

Seattle Housing Levy 2021 Report

SEATTLE OFFICE OF HOUSING

APRIL 2022



HOUSING LEVY OVERSIGHT COMMITTEE, 2022

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Seattle Office of Housing

The Office of Housing produces an annual report on the progress toward the goals of the Seattle Housing Levy, passed in 2016. The 2019 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, two years later, the impacts of the pandemic continue to place 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 in 2019. Over the past two years, City staff leveraged the Levy’s capacity to respond quickly and nimbly to evolving conditions while continuing to deliver on its goals. As we near the expiration of the 2016 Housing Levy period in 2023, we reflect on the incredible, and necessary, accomplishments of these Levy investments thus far, while recognizing that the need for more affordable housing throughout the city is greater than ever.

This report describes all Levy investments made in 2021 and demonstrates that each of the Levy programs remains on track to meet or exceed the production goals set forth in the Levy ordinance, with the following programs already exceeding their goals in the fifth year of the 2016 Levy.

- The Rental Production and Preservation Program has exceeded its seven-year goals by 26%, supporting the creation of over 2,700 new affordable rental homes and the preservation 445 existing rental homes through reinvestment.
- The Homeownership Program has exceeded its seven-year goals by 12%, assisting 314 low-income homeowners and first-time homebuyers.

The companion **2021 Annual Housing 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 Housing 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 that reads "Ann T. Melone". The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

Ann T. Melone
Chair, Housing Levy Oversight Committee

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HOUSING LEVY ACCOMPLISHMENTS IN 2021

The Seattle Housing Levy passed in 2016 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 40 years. Housing Levy funding has complemented investments by other public and private fund sources and created affordable housing that serves thousands of Seattle residents each year. This report presents Levy-supported housing development and programs; a full summary of City housing investments, including demographics of households served, can be found in the **Office of Housing 2021 Investments Report**.

Rental Production and Preservation

In 2021, this program awarded \$14.2 million in Levy funds to two housing development projects that will provide 213 affordable apartments, as well as \$1 million for two affordable housing preservation projects. To achieve these rapid results in the midst of the COVID-19, in 2020 a 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 last year. As a result, the total Levy funds awarded in 2021 for rental production and preservation was markedly smaller than in previous years. However, the Rental Production and Preservation Program has already exceeded its 7-year goals, and will continue to do so in the final years of the 2016 Housing Levy program period.

Operating and Maintenance

From the inception of the 2016 Levy through 2021, Operating and Maintenance contracts have been executed for seven Levy-funded buildings, including three contracts executed this year, serving extremely low-income and homeless residents. In 2021, Operating and Maintenance contracts were executed for three affordable housing developments, committing an estimated \$14.3 million to support the operation and maintenance of 195 affordable rental homes. As of the end of 2021, five years into the 2016 Housing Levy program period, the Operating and Maintenance Program is 94% of the way to meeting its 7-year goal.

In addition to these executed Operating and Maintenance contracts, OH has made preliminary commitments to two buildings that have been awarded Rental Production and Preservation Program funds, including one awarded in 2021, but that have not yet been completed. Those preliminary commitments include up to 148 homes that may be supported through this program. 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.

Homelessness Prevention and Housing Stability Services

In 2021, 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 rental 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. As of the end of 2021, five

years into the 2016 Housing Levy program period, the Homelessness Prevention and Housing Stability Services Program is 74% of the way to meeting its 7-year goal.

Homeownership

In 2021, the Homeownership program awarded \$4.08 million for housing development, acquisition, and purchase assistance loans, and over \$151,000 in home repair grants. This program funded construction of 33 new permanently affordable for-sale homes, across three developments, that will be available for purchase by low-income, first-time buyers over the next few years. Nine low-income, first-time homebuyers achieved homeownership through Levy-funded purchase assistance loans and resales of permanently affordable homes that had received OH investment in the past. The Homeowner Stabilization Fund helped three existing homeowners 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 23 grants for urgent home repairs to low-income homeowners, ensuring they can remain safely and affordably in their current homes.

The Homeownership Program has exceeded its 7-year goals in the fifth year of the 2016 Housing Levy program period. Over the next two years, the Office of Housing will continue to support low-income homeowners and first-time homebuyers through the Homeownership Program, while planning for a proposed renewal and expansion of the Housing Levy in 2023.

