

Seattle Housing Levy 2020 Report

SEATTLE OFFICE OF HOUSING

MARCH 2021



HOUSING LEVY OVERSIGHT COMMITTEE, 2020

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Seattle Office of Housing

Each year this annual report informs the public about the 2016 Seattle Housing Levy's progress towards its goals. Last year's report led off with a reference to the emergent COVID-19 crisis: "At the time of writing, we are just beginning to glimpse the impacts of this global crisis on local and national economies.... [It] will require bold, unprecedented action to ensure families and individuals are stably housed and not displaced or forced into homelessness."

Today, one year later and having completed the fourth year of the Levy, the pandemic has placed exceptional strains on those who face health crises and economic insecurity. It has exposed the precariousness of many of our neighbors' housing stability, potentially jeopardized by just a few missed paychecks. It has underscored that homelessness, which had already reached a crisis level in Seattle and other major cities throughout the country, is also a health care emergency. And it has made clear, more than ever, that our collective health depends on people being stably housed.

The Levy has been an important instrument to deliver the kind of bold, unprecedented action that we called for last year. City staff altered their work practices in 2020 to ensure safety without sacrificing productivity. They also leveraged the Levy's capacity to respond quickly to evolving conditions while continuing to deliver on its goals.

- Accelerating capital Levy funding for rental production allowed the City to launch a special pilot initiative to scale up production of permanent supportive housing for people experiencing or extremely vulnerable to homelessness. With an emphasis on novel project delivery mechanisms, this pilot initiative seeks to deliver a record number of homeless housing units in record time.
- Emergency legislation excused homeless housing funded by the Levy and other sources from certain permitting requirements, saving both time and cost.
- As the person-to-person contact required under OH's traditional home repair loan program became less feasible, the Levy's home repair grant program simultaneously ramped up to keep low-income homeowners' housing in sound condition.
- The financial and programmatic infrastructure of the Levy-funded Homelessness Prevention and Housing Stability Program allowed contactors to quickly deploy federal and local COVID-responsive emergency rental assistance.
- Looking ahead, Levy-authorized foreclosure prevention funds are positioned to aid COVID-impacted low-income homeowners once emergency foreclosure protections eventually expire.

This report describes all Levy investments made in 2020 and demonstrates that each of the Levy programs is on track to meet or exceed the production goals set forth in the Levy ordinance. The companion 2020 Annual Investments Report provides detailed demographic data along with maps showing the locations of Levy-funded and other housing investments throughout the City.

We hope that this information is helpful to all readers and conveys the Levy's role in positioning Seattle to deliver not only housing affordability, but also resiliency in times of crisis.

Sincerely,

A handwritten signature in blue ink, appearing to read "Douglas Ito", with a long horizontal flourish extending to the right.

Douglas Ito
Chair, Housing Levy Oversight Committee

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HOUSING LEVY ACCOMPLISHMENTS IN 2020

The 2016 Seattle Housing Levy provides \$290 million over seven years for housing production, preservation, and assistance. The current Housing Levy builds on a history of voter support that has provided a significant, consistent resource for affordable housing in Seattle for the past 39 years. Housing Levy funding has attracted substantial investments by other public and private fund sources and created affordable housing that serves thousands of Seattle residents each year. This report presents the Levy-funded housing only; a full summary of City housing investments, including demographics of households served, can be found in the **Office of Housing 2020 Investments Report**.

Rental Production and Preservation

In 2020, this program awarded \$56 million in Levy funds to six housing development projects that will provide 588 affordable apartments, as well as a \$750,000 award for one preservation project. All of 2020's Levy awards for new production under the Rental Production and Preservation Program resulted from a special Notice of Funds Availability (NOFA) that OH issued in the summer. This NOFA, structured as a pilot initiative, offered funding only for development of new housing for people experiencing homelessness or extreme risk for homelessness; it also required that applicants propose a development strategy that would offer exceptional cost efficiency or expedited project completion.

To achieve these rapid results in the midst of 2020's multiple crises, the pilot initiative accelerated one year of Levy resources, such that almost two years of Levy proceeds designated for the Rental Production and Preservation Program were dedicated to this pilot initiative. This funding round brings total Levy production to 2,506 units, meaning that production goals for the levy (2,150 units) have now been satisfied and exceeded.

Operating and Maintenance

From the inception of the 2016 Levy through 2020, Operating and Maintenance contracts have been executed for four Levy-funded buildings serving extremely low-income and homeless residents. The O&M assistance attaches to 286 units and is expected to cost approximately \$21.1 million over 20 years.

In addition, OH has made preliminary commitments to several buildings that received Rental Production and Preservation Program awards but have not yet been completed. Those preliminary commitments, two of which were made for projects that received capital funding awards in 2020, include up to 243 supported units. These preliminary commitments are provided as an "up to" amount demonstrating OH commitment to the project but recognizing that other operating subsidies may be secured, so O&M funds can be made available for future projects.

Homelessness Prevention and Housing Stability Services

In 2020, Seattle's Human Services Department provided \$2.07 million in Levy funds, combined with other City funds, to community-based agencies for homelessness services and rent assistance. The program

assisted 421 households at imminent risk of eviction and homelessness to maintain stable housing, and 117 households to move into housing after living in their car, shelter, or on the street.

