

# 2009 **Seattle Housing Levy**

# **Final Report**

and 2016 Report of Accomplishments



**Seattle**

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# Seattle Office of Housing

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## Housing Levy Oversight Committee

We are pleased to present this Report of Accomplishments for the 2009 Housing Levy.

Each program of the 2009 Housing Levy exceeded the goals promised to Seattle voters. The largest program, Rental Production and Preservation, added 2,527 affordable rental units and reinvested in 400 existing units, far exceeding its goal of 1,670 additional units. This core levy program builds new rental housing, funds acquisition and rehabilitation of existing buildings, and reinvests in low-income housing to extend the useful life of the building. These affordable rental homes are available for low-income Seattle residents for 50 years or more.

This strong performance is a testament to the flexible design of levy and the long-established collaboration between the City, housing providers, and many other public and private partners. Over the course of the 2009 Housing Levy, Seattle experienced enormous changes in the housing market and the availability of capital resources. During the economic downturn, levy production got a head start with lower development costs, and limited competition for tax credit equity and other resources. In recent years, production has become more expensive, but housing providers continued to seize opportunities to create high quality affordable homes. Over the course of these changes, levy funding made it possible for housing providers to secure sites and funding, leveraging an average of \$3 for each \$1 of City funding, to meet City housing priorities.

The levy is also a key resource in advancing the City's commitment to produce affordable housing throughout the city. The map of project locations over the past seven years shows how levy investments align with City fair housing and equitable development goals. Housing was developed or preserved in high cost areas with access to many services and amenities, and in areas with rising costs where housing investments help to prevent displacement of low-income residents and cultural communities. And, affordable housing investments capitalized on the expansion high capacity transit under Sound Transit 2, with affordable housing located at or near four light rail stations.

The levy demonstrated its promise to serve a range of populations, from people exiting homelessness to seniors to low wage workers. Demographic data on levy funded housing residents shows that the levy continues to advance our City's racial and social equity goals.

The new Housing Levy, beginning this year, will strive once again to meet and exceed promises to Seattle voters. Today's high cost market is challenging for housing development, and competition is fierce for building sites and subsidy sources for construction, building operations and services. The creativity, adaptability, and commitment shown in past levies will help produce a successful 2016 Housing Levy.

Doug Ito, Chair  
Housing Levy Oversight Committee

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# 2009 HOUSING LEVY FINAL REPORT

## Successful Completion of the 2009 Seattle Housing Levy!

The Housing Levy approved by Seattle voters in 2009 ended in December 2016. Each of the five levy programs exceeded goals. In August 2016, Seattle voted to replace and expand the levy, doubling our investment in housing assistance for the next seven years.



**Rental Production and Preservation:** funds new housing construction and acquisition and rehabilitation projects -- the housing remains affordable for low-income Seattle residents for 50 years or more. The program invested \$104 million in 38 housing developments, creating 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 four low-income buildings with 410 units.



**Acquisition and Opportunity Loans:** offered in the first three years of the levy to make strategic site acquisitions during the economic downturn. The loans 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:** provides annual subsidies for 20 years or more for buildings that serve extremely low-income and homeless residents. Levy operating subsidies, matched with other operating and services funding, allow residents to pay very low rents. Program awards of \$13.2 million to date meet the levy goal of 220 units supported; \$1.2 million is available for housing still under development.



**Rental Assistance and Homelessness Prevention:** funds short term rent assistance that is combined with housing search and stability services. The program assisted 3,185 households, preventing eviction and homelessness or helping them transition from homelessness to stable housing.



**Homebuyer Assistance:** 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 awarded funds that will assist 191 buyers, exceeding the program goal. To date, 161 homebuyers have purchased homes.

## Economic Impact of Levy Capital Investments

The Levy's capital investment produces significant economic returns to Seattle. The Rental Production and Preservation Program invested \$104 million, which combined with other City funding leveraged over \$3 for each City dollar. **The total investment in housing development over seven years exceeded \$788 million, which creates construction jobs and ongoing employment, and generates State and local revenue.** Based on economic modeling by the National Association of Home Builders, the Levy's investment in 42 new and existing rental housing projects will result in \$343.4 million in income for construction workers and local businesses, \$65 million in local government revenue, and 4,729 construction-related jobs. The Levy's recurring economic impacts are \$77.6 million in business and employment income annually, \$14.8 million in local government revenue annually, and 1,292 ongoing jobs.

