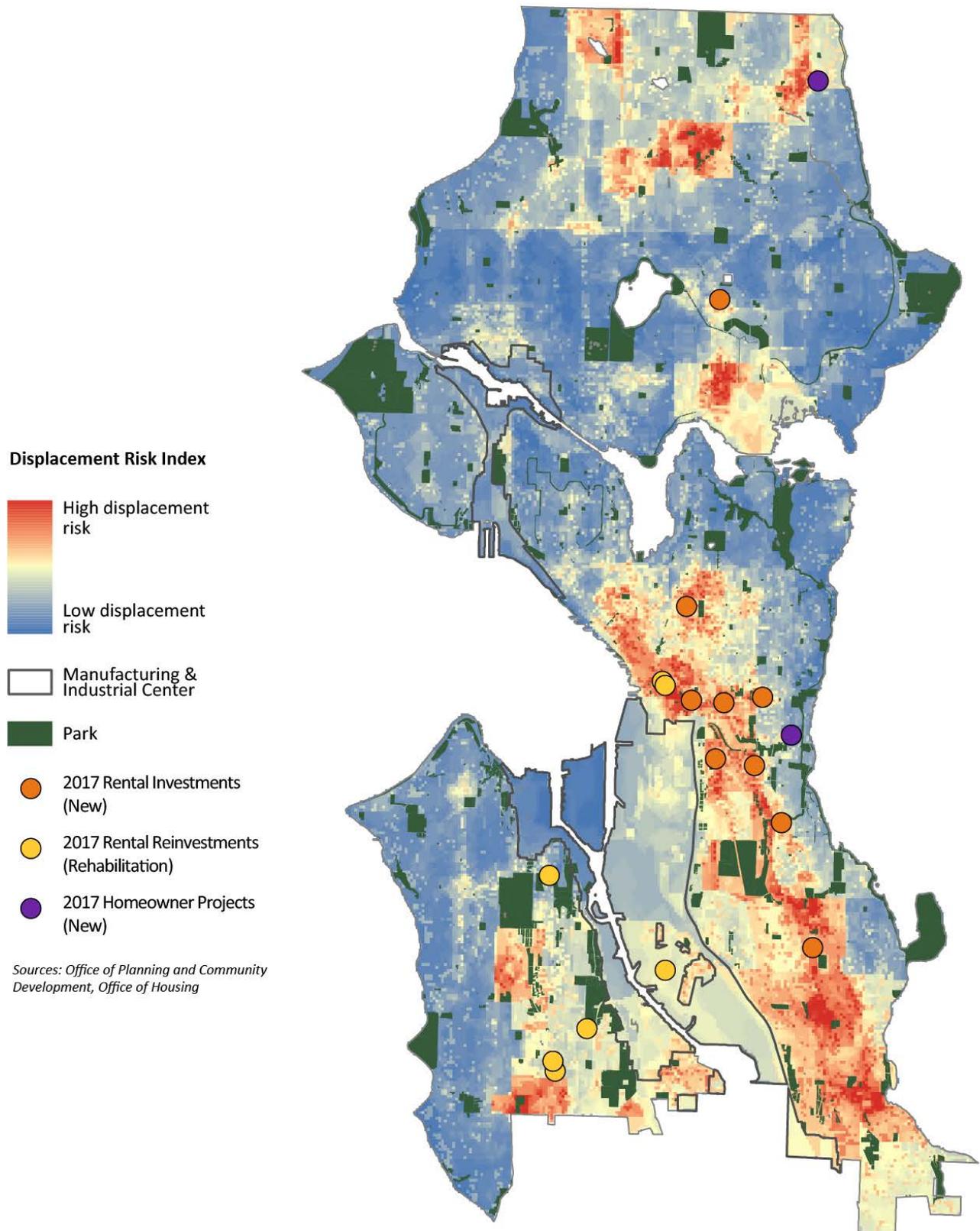
## D. Transit Access Locations



## E. Access to Opportunity Areas



## F. High Displacement Risk Areas

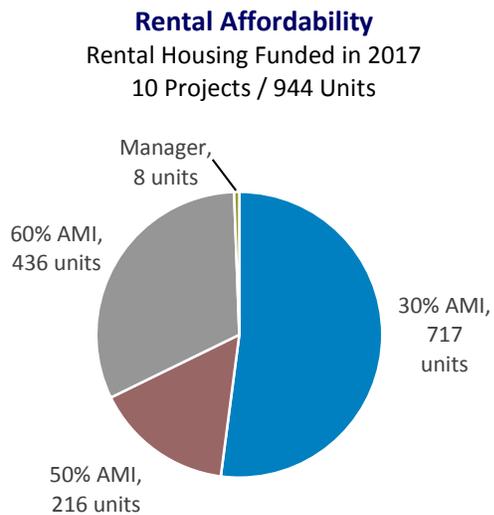


### III. RENTAL AFFORDABILITY, UNIT SIZES AND POPULATIONS SERVED

#### Funding Priorities

Priorities for rental housing investments are adopted by City Council in the Housing Levy Administrative and Financial Plan and OH Housing Funding Policies. The 2017 funded projects address the range of population priorities:

- Chronically homeless adults
- Homeless families
- Seniors
- People with disabilities
- Low-wage working families and individuals



#### Selected 2017 Income Levels

AMI = Area Median Income

##### 30% AMI

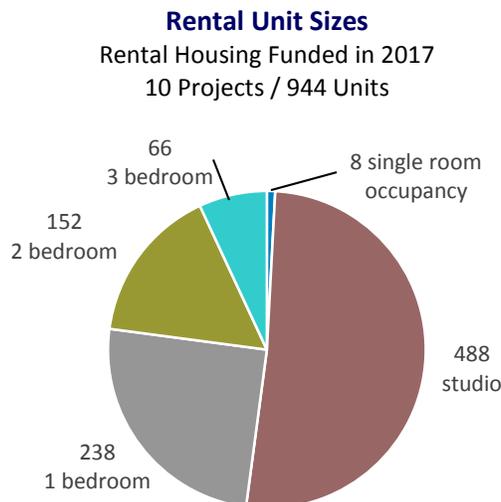
\$20,200 for a single person  
\$25,950 for a three-person family

##### 50% AMI

\$33,600 for a single person  
\$43,200 for a three-person family

##### 60% AMI

\$40,320 for a single person  
\$51,840 for a three-person family



## IV. RESIDENTS SERVED IN OH-FUNDED HOUSING

Through investment of Housing Levy and other housing funds over the past 35 years, there are now 14,999 income- and rent-restricted apartments in City-funded rental housing that is in operation or under development. In addition, over 900 homebuyers purchased their first home with affordable City-funded loans, and nearly 200 permanently affordable ownership homes have been developed.

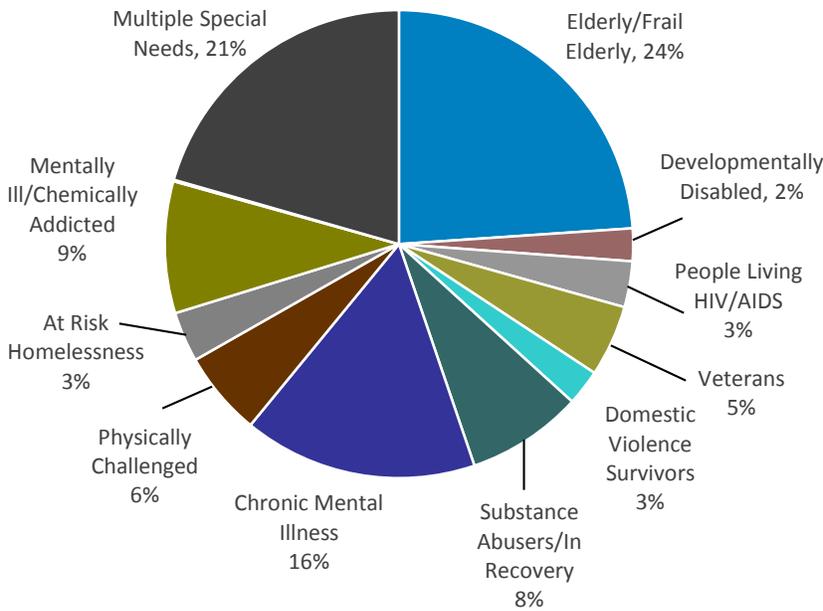
**Rental Housing:** In 2016, the most recent data, 12,419 affordable apartments had been in operation for a year or more. This housing served 14,320 resident households over the year.

- 72% of households had extremely low incomes – below 30% AMI
- Residents included a high proportion of people of color
- Over half were identified as having special needs

**Race/Ethnicity of Renter Households, 2016**

- 43% White
- 29% Black/ African American
- 13% Asian/Pacific Islander
- 6% Hispanic
- 6% Multi-racial
- 3% American Indian/ Alaska Native

**Special Needs Households Served**  
7,763 Households, OH Rental Portfolio, 2016



Insert - Homeownership demographic data

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## V. HOUSING DEVELOPMENTS OPENING IN 2017

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## More Information

For more information, contact the City of Seattle Office of Housing or visit [www.seattle.gov/housing](http://www.seattle.gov/housing).

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