Homeownership

In 2020, this program funded construction of two new developments of permanently affordable for-sale homes that will be available for purchase by low-income, first-time buyers over the next few years. The Westwood Village neighborhood will see four new three-bedroom homes. A project in the South Park neighborhood will result in 13 new two-bedroom homes. Ten additional low-income, first-time homebuyers achieved homeownership through resales of permanently affordable homes that had received OH investment in the past. The Homeowner Stabilization Fund helped four existing homeowners to avoid foreclosure while simultaneously positioning the City and the program administrator to respond quickly to potential foreclosures as pandemic-related legal protections conclude. The program also provided 30 grants for urgent home repairs to 29 low-income homeowners.

Acquisition and Preservation Loans

Three acquisition loans totaling \$25.2 million closed in 2020. Two of these loans supported two new site acquisitions; a third bundled loan placed new OH regulatory agreements on three buildings owned by Seattle Housing Authority. Over the course of the 2016 Levy reporting period thus far, OH has now made nine loans totaling approximately \$53.4 million. Four loans made under the 2016 Levy have been repaid, including one loan that was both made and repaid in 2020, bringing the total volume of outstanding loans down to \$32.9 million. Only \$18.1 million of this total applies toward the \$30 million cap on the volume of loans that can be outstanding at any one time, as the Seattle Housing Authority properties are exempt from the cap by virtue of their federal rental assistance contracts.

Administration

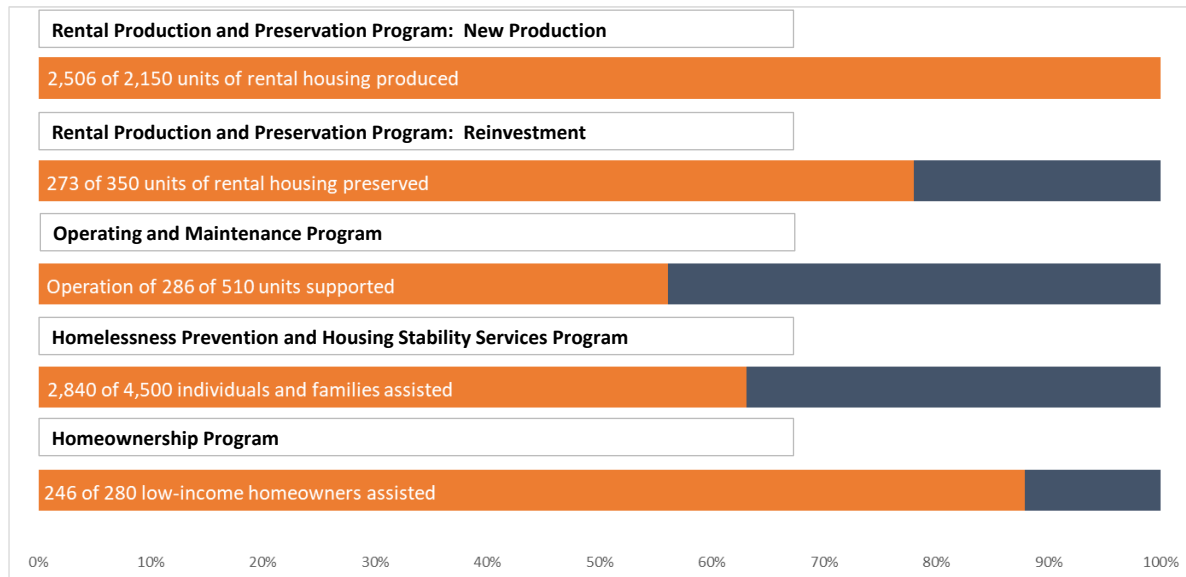
The Housing Levy ordinance sets aside 9% of Levy proceeds for administration. In 2020, OH expended \$2.96 million for overall Levy administration and the Human Services Department expended \$242,100 to administer the Homelessness Prevention and Housing Stability Services Program. Unspent funds are reserved for later years of the Levy when inflation is expected to push administrative costs above the annual allocation.

Summary of Levy Funding and Housing Outcomes

The 2016 Housing Levy ordinance set forth the total funding and housing goals for each program over the seven years of the levy, with the reporting period beginning in 2017. Based on outcomes over the first four years of the current levy period, all programs are on track to meet or exceed the seven-year goals.

Levy Program	Funding		Housing Outcomes	
	7-year Funds Allocated 2017-23	4-year Funds Committed 2017-20	7-year Goals 2017-23	4-year Outcomes 2017-20
Rental Production and Preservation ¹	\$201 M	\$138.0 M	2,150 units added 350 units reinvestment	2,506 units added 273 units reinvestment
Operating and Maintenance ²	\$42 M	\$21.1 M contracted / up to \$17.8 M committed	510 units	286 units contracted / up to 243 units committed
Homelessness Prevention / Housing Stability Services	\$11.5 M	\$5.4 M	4,500 households	2,840 households
Homeownership ³	\$14.3 M	\$12.3 M	280 households	257 households
Acquisition and Preservation ⁴	Up to \$30 M committed at any time	\$53.4 M	No 7-year goal associated with this program	1,145 units

Summary of 4-Year Progress Toward 7-Year Levy Goals (2017-2020)



¹ Because the PSH pilot accelerated almost one year of Levy funding dedicated to the Rental Production and Preservation Program, progress shown to date should be attributed to five years of Levy production, not four.