### 2009 Housing Levy - Summary of Funding and Production

Levy Program	Funding		Housing Produced		Status:
	Total Levy Funding 2010-2016	Funding Committed 2010-2016	Levy Goals 2010-2016	Housing Outcomes 2010-2016	Meeting or Exceeding goal
Rental Production & Preservation	\$104 M	\$104 M	1,670 rental units	<b>2,527</b> units added	✓+
			no goal for reinvestment	<b>410</b> reinvestment	✓+
Acquisition & Opportunity Loans <sup>1</sup>	\$6.5 M	\$7.9 M	175 housing units	<b>234</b>	✓+
Operating & Maintenance <sup>2</sup>	\$14.4 M	\$13.2 M	220 rental units	<b>220</b>	✓+
Rental Assistance and Homelessness Prevention (2012-16) <sup>3</sup>	\$4.25 M	\$4.1 M	3,025 households	<b>3,185</b>	✓+
Homebuyer Assistance <sup>4</sup>	\$9.1 M	\$7.7 M	180 home purchases	191 projected	✓+

<sup>1</sup> 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.

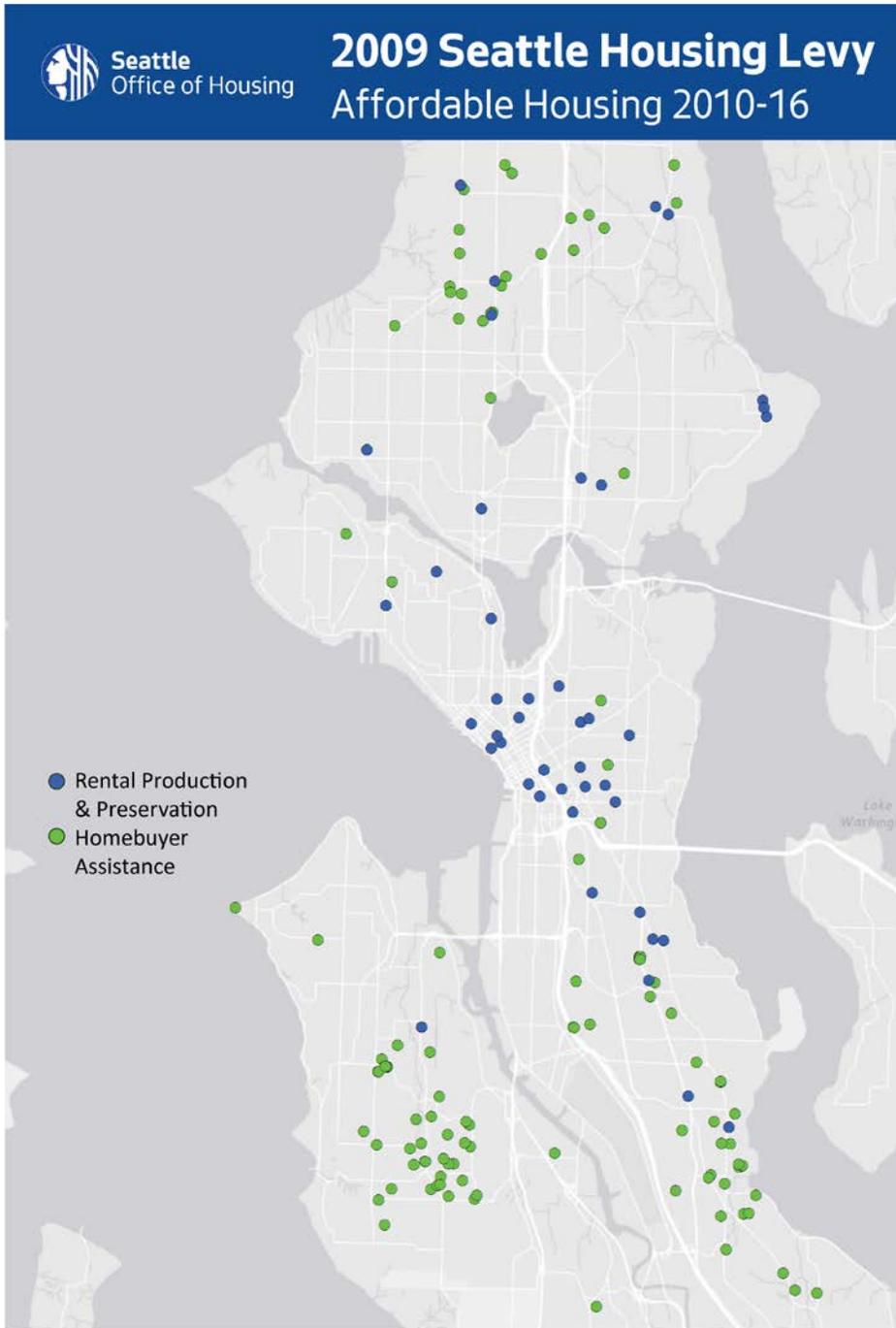
<sup>2</sup> O&M funds are awarded in the year prior to project opening. The balance of \$1.2 million will be available in 2017 for Levy projects currently under development.