Acquisition and Preservation Loans

Three Acquisition and Preservation loans totaling \$24.4 million closed in 2021. Two of these loans supported two site acquisitions, and one loan supported the acquisition of a newly constructed multifamily residential building for the rapid creation of affordable apartments. In total, loans made through the Acquisition and Preservation Program in 2021 will support the creation of a total of 657 affordable apartments.

Over the course of the 2016 Levy reporting period thus far, OH has made twelve loans under the Acquisition and Preservation Program totaling approximately \$77.7 million, \$20.5 million of which have been repaid in prior years. In total these loans, which closed between 2017 and 2021 inclusive, will support the creation of 1,802 affordable apartments.

Administration

The Housing Levy ordinance sets aside 9% of Levy proceeds for administration. In 2021, OH expended \$3.08 million for overall Levy administration and the Human Services Department expended \$129,750 to administer the Rental Assistance 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 cumulative outcomes over the first five years of the current levy period, two programs—the Rental Production and Preservation Program

and the Homeownership Program—have already exceeded their seven-year goals. The Operating and Maintenance Program is on track to exceed its seven-year goals, and the Homelessness Prevention and Housing Stability Services Program is on track to meet its seven-year goals by the end of 2023.

2016 Housing Levy Funding Allocations and Housing Outcomes

Levy Program	Funding		Housing Outcomes	
	7-year Funds Allocated 2017-23	5-year Funds Committed 2017-21	7-year Goals 2017-23	5-year Outcomes 2017-21
Rental Production and Preservation	\$201 M	\$152.2 M	2,150 units added 350 units reinvestment	2,709 units added 445 units reinvestment
Operating and Maintenance ¹	\$42 M	\$35.4 M contracted / up to \$10.8 M committed	510 units	481 units contracted / up to 148 units with preliminary commitments of funding support
Homelessness Prevention / Housing Stability Services	\$11.5 M	\$7.5 M	4,500 households	3,312 households
Homeownership ²	\$14.3 M	\$16.4 M	280 households	314 households
Acquisition and Preservation ³	No separate allocation for this program	\$77.7 M total / \$20.5 M loans repaid	No 7-year goal associated with this program	1,802 units

¹ 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.

² 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.

³ 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.

Summary of 5-Year Progress Toward 7-Year Housing Levy Goals (2017-2021)

Rental Production & Preservation Program: New Production

Exceeded goal of 2,150 units of rental housing produced (126%)

Rental Production & Preservation Program: Reinvestment

Exceeded goal of 350 units of rental housing preserved (127%)

Operating & Maintenance Program

481 of 510 rental housing units supported with operating and maintenance funds (94%)

Homelessness Prevention & Housing Stability Services Program

3,312 of 4,500 individuals and families assisted (74%)

Homeownership Program

Exceeded goal of 280 low-income homeowners assisted (112%)

0% 10% 20% 30% 40% 50% 60% 70% 80% 90% 100%

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

2021 Outcome: 213 new rental units produced, 172 existing units preserved

Progress Toward 7-year Goal: Goal exceeded



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 2021 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.

2021 Summary

In 2021, this program awarded \$14.2 million in Levy funds to two housing development projects that will provide 213 affordable apartments, as well as \$1 million for two preservation projects representing a total of 172 affordable apartments. In 2020, as part of the Office of Housing's response to the COVID-19 pandemic and an increased urgency in the need for new permanent supportive housing, a pilot initiative accelerated one year of Levy resources, such that a portion of both 2020 and 2021's Levy proceeds designated for the Rental Production and Preservation Program were awarded and reported on last year. As a result, the total Levy funds awarded in 2021 for rental production and preservation was markedly smaller than in previous years.

The Rental Production and Preservation Program has exceeded its 7-year goals by over 26% in the fifth year of the 2016 Housing Levy program period. Over the next two years, the Office of Housing will continue to invest in the production and

preservation of rental housing while planning for a proposed renewal and expansion of the Housing Levy in 2023.