² Operating and Maintenance Program makes preliminary funding commitments to enable projects to proceed with pre-development. For some projects the units and funding amounts will be reduced as rental vouchers and other operating subsidies are secured.

³ Homeownership Program funding includes \$9.5 million in 2016 Levy funds and \$4.5 million carried forward from the 2009 Levy; additional funds may become available from loan repayments or reprogramming unspent funds.

⁴ The Acquisition & Preservation Program makes short-term loans for acquisition of buildings or development sites, using other Levy program funds that are not yet needed for their ultimate use.

RENTAL PRODUCTION AND PRESERVATION PROGRAM

The largest Levy program provides approximately \$29 million annually in capital funds to support development and preservation of affordable rental housing. Levy funds provide affordable opportunities in neighborhoods throughout the city and leverage other public and private investment for housing development and operations.

The program funds new construction, building acquisition and rehabilitation to preserve low-cost housing, and reinvestment in affordable housing when major upgrades are needed. The housing serves eligible residents for a minimum of 50 years.

Housing Levy Impact Rental Production & Preservation

2020 Outcome: 588 new rental units produced, 40 existing units preserved



AFFORDABLE HOUSING RENTAL PRODUCTION IN ACTION

Mercy Housing Northwest's Gardner House, a 95-apartment family project in the heart of the Mount Baker neighborhood opened in early 2020 with financing from the Seattle Housing Levy. The building serves lower wage working families and families leaving homelessness. Molly, a current resident of Gardner House, was living on the streets and pregnant with her baby, Miracle, when she learned about Gardner House. She put in her application and moved into the building just as the pandemic hit. "I love it. I'm attached to the people here. The staff makes it feel like it's home. I worked very hard to get into Gardner House and I'm proud of myself."

At least 60% of total Rental Production and Preservation and Operating and Maintenance housing funds must serve extremely low-income households defined as those below 30% AMI. This policy is met by reserving all Operating & Maintenance funds to serve this income group and awarding at least 52% of Rental Production and Preservation funds to housing set-aside for extremely low-income residents.

Physical inspections and annual compliance reporting ensure that the housing is well maintained, serves the intended resident population, and remains financially viable.

2020 Summary

The public health and economic crises of 2020 deepened Seattle's existing homelessness crisis; 2020's illumination of the moral necessity to confront racism exposed the racial disproportionality in those who experience homelessness. The intertwined nature of 2020's struggles and the ongoing homelessness emergency called for action and contributed to OH's decision to develop a pilot initiative that would escalate production new housing for a homeless population at an unprecedented pace. The pilot initiative was funded by a one-time acceleration in OH's commitment of Levy resources designated for the Rental Production and Preservation Program.

Following consultation with the Levy Oversight Committee, in mid-2020 OH launched its Permanent Supportive Housing (PSH) Pilot initiative – a special Notice of Funding Availability available for projects that would not only serve single adults experiencing homelessness, but also promise swift completion

through use of innovative construction or alternative project delivery methods.

Funding and Units

Under the PSH Pilot OH committed \$56 million in Housing Levy funds to six new development projects. A subsequent funding round awarded \$750,000 to one reinvestment project. These commitments accelerated almost one year's worth of Levy proceeds available under the Rental Production & Preservation Program in order to support extraordinary production of efficiency apartments dedicated to single adults experiencing homelessness.

NEW PRODUCTION

The six new developments will produce 588 affordable rental apartments as well as a handful of units designated for building managers. All six projects will serve single adults who are experiencing homelessness or are at extreme risk of homelessness. The 588 new Levy-funded units brings total new production under the Rental Production and Preservation Program to 2,506 affordable apartments.

PRESERVATION

The Office of Housing re-invested in one project in 2020. The 40-unit Kerner-Scott Apartments in the South Lake Union neighborhood has provided permanent supportive housing for single adults experiencing homelessness since the mid-1990s. With this award the 2016 Levy has now preserved a total of 273 units in the OH portfolio.