<sup>3</sup> A balance of \$150,000 will be expended in 2017 Homelessness Prevention contracts.

<sup>4</sup> Due in part to loan repayments resulting from low interest rates, \$4.8 million in remaining funds and loan repayments will be carried forward into the 2016 Housing Levy Homeownership Program.

## Affordable Housing Opportunities Throughout the City

Levy rental and homeownership investments were made locations throughout the city. Locations with frequent transit service are a priority. The Levy strives to provide housing opportunity in higher cost areas where few affordable options are available, as well as to invest in lower-income communities facing rising housing costs that put residents at risk of displacement.

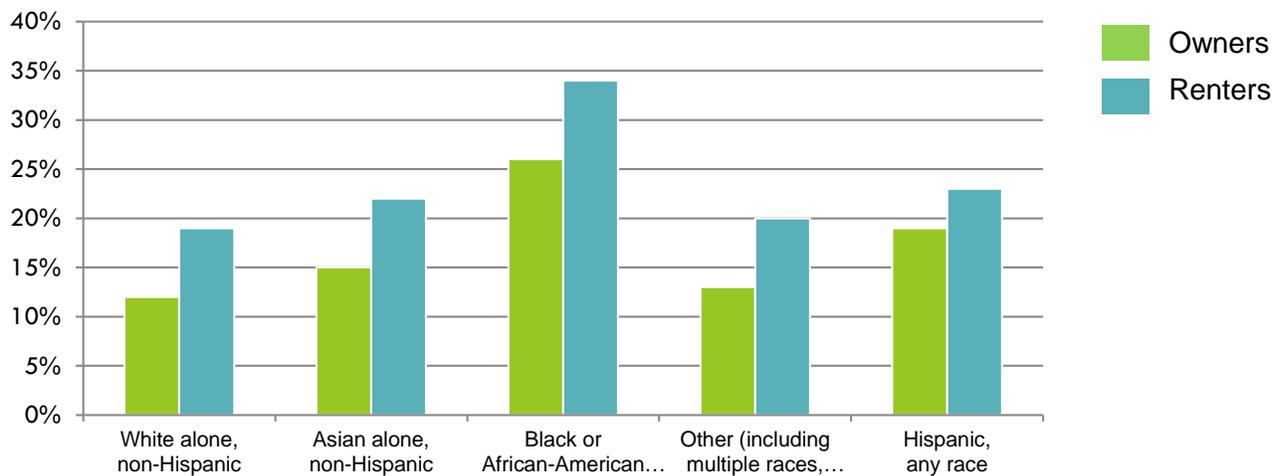


## Meeting the Needs of a Diverse City

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. 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. Racial disparities in housing exist among each of these groups. 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 and other housing costs.

### 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

Through investment of Levy and other housing funds over the past 35 years, 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.

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 during the 2009 Levy is on page 15, and data for homebuyers is 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.***

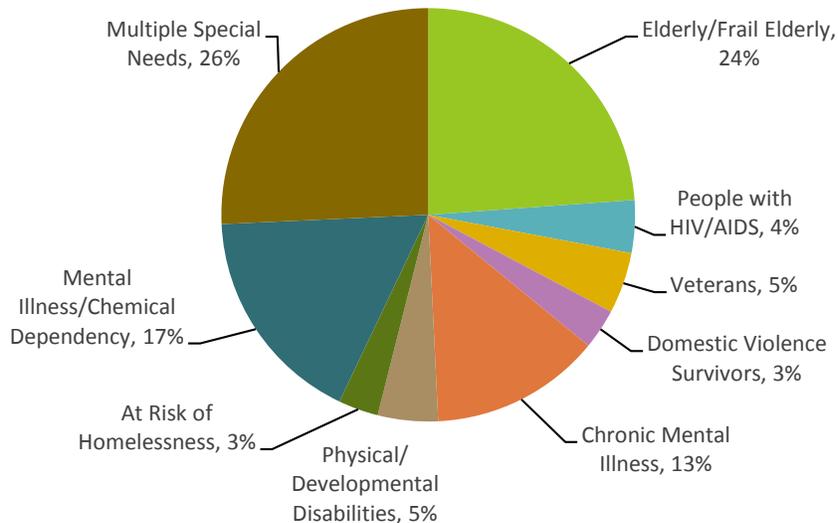
**Race/Ethnicity:** City-funded housing serves a higher proportion of people of color, 67%, than is represented in Seattle’s lower-income renter population. The table below shows resident race and ethnicity compared to Seattle renter households below 80% of median income. Black/African American households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

