



Seattle
Office of Housing

2023 Seattle Housing Levy Annual Report

June 2024

Housing Levy Oversight Committee

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Letter from the Chair

As Chair of the Seattle Housing Levy Oversight Committee and on behalf of its members, I am pleased to present this annual report on the Seattle Housing Levy, the final report of the 2016 Housing Levy period. This report on the investments and achievements of the Levy in 2023 demonstrates its strong performance and near complete fulfillment of the goals of the 2016 Seattle Housing Levy, thanks to its careful stewardship by provider and development partners, as well as the staff and leadership at the Seattle Office of Housing. This foundational resource has supported affordable housing development and services for our neighbors for more than 37 years and will continue to do so for at least another seven years thanks to the approval of the 2023 Seattle Housing Levy by the voters in November of 2023.

This report describes Housing Levy investments made in 2023 and demonstrates that all but one Levy program has exceeded the goals set forth in the voter-approved governing ordinance.

- The Rental Housing Production and Preservation Program exceeded its 7-year goals by a combined 39%.
- The Homeownership Program exceeded its 7-year goals by 35%.
- The Operating and Maintenance Program exceeded its 7-year goals by 3%.

The Homelessness Prevention and Housing Stability Services Program did not quite meet its 7-year goals, having served 4,363 homeless and at-risk families and individuals, achieving 97% of its goal of 4,500. With lessons learned from the 2016 Levy, Office of Housing staff will work with the Human Services Department to ensure full attainment of the goal under the 2023 Seattle Housing Levy, now underway.

The companion **2023 Annual Housing Investments Report** contains additional information on the demographics of those served along with maps showing the locations of Levy-funded and other housing investments throughout the city.

Now, with the 2016 Housing Levy performance period complete, the Housing Levy Oversight Committee and staff at the Seattle Office of Housing will turn to the implementation of the 2023 Housing Levy to ensure it starts out on a strong footing. While the 2023 Levy will be the City's primary tool to build more affordable housing, the lack of which is the principal upstream cause of homelessness, the Housing Levy alone cannot solve the housing and homelessness crisis. As many resources as possible must be brought to bear and used in combination with the Levy to maximize leverage of other resources and create as many affordable homes as possible in this critical moment.

We hope that this information is helpful to all readers and clearly communicates the Housing Levy's record of success in service to the residents of our city.

Sincerely,



Ann T. Melone
Chair, Housing Levy Oversight Committee

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Executive Summary

The 2016 Seattle Housing Levy, with \$290 million in funding over seven years, has significantly contributed to affordable housing production, preservation, and assistance, leveraging public and private investments to serve thousands of residents. This report highlights the Levy's impact on housing development and programs, complementing local funds like the JumpStart Payroll Expense Tax and Mandatory Housing Affordability.

2016 Levy Accomplishments

Rental Housing Production and Preservation Program

- **Exceeded Goals:** Achieved 139% of the 7-year goal with 2,864 new units and 621 reinvested units.
- **2023 Highlight:** \$3.5 million awarded to one project, creating 113 affordable apartments.

Homeownership Program

- **Exceeded Goals:** Reached 135% of the 7-year goal, supporting 379 households.
- **2023 Activities:** Issued over \$110,000 in home repair grants and \$355,000 in purchase assistance loans.

Operating and Maintenance Program

- **Exceeded Goals:** Supported 526 units, achieving 103% of the goal.
- **2023 Summary:** Preliminary commitment for up to 45 new homes.

Homelessness Prevention and Housing Stability Services Program

- **Near Goal:** Served 4,364 households, achieving 97% of the goal.
- **2023 Summary:** Assisted 510 households with \$1.6 million.

Acquisition and Preservation Loans

- **Total Loans:** 15 loans facilitating \$95.7 million in short-term capital allocated over seven years, supporting the creation of 2,355 affordable homes.

Financial Overview

- **Total Funding:** \$290 million over seven years.
- **Leverage:** Each City dollar invested in Rental Housing matched by over \$2.50 from other sources.