Project Name Project Sponsor Location	Project Description	Affordability (Units)			Capital Funding		
		<30% AMI	<50% AMI	<60% AMI	City \$M	Levy \$M	Other \$M
New Production							
Ballard Crossing PSH <i>Inland Group / Plymouth Housing</i> Ballard	Construction of permanent supportive housing (studio apartments) serving individuals experiencing chronic homelessness	40	39	--	11.5	11.5	--
Bitter Lake PSH <i>DESC</i> Bitter Lake	Construction of permanent supportive housing (studio apartments) serving individuals experiencing chronic homelessness	50	50	--	5.8	5.8	--
Green Lake PSH <i>DESC</i> Green Lake	Construction of permanent supportive housing (studio apartments) serving individuals experiencing chronic homelessness	62	62	--	11.2	11.2	--
Greenwood PSH <i>Inland Group / Catholic Housing Services</i> Greenwood	Construction of permanent supportive housing (studio apartments) serving individuals experiencing chronic homelessness	33	33	--	15.7	15.7	--
Sacred Medicine House <i>Chief Seattle Club</i> Lake City	Construction of permanent supportive housing (studio apartments) serving individuals experiencing chronic homelessness with special emphasis on urban native people experiencing homelessness	59	58	--	12.3	10.3	2.0
Good Shepherd Housing <i>Low Income Housing Institute</i>	Construction of permanent supportive housing (studio apartments) serving individuals experiencing chronic homelessness	51	51	--	6.5	1.5	5.0
TOTAL, New Production		295	293	0	\$63.0	\$56.0	\$7.0
Preservation							
Kerner-Scott <i>DESC</i>	Reinvestment in major building systems for this permanent supportive housing property	40	--	--	1.7	0.7	1.0
TOTAL, Preservation		40	--	--	1.7	0.7	1.0
GRAND TOTAL, Production and Preservation		335	293	0	\$64.7	\$56.7	\$8.0

Selected 2020 Income Levels AMI = Area Median Income			
	30% AMI	50% AMI	60% AMI
Single Person	\$23,250	\$38,750	\$46,500
3-person Household	\$29,900	\$49,800	\$59,800

Funding Commitment to Extremely Low Income Households

Under the Levy ordinance, at least 60% of the sum of Rental Production and Preservation funds, combined with Operating and Maintenance funds, must support housing affordable to people with incomes at or below 30% AMI. More than half of the funding awarded through the Rental Production and Preservation program in the first four years of the 2016 Levy will primarily serve extremely low-income households. Taken together with Operating and Maintenance Program funds, which are wholly dedicated to units regulated for extremely low income tenants, over 60% of total program funds will support housing for people with incomes at or below 30% AMI.

External Leverage

From 2017 through 2020 inclusive, on average each City dollar invested in Levy-funded projects has been matched by \$3.50 from other sources of public and private capital investment such as State and County funds, debt, and equity generated by the federal Low Income Housing Tax Credit program. As in past years, co-investment in Levy-funded projects from other public and private sources of capital will magnify the purchasing power of Levy proceeds. Inclusive of Levy and other sources of complementary City funding, each dollar of City capital investment in 2020's six Levy-funded projects (new production only) is leveraging almost \$1.70 in other capital investment, and some projects will also leverage significant operating and services funding. Private equity investment through the 9% Low Income Housing Tax Credit program continues to be the largest external fund source, with four of the six projects collectively anticipating equity investment of over \$79 million from this source. Other external sources of capital investment in 2020 include King County and the Washington State Housing Trust Fund.

OPERATING AND MAINTENANCE PROGRAM

The Operating and 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, along with other critical operating subsidies, help ensure the housing is well maintained and financially viable.

Funds are available only to housing that received Housing Levy capital funds. O&M funds are typically matched with other funding for building operations and resident services.

Affordable housing projects receive a 20-year operating support commitment. Funds are allocated each year to fill the gap between a building’s income and expenses, up to a maximum of \$2,500 per unit in the first year, with annual adjustments thereafter for inflation.

**2016 Housing Levy Impact
Operating & Maintenance**

2020 Outcome: 286 rental units with executed O&M contract; up to 243 rental units identified for future support

2020 Summary

Finalized O&M Contracts

Over the course of the 2016 Levy reporting period thus far, O&M contracts have been finalized for four projects (286 units).

Project Name <i>Project Sponsor</i>	Population Served	Supported Units (maximum)	First Year Funding Estimate	Funding Award (20 years)
Gardner House <i>Mercy Housing NW</i>	Families experiencing homelessness	47	\$117,500	\$3.50 M
Hobson Place I <i>DESC</i>	Supportive housing for homeless adults with chronic disabilities	85	\$212,500	\$6.33 M
Patricia K <i>Community House Mental Health</i>	Supportive housing for homeless adults with mental illness	52	\$118,560	\$3.86 M
Bob and Marcia Almquist Place <i>Plymouth Housing</i>	Supportive housing for homeless adults	102	\$225,000	\$7.44 M
TOTAL		286	\$673,560	\$21.13 M

Preliminary O&M Commitments

In advance of executing an O&M contract, OH makes preliminary commitments to projects that have been awarded Levy funds under the Rental Production and Preservation Program. Providing preliminary O&M funding commitments earlier in the development process is intended to assist project sponsors to secure other capital and operating funding. These funding commitments set the maximum number of housing units that will be supported; the final awards may be lower and will be based on the final number of eligible units

affordable at or below 30% of median income, other operating subsidies secured, and projects' operating budgets.

In 2020, one Levy-funded building serving extremely low-income and homeless residents was identified for a preliminary O&M funding commitment. An additional three projects funded prior to 2020 but not yet complete have received prior-year preliminary commitments. These preliminary commitments of up to \$17.8 M could provide annual operating subsidies for up to 243 rental units. The figures shown below set the maximum number of housing units that could be supported under these preliminary commitments; the final awards may be lower, as projects may ultimately secure other operating subsidies.