**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.

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 Households Served in Office of Housing Rental Portfolio**

7,264 households in 2015 (most recent data)





## **HOUSING LEVY ACCOMPLISHMENTS 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 Production and Preservation 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 refinancing, or loans to assist with purchase of homes that will be retained as permanently affordable for future homebuyers.

## RENTAL PRODUCTION AND 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.

**2009 Housing Levy Impact**  
**Rental Production & Preservation**

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**Goal:** 1,670 rental units

**Outcome:** 2,527 rental units added  
 410 reinvestment units

### 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 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](http://Seattle.gov/housing).

### Rental Production and Preservation Program Funding Awards, 2016

Project Sponsor <i>Project Name</i> Location	Project Description	Total Funded Units	Levy Units	Capital Funding	
				Levy \$	Other City \$
<b>Compass Housing Alliance</b> <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
<b>Downtown Emergency Service Center</b> <i>96<sup>th</sup> 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
<b>Low Income Housing Institute</b> <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
<b>Seattle Housing Authority</b> <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-
<b>Total - New Development</b>		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.

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.

**Selected 2016 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

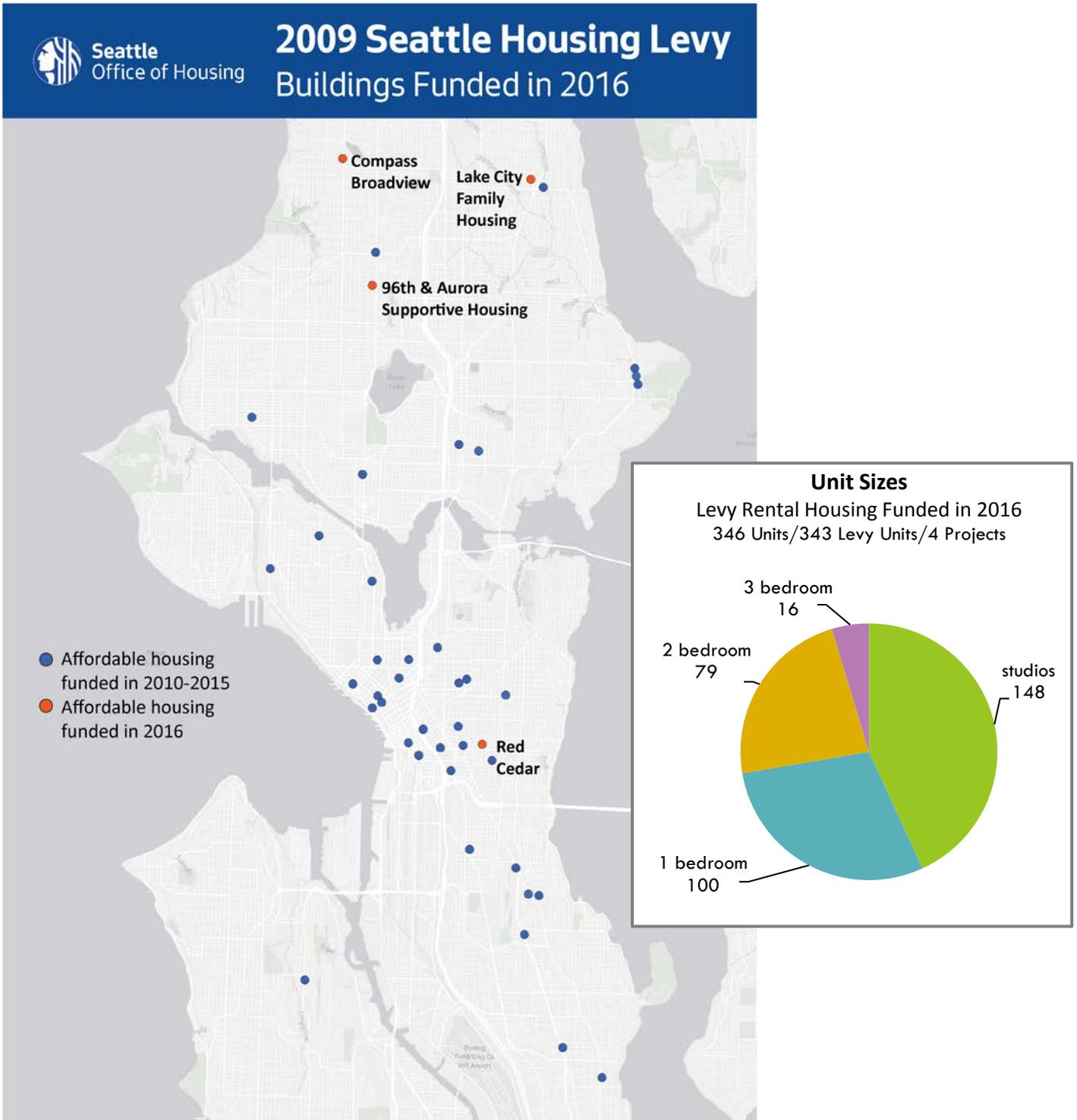
The following table summarizes the cumulative Levy expenditures at various affordability levels for the 2009 Housing Levy, 2010 through 2016.