Housing Levy Accomplishments

The Seattle Housing Levy, passed in 2016, has provided \$290 million over seven years for housing production, preservation, and assistance. This Housing Levy builds on a history of voter support that has provided a significant, consistent resource for affordable housing in Seattle for nearly 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. Housing Levy funds work together with other local funds, including proceeds from the JumpStart Payroll Expense Tax and Mandatory Housing Affordability program, to help the Office of Housing (OH) and our partners address needs across the entire affordable housing ecosystem. A full summary of City of Seattle Office of Housing investments, including demographics of households served, can be found in the Office of Housing 2023 Annual Investments Report.

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 full seven-year period of the 2016 Seattle Housing Levy, three of the four Levy programs — Rental Production and Preservation, Homeownership, and Operating and Maintenance — have exceeded their 7-year goals. Despite strong results in serving over 4,300 families and individuals at risk of and experiencing homelessness, the Homelessness Prevention and Housing Stability Services Program did not meet its 7-year goals by the end of 2023, reaching 97% of its goal of serving 4,500 households.

Rental Production and Preservation

In 2023, this program awarded \$3.5 million in 2016 Levy funds to one housing development project that will provide 113 affordable apartments. The Rental Production and Preservation Program has already exceeded its 7-year goals and this project represents the final award of the 2016 Housing Levy program period.

Operating and Maintenance

From the inception of the 2016 Housing Levy through 2023, Operating and Maintenance contracts have been executed for seven Levy-funded buildings, serving extremely low-income and homeless residents. In 2023, no additional Operating and Maintenance contracts were finalized. However, a preliminary commitment was made to one additional project and up to 45 homes, satisfying the Operating and Maintenance Program 7-year goal. The commitment is 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 2022, the King County Regional Homelessness Authority (KCRHA) assumed management of Housing Levy-funded Homelessness Prevention and Housing Stability Services from the City of Seattle Human Services Department (HSD), while HSD retained administration of funding as a grantor. In 2023, utilizing

\$1.8 million in Levy funds, the program assisted 415 households at imminent risk of eviction and homelessness to maintain stable housing, and 95 households to move into housing after living in their car, shelter, or on the street. As of the end of 2023 and concluding the seven-year period of the 2016 Housing Levy, the Homelessness Prevention and Housing Stability Services Program has achieved 97% of its 4,500 7-year goal.

Homeownership

In 2023, the Homeownership program did not make new awards of 2016 Levy funds for housing development but did issue over \$110,000 in home repair grants and purchase assistance loans totaling \$355,000. The program provided 14 grants for urgent home repairs to low-income homeowners, ensuring they can remain safely and affordably in their current homes. Seven low-income, first-time homebuyers achieved homeownership through Levy-funded purchase assistance loans. Five new homebuyers were able to purchase permanently affordable homes that had received OH investment in the past. And the Homeowner Stabilization Fund helped two existing homeowners avoid foreclosure.

The Homeownership Program has exceeded its 7-year goals in the final year of the 2016 Housing Levy program period. In 2024, the Office of Housing will continue to support low-income homeowners and first-time homebuyers through the Homeownership Program through the 2023 Seattle Housing Levy passed in November of 2023.

Acquisition and Preservation Loans

Three new Acquisition and Preservation loans using Levy funds were closed in 2023 and the loans currently outstanding satisfy the requirements of the Acquisition and Preservation program.

Over the course of the 2016 Levy reporting period thus far, OH has made fifteen loans under the Acquisition and Preservation Program totaling approximately \$95.7 million, \$36.8 million of which have been repaid to date. In total, these loans will support the creation of 2,355 affordable apartments.

Administration

The 2016 Housing Levy ordinance sets aside 9% of Levy proceeds for administration. In 2023, OH expended \$4.1 million for overall Levy administration.