Project Name <i>Project Sponsor</i> Location	Project Description	Affordability (Units)			Capital Funding		
		<30% AMI	<50% AMI	<60% AMI	City \$M	Levy \$M	Other \$M
New Production							
DESC Woodland <i>DESC</i> Fremont	<ul style="list-style-type: none"> Construction of permanent supportive housing (studio apartments) serving individuals who are disabled and experiencing chronic homelessness (0-30% AMI) On-site supportive services 	50	50	--	10.7	10.7	--
Sawara Apartments <i>Seattle Housing Authority</i> Yesler Terrace	<ul style="list-style-type: none"> Construction of one-, two-, three-, and four-bedroom apartments serving families and individuals with incomes up to 30% and 60% AMI Funding for this project fulfills Office of Housing commitments in Yesler Terrace Cooperative Agreement Participant in Housing Development Consortium's Exemplary Building Program, which explores new technologies and practices to enhance energy efficiency of affordable housing buildings 	50	--	63	3.5	3.5	--
TOTAL, New Production		100	50	63	14.2	14.2	--
Preservation and Reinvestment							
Pacific Apartments <i>Plymouth Housing</i> Downtown	<ul style="list-style-type: none"> Rehabilitation of historic building, originally constructed in 1916, to support long-term building operation Conversion of single-room occupancy units to studios 	79	9	--	8.1	0.5	7.6
Plymouth on Stewart <i>Plymouth Housing</i> Downtown	<ul style="list-style-type: none"> Emergency repair of sidewalk in public right-of-way adjacent to building 	84	--	--	1.0	0.5	0.5
TOTAL, Preservation		163	9	--	9.1	1.0	8.1
GRAND TOTAL, Rental Production and Preservation		263	59	63	23.3	15.2	8.1

Selected 2021 Income Levels AMI = Area Median Income			
	30% AMI	50% AMI	60% AMI
Single Person	\$24,300	\$40,500	\$48,600
3-person Household	\$31,250	\$52,100	\$62,500

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. Over half of the funding awarded through the Rental Production and Preservation program in the first five years of the seven-year 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 2021 inclusive, on average each City dollar invested in Levy-funded projects has been matched by over \$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 add to the purchasing power of Levy proceeds. Private equity investment through the 9% and 4% Low Income Housing Tax Credit programs continues to be the largest external fund source, with the two Levy-funded projects collectively anticipating equity investment of over \$56 million from this source. Other external sources of public capital investment in 2021 include 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**

2021 Outcome: 195 rental units with executed O&M contract

Progress Toward 7-year Goal: 94% complete

2021 Summary

In the fifth year of the 7-year 2016 Housing Levy program period, the Operating and Maintenance Program is 94% of the way to meeting its goals for finalized O&M contracts, with 481 of 510 units supported across seven buildings. The estimated funding award over 20 years for these seven buildings is \$35.4 million. Over the next two years, the Office of Housing will continue to finalize contracts to meet, and likely exceed, the 7-year goals.

Finalized O&M Contracts

In 2021, O&M contracts were executed for three affordable housing developments, committing an estimated \$14.3 million to support the operation and maintenance of 195 affordable rental homes.

Project Name <i>Project Sponsor</i>	Population Served	Supported Units (maximum)	First Year Funding Estimate	Funding Award (20 years)
Kristin Benson Place <i>Plymouth Housing</i>	Supportive housing for individuals experiencing homelessness	91	\$227,500	\$6.7 M
Rise at Yancy <i>Transitional Resources</i>	Supportive housing for homeless and low-income individuals with serious and persistent mental illness	44	\$110,000	\$3.2 M
ʔáʔal <i>Chief Seattle Club</i>	Supportive housing for homeless and low-income adults, with a focus on Native people	60	\$150,000	\$4.4 M
TOTAL		195	\$487,500	\$ 14.3 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 2021, one Levy-funded building serving extremely low-income and homeless residents was identified for a preliminary O&M funding commitment. One additional project funded in 2020, but not yet complete, received a preliminary commitment for O&M funding. Together, these preliminary commitments of up to \$10.8 M could provide annual operating subsidies for up to 148 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 I. 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 Commitment (2021)				
DESC Woodland <i>DESC</i>	Individuals experiencing homelessness	100	\$250,000	\$7.3 M
Preliminary Commitment (Prior Year)				

Good Shepherd PSH <i>Low Income Housing Institute</i>	Individuals experiencing homelessness	48	\$120,000	\$3.5 M
TOTAL		148	\$370,000	\$10.8 M

OH and SHA have assigned all 300 vouchers, which will support operations in eight buildings receiving funding through the 2016 Housing Levy. Separately, SHA will allocate additional vouchers to Sawara Apartments, which was awarded Levy capital funding in 2021. Funding for Sawara Apartments fulfills Office of Housing commitments in the Yesler Terrace Cooperative Agreement with SHA.

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 rental 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 rental 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.

2021 Summary

In 2021, 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, 472 households received case management and rental assistance, as needed, in six homelessness prevention and two rapid rehousing programs. In 2021, 259 households exited the programs, and 213 were still enrolled going into 2022.