**Funds Awarded by Income Levy Served, 2010 - 2016**

<b>Affordability Level</b>	<b>Affordability Policy % of Funds</b>	<b>Funds Awarded 2010-2016</b>	<b>Percent of Funds Awarded</b>
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.

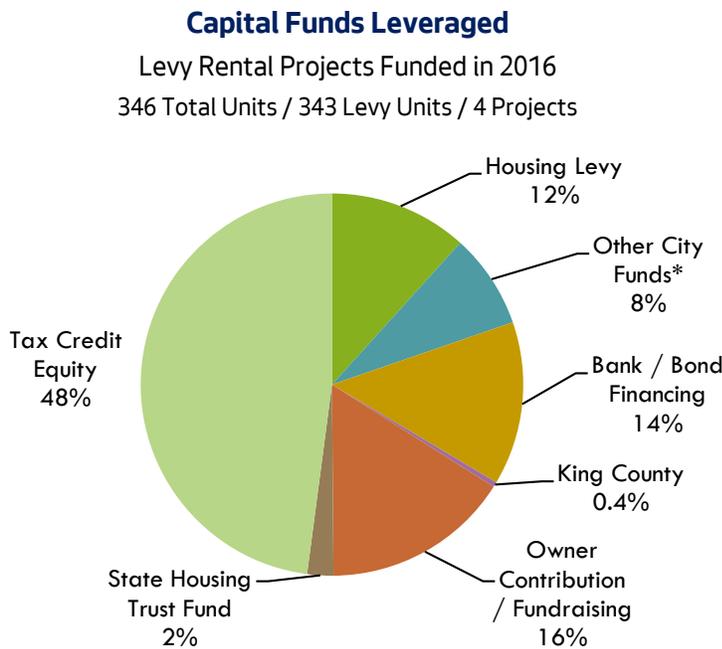


## Capital Funds Leveraged

The success of the Rental Housing Program depends on leverage of other public and private funds. Securing other capital sources is always challenging, 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

## 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.

**2009 Housing Levy Impact  
Acquisition & Opportunity Loans**

**Goal:** 175 units

**Outcome:** 234 units

- 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.

### 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	
<b>Total</b>		<b>\$7.9 million</b>	<b>\$2.4 million</b>

## 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.

### 2009 Housing Levy Impact Operating & Maintenance

**Goal:** 220 rental units

**Outcome:** 220 rental units

### Operating Support Using Seattle Housing Authority Section 8 Vouchers

The largest source of operating funds is 500 vouchers SHA has committed to the Housing Levy. Projects that receive 2009 Levy capital funding may apply for vouchers when the project will be ready for occupancy within a year. To date, 464 of the 500 Section 8 vouchers committed to current Levy have been awarded and the remaining 34 vouchers are expected to be awarded in 2017. SHA allocates additional vouchers to Levy-funded replacement housing at Yesler Terrace.