Operating Support Using Seattle Housing Authority Vouchers

In addition to Levy O&M Program funds, some projects that receive Levy capital funding also apply for vouchers from Seattle Housing Authority (SHA). SHA committed 300 Section 8 vouchers to Levy-funded projects at the inception of the 2016 Housing Levy. These vouchers are “project-based,” meaning that they will provide ongoing operating subsidies to buildings rather than to individual tenants. Levy vouchers are generally awarded the year before the building will begin operations – one or two years following the capital funding award.

OPERATING AND MAINTENANCE SUPPORT IN ACTION

Eighty-five formerly homeless single adults now have permanent housing at DESC's Hobson Place 1. Most contended with chronic mental illness or other special needs while living on the streets. A Levy-funded operating and maintenance subsidy of about \$212,500 per year helps DESC keep the building in good working condition even though the residents can pay little to no monthly rent. Though the O&M support provides only a shallow subsidy, at Hobson Place I it combines with 63 vouchers committed to the building by Seattle Housing Authority. These combined funds allow DESC to maintain the building in peak condition, ensuring that this housing can help residents have a safe alternative to tents, tarps, and emergency rooms.



Project Name <i>Project Sponsor</i>	Population Served	Supported Units (maximum)	First Year Funding Estimate	Funding Award (20 years)
Preliminary Commitments (2020)				
Good Shepherd PSH <i>Low Income Housing Institute</i>	Homeless individuals	48	\$120,000	\$3.5 M
Preliminary Commitments (Prior Year)				
Chief Seattle Club ?al ?al Housing <i>Chief Seattle Club</i>	Homeless and low-income individuals, Native oriented	60	\$150,000	\$4.4 M
K Site Housing <i>Plymouth Housing</i>	Formerly homeless individuals	91	\$227,500	\$6.7 M

Yancy Street Housing <i>Transitional Resources</i>	Homeless and low-income individuals with serious and persistent mental illness	44	\$110,000	\$3.2 M
TOTAL		243	\$607,500	\$17.8 M

At the time of reporting, OH and SHA have assigned 133 of the 300 vouchers. These vouchers will support operations in four buildings that were awarded capital funds under the 2016 Levy. In Spring 2021 OH and SHA will issue an RFP for additional vouchers as well as a new round of Levy-funded operating and maintenance support.

Separately, SHA will allocate additional vouchers to replacement housing at Yesler Terrace that receives Levy capital funding. The Yesler Family Housing project, funded in 2018, will receive 92 project-based vouchers.

HOMELESSNESS PREVENTION AND HOUSING STABILITY SERVICES PROGRAM

The Seattle Human Services Department (HSD) administers the Homelessness Prevention and Housing Stability Services Program which serves families and individuals who are either at imminent risk of homelessness (Prevention) or experiencing homelessness (Rapid Rehousing).

The Program provides case management and rent assistance for eligible households at or below 50% of area median income (AMI). Program funding can be used for case management that includes landlord negotiations, connection to mainstream benefits, budgeting, direct referrals to legal eviction prevention resources, and financial assistance as needed. Financial assistance can include rent assistance, security and utility deposits, move in costs, rent and utility arrears, and moving fees paid directly to landlords and/or organizations, not households.

The Program funds two distinct interventions:

- **Homelessness Prevention** serves households at imminent risk of homelessness to maintain their housing. Households seeking homeless prevention services access services via referrals from 2-1-1, walk in, or direct contact with the agencies.
- **Rapid Rehousing** serves households experiencing homelessness to move into stable housing after living in a car, shelter, or a place not meant for human habitation. Household access Rapid Rehousing via the Coordinated Entry for All (CEA) System

Program activities and performance are monitored with the region's Homelessness Management Information System (HMIS) called Clarity.

2020 Summary

In 2020, HSD contracted with seven different community-based nonprofit agencies for \$2.07 million in Housing Levy funds. Each agency offers rich culturally and linguistically relevant services, targets services to historically underserved communities and communities with emerging needs, and provides specialized programs for a range of household types.

In total, 538 households received case management and rent assistance, as needed, in six homelessness prevention and two rapid rehousing programs. In 2020, 385 households exited the programs, and 157 were still enrolled going into 2021.

Homelessness Prevention

The programs offered by the following community-based nonprofit agencies assisted 421 households who were at imminent risk of homelessness. Households were enrolled an average of 107 days from initial case



**2016 Housing Levy Impact
Homelessness Services**

7-year Goal: 4,500 households assisted
2017-2019 total households assisted: 2,302

2020 Outcome: 538 households supported

management appointment until both case management and rent assistance ended. Direct financial assistance averaged \$1,943 per household, which was fully funded with Housing Levy funds.