In the fifth year of the 7-year 2016 Housing Levy program period, the Homelessness Prevention and Housing Stability Services Program is 74% of the way to meeting its goals for number of households assisted. Over the next two years, HSD will continue to contract with nonprofit agencies to meet the 7-year goals.



**2016 Housing Levy Impact
Homelessness Prevention &
Housing Stability Services**

2021 Outcome: 472 households supported

Progress Toward 7-year Goal: 74% complete

Homelessness Prevention

The programs offered by the following community-based nonprofit agencies assisted 352 households who were at imminent risk of homelessness. Households were enrolled an average of 168 days from initial case management appointment until both case management and rent assistance ended. Direct financial assistance averaged \$1,675 per household, which was fully funded with Housing Levy funds.

Homelessness Prevention	Contracted Levy Investment
Neighborhood House	\$491,173
YWCA	\$256,849
InterIm Community Development Association	\$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: 90% of households successfully maintained their housing when they exited the program.
- Housing stability at 6 months: Of those households who received prevention assistance in 2021 alone, 99.7% 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 2020, 96% retained their housing during the 12-month period after receiving that assistance.

Household Demographics	Homelessness Prevention
Households below 30% AMI	85%
Households with minor children	35%
Number of household members that are minor children	220
Head of Household less than 25 years of age	4%
Head of Household with Race other than White	74%
Head of Household with Race as White	22%
Head of Household with Ethnicity as Hispanic/Latino	12%
Race Data Unknown, Refused, Not Collected	3%

^[1] Based on HMIS data of the number of 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 6/30/2022 as this is a full 6 months after the last possible exit to permanent housing in 2021. Data capture if a household subsequently enrolls in a program in HMIS which 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.

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 January to December 2021 an additional 391 households at or below 50% AMI were supported with direct emergency rental assistance averaging \$1,931 per unduplicated eligible household to cover current rent and rent arrears.

Rapid Rehousing

Two agencies assisted 120 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 271 days from the initial case management appointment until rent assistance and case management ended. Direct financial assistance averaged \$1,368 of Housing Levy funds per household; households received an average of \$1,865 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:** 84% 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 2021, 1.64% returned to using the homeless system within 6 months of their program exit. We can report on returns to the homeless system for the 2021 households in July 2022.²
- **Housing stability at 12 months:** Of those households who exited to permanent housing in 2020, 4% returned to homelessness within 12 months of their program exit.

^[2] Based on HMIS data of the number of households that exited a Rapid Rehousing program to a permanent destination (e.g. rental by client, no ongoing housing subsidy) in 2021. The 6-month return rate could increase up until 6/30/2022 as this is a full 6 months after the last possible exit to permanent housing in 2021. 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.

Household Demographics	Rapid Rehousing
Households below 30% AMI	89%
Households with minor children	93%
Number of household members that are minor children	196
Head of Household less than 25 years of age	14%
Head of Household with Race other than White	74%
Head of Household with Race as White	22%
Head of Household with Ethnicity as Hispanic/Latino	10%
Race Data Unknown, Refused, Not Collected	3%

HOMEOWNERSHIP PROGRAM

The Homeownership Program creates and sustains homeownership opportunities for low-income Seattle residents. Approximately \$1.4 million in new funding from the 2016 Housing Levy is available annually. Additional funds may become available each year from repayments of purchase assistance loans or reprogramming of unspent funds. 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 that they are available and affordable for eligible buyers for a minimum of 50 years.
- **Purchase Assistance (also called Downpayment 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

2021 Outcome: 68 low-income homeowners and first-time homebuyers assisted

Progress Toward 7-year Goal: Goal exceeded

2021 Summary

The Homeownership Program awarded \$4.08 million for housing development, acquisition, and purchase assistance loans, and over \$151,000 in home repair grants. Demographic and income information for all assisted homeowners is reported in the **2021 Office of Housing Investments Report**. Program milestones for 2021 included:

- 33 new, permanently affordable homes will be constructed as part of three different projects
- 6 new homebuyers purchased a home through the resale of permanently affordable homes previously funded by the Program
- 23 low-income homeowners received grants for urgent home repairs
- 3 current homeowners were able to avoid foreclosure and stay in their homes
- 3 new homebuyers purchased a home using purchase assistance loans

The Homeownership Program has exceeded its 7-year goals by 15% in the fifth year of the 2016 Housing Levy program period. Over the next two years, the Office of Housing will continue to support low-income

homeowners and first-time homebuyers through the Homeownership Program, while planning for a proposed renewal and expansion of the Housing Levy in 2023.