### Levy Funding Commitments, 2010 - 2016

O&M applications are reviewed through the King County Operating, Rent Assistance and Services (ORS) funding round, which allows strategic allocation of a range of federal and local sources as projects come on line. In 2106, Estelle Supportive Housing received O&M funds along with other sources; O&M funds will support 13 units within the 76-unit building, filling a funding gap. Over 7 years, O&M funds were 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	O&M Units	O&M funding	Other operating and services sources*
<b>Cottage Grove Supportive Housing</b> Downtown Emergency Service Center	66	\$70,000 in first year \$2m 20-year est.	McKinney (\$500,000/year) King County MIDD, United Way
<b>Caroline W Apartments</b> Community House Mental Health	44	\$110,000 in first year \$3.3m 20-year est.	King County MH (\$264,240/year) State O&M
<b>Interbay Supportive Housing</b> Downtown Emergency Service Center	97	\$215,820 in first year \$6.7m 20-year est.	McKinney (\$940,000/year)
<b>Estelle Supportive Housing</b> Downtown Emergency Service Center	13 O&M (76 total)	\$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 funds 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.

### 2009 Housing Levy Impact

#### Rental Assistance

**Goal:** 3,025 households assisted

**Outcome:** 3,185 households

- 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. Levy funding is matched with other City funding for case management services.
- People needing assistance call 2-1-1 and are referred to one of seven participating agencies: Interim Community Development Association, Muslim Housing Services, Neighborhood House, Solid Ground, Wellspring Family Services, YMCA of Greater Seattle, and YWCA Seattle-King-Snohomish Counties

## 2016 Funding Summary

Levy funds totaling \$994,555 were expended by community-based 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.<sup>1</sup>
- 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 follow-up, 76% were contacted and confirmed to be in stable housing six months after rent assistance ended.<sup>2</sup>

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

<sup>2</sup> 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.

Rental Assistance Program activity and performance are monitored with the region’s Homelessness Management Information System, Clarity, including demographic information regarding households receiving assistance.

**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	54%
People of color/ethnic minority individuals <sup>1</sup>	84%
Disabled individuals <sup>2</sup>	38%

<sup>1</sup> Race/ethnicity data were available for 621 unduplicated individuals. The balance of households were White or did not report race/ethnicity.

<sup>2</sup> 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.

**2009 Housing Levy Impact**  
**Homebuyer Assistance**

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**Goal:** 180 homebuyer purchases

**Outcome:** 191 homes (projected)

### 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 in the coming months 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 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.

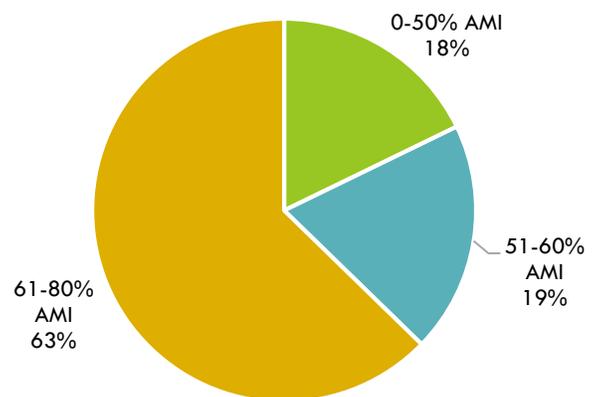
At the completion of the 2009 Housing Levy, the Homebuyer Program assisted a little over 300 buyers to purchase their first home using Housing Levy funds and other City-administered sources. In addition to providing ownership opportunity to lower-income households, the program served a higher proportion of people of color than among 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%

\*2010-2016 Homebuyer loans, Seattle Office of Housing  
 \*\* U.S. Census Bureau ACS 2014 1-Year data

## Households Purchasing with Homebuyer Loans, 2010 - 2016

By Income (all City fund sources)



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## LEVY FUNDING POLICIES AND ADMINISTRATION

### Administrative and Financial Plan

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

### Allocation of Levy Funds

All Levy programs award funds through a competitive application process. The Rental Production & 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 often 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 households who are homeless or at risk of homelessness by providing housing stability services and making rent assistance payments directly to the housing owner.

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 and the public regarding program accomplishments, and makes recommendations for policy changes in the Administrative and Financial Plan. The Oversight Committee typically meets quarterly and is staffed by the Office of Housing.

## MORE INFORMATION

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

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