Homelessness Prevention	Contracted Levy Investment
Neighborhood House	\$491,173
YWCA	\$256,849
Interlm Community Development Assoc	\$373,714
El Centro de la Raza	\$144,813
Muslim Housing Services	\$160,300
St. Vincent de Paul	\$150,000
HP Total	\$1,576,849

Performance measures for Homelessness Prevention include:

- Retention of permanent housing: 94% of households successfully maintained their housing when they exited the program.
- Housing stability at 6 months: Of those households who received prevention assistance in 2020 alone, 99.6% retained their housing during the 6-month period after receiving that assistance.^[1]
- Housing stability at 12 months: Of those households who maintained their housing after receiving prevention assistance in 2019, 97% retained their housing during the 12-month period after receiving that assistance.

Household Demographics	Homelessness Prevention
Households below 30% AMI	89%
Households with minor children	35%
Number of household members that are minor children	287
Head of Household less than 25 years of age	4%
Head of Household with Race other than White	75%
Head of Household with Race as White	22%
Head of Household with Ethnicity as Hispanic/Latino	12%
Race Data Unknown, Refused, Not Collected	3%

While Levy resources did not directly contribute to emergency rental assistance funding that HSD administered in response to pandemic-related financial hardships, five of the seven Levy-supported community-based nonprofit agencies were primed to deliver this federally funded assistance to impacted tenants. Using Federal CARES Act funds, these agencies rapidly coordinated across multiple programs to support communities most at risk of eviction due to COVID impacts to household incomes. Between July to December 2020 an additional 205 households at or below 50% AMI were supported with direct emergency

^[1] Based on HMIS data of the 313 households that exited a Prevention program and maintained their current housing situation at least 6 months after their exit from that program. The 6-month return rate could increase up until 6/30/2021 as this is a full 6 months after the last possible exit to permanent housing in 2020. Data capture if a household subsequently enrolls in a program in HMIS that indicates they are experiencing homelessness (e.g. enrolls in an emergency shelter). This number only includes individuals who consent to sharing their personally identifiable information in HMIS.

rental assistance averaging \$1,966 per unduplicated eligible household to cover current rent and rent arrears.

Rapid Rehousing

Two agencies assisted 117 households to move into stable housing from homelessness – living in a car, shelter or a place not meant for human habitation. Households were enrolled an average of 285 days from the initial case management appointment until rent assistance and case management ended. Direct financial assistance averaged \$2,208 of Housing Levy funds per household; households received an average of \$3,034 in client assistance including other funds also administered by HSD.

Rapid Rehousing	Contracted Levy Investment
CCS	\$267,074
YWCA	\$229,629
RRH Total	\$496,703

Performance measures for Rapid Rehousing include:

- **Exits to Permanent Housing:** 91% of households successfully achieved permanent housing upon exiting the program.
- **Housing stability at 6 months after exit:** Of those households who exited to permanent housing in 2020, 0% returned to using the homeless system within 6 months of their program exit. We can report on returns to the homeless system for the 2019 households in July 2020.²
- **Housing stability at 12 months:** Of those households who exited to permanent housing in 2019, 6% returned to homelessness within 12 months of their program exit.

Household Demographics	Rapid Rehousing
Households below 30% AMI	85%
Households with minor children	91%
Number of household members that are minor children	225
Head of Household less than 25 years of age	9%
Head of Household with Race other than White	71%
Head of Household with Race as White	26%
Head of Household with Ethnicity as Hispanic/Latino	12%
Race Data Unknown, Refused, Not Collected	3%

^[2] Based on HMIS data of the 48 households that exited a Rapid Rehousing program to a permanent destination (e.g. Rental by client, no ongoing housing subsidy) in 2020. The 6-month return rate could increase up until 6/30/2021 as this is a full 6 months after the last possible exit to permanent housing in 2020. Return to System data captures if a household subsequently enrolls in any HMIS. This number only includes individuals who consent to sharing their personally identifiable information in HMIS.

HOMEOWNERSHIP PROGRAM

The Homeownership Program creates and sustains homeownership opportunities for low-income Seattle residents. Approximately \$1.4 million in new funding is available annually, plus funds carried forward from the 2009 Housing Levy and down payment loan repayments from prior housing levies. Funds support four program areas, the latter two of which were newly introduced under the 2016 Levy.

- **Development:** Acquire or construct homes that are sold to first-time homebuyers with income up to 80% AMI. Homes are resale-restricted so as to be available and affordable for eligible buyers for a minimum of 50 years.
- **Purchase Assistance:** Assist first-time homebuyers with income up to 80% AMI to purchase a home anywhere in Seattle. Buyers access Levy funding through participating nonprofit housing agencies and mortgage lenders. Upon resale or refinancing, loans are repaid to the Program to assist additional homebuyers.
- **Home Repair:** Make grants to homeowners with income up to 50% AMI who need to make critical home repairs and are unable to access a home repair loan. Repairs improve living conditions, help owners access weatherization grants, and help preserve the home.
- **Foreclosure Prevention:** Assist homeowners with income up to 80% AMI to pay housing-related costs that are necessary to avert foreclosure and remain successfully in their homes and communities.