Homeownership Development

Project Name <i>Sponsor</i> Neighborhood	Description	Housing Units	Levy Funding
PAHO <i>Homestead Community Land Trust and Edge Community Developers</i> Phinney Ridge	New construction of 19 resale-restricted, permanently affordable one-, two-, and three-bedroom condo units for low-income first-time homebuyers	19	\$1.9 M
Corvidae <i>Habitat for Humanity, Seattle-King County and Corvidae</i> Columbia City	2 limited equity cooperative homes, within a project of 10 total homes, for sale to low-income first-time homebuyers	2	\$0.2 M
Highland Terrace <i>Habitat for Humanity, Seattle-King County</i> Westwood-Highland Park	New construction of 12 resale-restricted, permanently affordable two-bedroom cottages for low-income first-time homebuyers	12	\$1.3 M
Total		33	\$3.4 M

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. First-time homebuyers with incomes at or below 80% AMI purchase these 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. Six such resales occurred in 2021, serving income-eligible homebuyers without additional City subsidy. This is the power of permanent affordability: prior-year funding can continue to serve income-eligible homebuyers upon resale and will do so well into the future.

Purchase Assistance Loans

Also known as Downpayment Assistance (DPA), these purchase loans are often layered with other, non-City sources of subsidy so low-income, first-time homebuyers can afford to purchase a home on the open market.

In 2021, three down payment assistance loans were closed using 2016 Levy funds, supporting three new homebuyers in the purchase of their first homes. OH also awarded HomeSight \$440,000 and Parkview Services \$220,000 in 2021 to facilitate down payment assistance loans to 12 additional low-income households. These lending programs typically provide home purchase loans to eligible buyers over the 12 to 18 months following a Levy funding award. Homebuyers assisted using these funds will be reported in future years' reports.

Home Repair Grants

In 2021 OH awarded 23 grants totaling \$151,451 to 23 low-income homeowners. These grants funded small, urgent home repairs. The average grant was \$6,585; typical repairs addressed problems with windows, doors, roofs, electrical, plumbing, siding, exterior painting, and flooring. All homeowners served had extremely low or very low incomes (at or below 50% of area median income) and over half of the residents in these households were aged 60 or above.

The Levy-funded Home Repair Grant program, introduced for the first time under the 2016 Levy, allows OH staff to serve low-income homeowners who may otherwise be displaced or endure unsafe living conditions, due to the rising costs of necessary home repairs.

Foreclosure Prevention

In the spring of 2018, OH executed a contract for \$484,000 with local nonprofit HomeSight to administer a Levy-funded foreclosure prevention program. To date, HomeSight has made a total of nine loans, including three originated in 2021, that allowed homeowners to maintain ownership of their homes and prevent their displacement from the neighborhoods they call home.

Office of Housing will continue to work in collaboration with HomeSight's program administrator and local housing counselors to evaluate and best meet the need of low-income homeowners facing foreclosure.



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.

2021 Summary

During the 2016 Levy period, OH has made twelve loans under the A&P Program totaling approximately \$77.7 million, \$20.5 million of which have been repaid in prior years. Three loans closed in 2021, financing the acquisition of one newly constructed multifamily residential building and two building sites which will support the creation of a total of 657 affordable apartments. No loans were repaid in 2021.

Project Name <i>Project Sponsor</i>	Description	Affordable Housing Units	Loan Amount (\$M)
Aurora Heights Housing <i>Low Income Housing Institute</i>	Acquisition of a site in Bitter Lake for future development of affordable apartments serving individuals earning a range of incomes up to 30%, 50%, and 60% AMI	350	6.0
Clay Apartments <i>Low Income Housing Institute</i>	Acquisition of a newly constructed multifamily residential building in Capitol Hill to rapidly serve veterans and individuals experiencing homelessness	75	11.9
Thunderbird Site <i>Mt. Baker Housing Association</i>	Acquisition of a transit-oriented site in Rainier Beach for future development of affordable apartments serving families and individuals earning at or below 60% AMI	232	6.4
TOTAL		657	\$24.3 M

2016 Housing Levy Impact Acquisition & Preservation

2021 Outcome: 657 homes to be developed

Progress Toward 7-year Goal: No 7-year goal associated with this program

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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