2016 Housing Levy Impact Homeownership

2020 Outcome: 60 low-income homeowners and first-time homebuyers assisted

Summary

The Program awarded \$1.61 million for housing development or acquisition and nearly \$201,000 in home repair grants. Demographic and income information for all assisted homeowners is reported in the **2020 Office of Housing Investments Report**. Program milestones for 2020 included:

- 17 new, permanently affordable homes will be constructed as part of two different projects
- 10 new homebuyers purchased a home through the resale of permanently affordable homes previously funded by the Program
- 29 low-income homeowners received grants for urgent home repairs
- 4 current homeowners were able to avoid foreclosure and stay in their homes

In addition, 8 new homebuyers purchased a home using purchase assistance loans. None was funded by the 2016 Levy, though five were funded with carryover funds from the 2009 Levy.

Homeownership Development

Project Name <i>Sponsor</i>	Description	Housing Units	Levy Funding
South Park Cottages <i>Habitat for Humanity, Seattle-King County</i>	New construction of 13 resale-restricted, permanent affordable two-bedroom cottages	13	910,000
Trenton Four <i>Habitat for Humanity, Seattle-King County</i>	New construction of 4 resale-restricted, permanent affordable three-bedroom townhomes	4	400,000
Total		17	\$1,310,000

Home Purchases to Sustain Affordability

Another funding award of \$300,000 was made in 2020 to support the acquisition and rehabilitation of three homes. This funding will continue to allow Habitat for Humanity to convert three Seattle homes from the down payment assistance model to a permanently affordable model to ensure homes continue to be affordable to low-income, first-time homebuyers for at least 50 years. Historically, OH had supported Habitat for Humanity homebuyers through down payment assistance loans. Those loans were paid back to OH when the homeowner sold, but with no guarantee of ongoing affordability.

Though the \$300,000 award is counted towards 2020 financial commitments, the three units that were converted to permanent affordability will be counted towards 2020 goals only upon sale to an income-qualified household.

Permanently Affordable Homeownership Resales

Over the last 20 years the Office of Housing has invested in the creation of homes for ownership that are permanently affordable or resale-restricted. Eligible homebuyers purchase homes at affordable prices and in exchange limit the price at which they can sell that home to another income-eligible homebuyer in the future. Ten such resales occurred in 2020. This is the power permanent affordability: prior-year funding can continue to serve income-eligible homebuyers and will do so well into the future.



AFFORDABLE HOMEOWNERSHIP REALES IN ACTION

Asha is a single mother and speech-language pathologist who relocated to the Seattle after starting a career in King County. Asha and her family love the Seattle area but the rising cost of living made them feel like they might have to relocate at any time. Using funds from the Seattle Housing Levy, Habitat for Humanity Seattle – King County provided Asha and her children a chance to purchase their own home. The purchase offered so much more than a house; it gave Asha and her family the stability and security of ownership, the opportunity to remain Seattle, and a sense of belonging in their community and stability in their neighborhood school.

Home Purchase Loans

Lending programs typically provide home purchase loans to eligible buyers over the 12 to 18 months following a Levy funding award. During the 2016 Levy period thus far, the participating lending organizations continued to provide most down payment assistance with funds awarded under the 2009 Housing Levy; in 2020 five down payment assistance loans were made using the 2009 Housing Levy and three were made using current non-Levy sources. None of these home purchase loans have been counted towards 2016 Levy's seven-year goal.

Home Repair Grants

In 2020 OH awarded 30 grants totaling \$200,820 to 29 low-income homeowners. These grants funded small, urgent home repairs. The average grant was \$6,694; typical repairs addressed problems with windows, doors, roofs, electrical, plumbing, siding, exterior painting, and flooring. Most homeowners had extremely low incomes (86 percent at or below 30% of area median income) and over half of the residents in these households were aged 60 or above.

The year 2020 was notable because the number of home repair grants grew in relation to home repair loans funded from sources other than the Levy. Loans, which require significant paperwork and in-person meetings, became less practical under COVID-19 restrictions. The Levy-funded grant program, introduced for the first time under the 2016 Levy, helped the overall home repair program adapt to 2020's more challenging environment and underscores the way in which this Levy program positioned OH staff to continue to serve low-income homeowners for whom the loan-based home repair program was no longer practical.

Foreclosure Prevention

In the spring of 2018, OH contracted with local nonprofit HomeSight to administer a Levy-funded foreclosure prevention program. OH has since extended HomeSight's contract to administer the Homeowner Stabilization Pilot Program. This pilot program was designed to prevent the displacement of homeowners at risk of foreclosure. During 2020 HomeSight originated four loans to homeowners to avoid foreclosure.

Office of Housing staff anticipate the need for such assistance to increase significantly as borrowers lose protections availed by temporary COVID relief forbearances. Staff are in regular discussions with the program administrator and local housing counselors about how to best meet the need of low-income homeowners facing foreclosure and to respond to fill any programmatic and funding gaps left by emerging federal and state programs and mandates.



HOME REPAIR GRANTS IN ACTION

Back in 1962 Willie and her husband bought this 1910 home in Seattle's Central District and raised a family. After her husband's death, Willie wanted to stay in her home of more than 50 years but one morning woke up to no hot water. An inspection showed a blocked sewer drain. Water had invisibly seeped through the clay sewer pipe, gradually damaging the adjacent porch. A \$10,000 Levy-funded grant covered the cost of the repairs and a new water heater. With City staff hiring the contractors and managing the work, Willie didn't have to oversee the project on her own – nor watch her beloved home fall into disrepair.

ACQUISITION AND PRESERVATION PROGRAM

The Acquisition and Preservation Program provides short-term financing for strategic acquisition of sites or buildings for low-income rental or ownership housing development or preservation. Loan terms of up to five years allow for strategic planning for use of the site, community engagement, formation of development partnerships, and securing funding for housing and other building uses.

The Office of Housing is authorized to have up to \$30 million in A&P Program loans outstanding at any time. Because they are to be repaid within a five-year timeframe, A&P loans are funded from Levy proceeds dedicated to other Housing Levy programs but are not yet needed for planned projects. Housing outcomes are tracked but the program does not have a housing production goal.

Project sponsors must demonstrate that acquisition financing is necessary for the project to proceed. Loans can be made for land or buildings, including occupied buildings where low-income residents are at risk of displacement. A minimum 20-year affordability period is required.

The loans are repaid when permanent project financing is secured. If long-term City financing is invested in the property, the affordability requirement is extended to 50 years.

2017-2020 Summary

During the 2016 Levy period, OH has made nine loans under the A&P Program totaling approximately \$53.4 million. Because one loan captured three properties, the A&P Program has now financed acquisition of 11 buildings or building sites which will produce a total of 1,145 affordable apartments. Three loans closed in 2020, one of which was repaid later in 2020. No other loans were repaid in 2020.

As of 2020 outstanding A&P loans total \$32.9 million, \$18.1 million of which counts towards the \$30 million cap on outstanding A&P Program loans. (Loans for the acquisition of buildings with a federal rental assistance contract are excluded from the \$30 million loan cap. One outstanding loan totaling \$14.8 million provided short-term financing for three buildings owned and subsidized by the federally-funded Seattle Housing Authority.)



2016 Housing Levy Impact Acquisition & Preservation

**Estimated Homes to be
developed: 1,145**

Project Name <i>Project Sponsor</i>	Description	Affordable Housing Units	Loan Amount (\$M)	Status
Outstanding Loans				
Africatown Plaza <i>Community Roots Housing and Africatown CLT</i>	Site acquisition for rental housing, potential homeownership component for families and individuals	134	4.5	Loan closed 2017
Madison Apartments Southport	Acquisition and preservation of expiring tax credit building	73	7.1	Loan closed 2018
Link Studios <i>Mt. Baker Housing Association</i>	Acquisition of affordable newly constructed micro-unit building	60	3.0	Loan closed 2018
Trenton Site <i>Mt. Baker Housing Association</i>	Site acquisition for rental housing for families and individuals	200	3.5	Loan closed 2020
Golden Sunset	Acquisition of three Seattle Housing Authority buildings; City of Seattle regulatory agreement recorded on top of existing SHA use restriction	57	14.8	Loan closed 2020
Martin Luther King Apartments		117		
Weller Apartments		50		
TOTAL		691	\$32.9 M	
Loans Repaid				
Mount Baker Family Housing <i>Mercy Housing Northwest</i>	Site acquisition for rental housing for families, including homeless families	94	3.3	OH permanent financing awarded in 2017; Loan repaid 2018
Willow Crossing <i>GMD Development</i>	Acquisition of development site	213	5.7	Loan closed 2018; Loan repaid 2019
Encore Apartments <i>GMD</i>	Site acquisition for rental housing for families and individuals	60	4.6	Loan closed 2018; OH permanent financing awarded 2018 and loan repaid 2019
Eclipse Fremont <i>GMD Development</i>	Acquisition of a permitted site for development of affordable rental housing	87	6.9	Loan closed 2020; OH permanent financing awarded and loan repaid in 2020
TOTAL		394	\$20.5 M	
GRAND TOTAL		1,145	\$53.4 M	

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 Office of Housing, with the participation of the Human Services Department and the Housing Levy Oversight Committee. Community members and stakeholders for each of the Levy programs can also participate in the biennial policy review.

Allocation of Levy Funds

All Levy programs award funds through a competitive application process. The Rental Production and Preservation Program and Operating and Maintenance Program funds are awarded via Notices of Fund Availability. Homeownership funds are also awarded to housing development projects and mortgage lending programs through a competitive NOFA process.

When a publicly owned site is available for affordable housing development, Rental and Homeownership funds may be awarded through a site-specific Request for Proposal. The Office of Housing uses the competitive RFP process both to select a developer and award OH development financing. The RFP may be conducted jointly with another public agency, such as King County or Sound Transit, if that agency is making the property available.

For the Acquisition and Preservation Program, applicants submit project proposals on a rolling basis rather than a set deadline, enabling project sponsors to take advantage of market opportunities. As these short-term loans are repaid, the funds are made available as permanent financing via the other Levy programs.

Homelessness Prevention and Housing Stability Services Program funds are administered by the Seattle Human Services Department, which selects service providers via a competitive Request for Investment process. The selected agencies assist households who are homeless or at risk of homelessness by providing housing stability services and making rent payments directly to the housing owner.

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.

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