2016 Housing Levy Funding Allocations and Housing Outcomes

Levy Program	Funding		Housing Outcomes	
	7-year Funds Committed 2017-23	7-year Funds Allocated 2017-23	7-year* Outcomes 2017-23	7-year* Goals 2017-23
Rental Production and Preservation	\$202.3 M ¹	\$ 201 M	2,864 units added	2,150 units added
			621 units reinvestment	350 units reinvestment
Operating and Maintenance	\$38 M contracted / up to \$4 M committed	\$42 M	481 units contracted, up to 45 units with preliminary commitments of funding support, 529 units total	510 units
Homelessness Prevention / Housing Stability Services	\$11.6 M ²	\$11.5 M	4,364 households	4,500 households
Homeownership	\$18.8 M ³	\$ 14.3 M	379 households	280 households
Acquisition and Preservation	\$95.7 M total / \$36.8 M loans repaid ⁴	No separate allocation for this program	2,355 units	No 7-year goal associated with this program

¹ Rental Production and Preservation funding includes interest derived from 2016 Levy

² A small amount of administrative funds was shifted to program services by agreement with HSD.

³ Homeownership Program funding includes interest derived from the 2016 Levy and funds carried forward from the 2009 Levy.

⁴ Acquisition and Preservation loans are funded from funds not yet needed for other Housing Levy programs. They are repaid in the short-term and there is no separate funding allocation for the program.

Summary of 7-Year Progress Toward 7-Year Housing Levy Goals

Rental Production & Preservation Program: New Production
Exceeded goal of 2,150 units of rental housing produced (133%)
Rental Production & Preservation Program: Reinvestment
Exceeded goal of 350 units of rental housing preserved (177%)
Operating and Maintenance Program
Exceeded goal of 510 rental housing units supported with operating and maintenance funds (103%)
Homelessness Prevention & Housing Stability Service Program
4,364 of 4,500 individuals and families assisted (97%)
Homeownership Program
Exceeded goal of 280 low-income homeowners assisted (135%)
10% > 20% > 30% > 40% > 50% > 60% > 70% > 80% > 90% > 100%

Rental Production and Preservation Program

Rental Production and Preservation is the largest Levy program and provides approximately \$29 million annually in capital funds to support development and preservation of affordable rental housing, but with the 2016 Levy period coming to a close, funding has been largely allocated to earlier commitments and supplements to previously awarded projects. 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. 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.

2023 Summary

In 2023, this program awarded \$3.5 million in 2016 Levy funds to one housing development project that will provide 113 affordable apartments. In addition, two projects totaling 209 affordable apartments were awarded through the 2023 Notice of Funds Available (NOFA) and have been identified to receive funding from the 2023 Seattle Housing Levy.

The Rental Production and Preservation Program has exceeded its 7-year goals by 35% in the seventh and final year of the 2016 Housing Levy program period.

Housing Levy Impact Rental Production & Preservation

2023 Outcome: 113 new homes produced

Progress Toward 7-year Goal: Goal exceeded.

Project Name <i>Project Sponsor</i> Location	Project Description	Affordability (Units)			City Capital Funding		
		<30% AMI	<50% AMI	<60% AMI	Total City \$M	Levy \$M	Other \$M
New Production and Acquisition							
Juniper Apartments <i>Seattle Housing Authority</i> Yesler Terrace	Construction of one, two, three, and four bedroom apartments serving families and individuals with income up to 30% and 60% AMI.	39		74	\$3.5	\$3.5	
125th & Aurora Senior Housing⁵ <i>LIHI</i> Bitter Lake	Construction of studio and one bedroom apartments serving seniors 62+ making up to 30% and 50% AMI.	68	21		\$9	*\$3.5	\$5.5
DESC Lake City⁵ <i>DESC</i> Lake City	Construction of permanent supportive housing (studio apartments) serving individuals who are experiencing chronic homelessness with incomes up to 30% AMI. Robust on-site supportive services provided.	60	60		12.8	*\$12.8	
TOTAL, New Production, 2016 Levy		39		74	\$3.5	\$3.5	
TOTAL, New Production		167	81	74	\$25.3	\$19.8	\$5.5

⁵ 125th & Aurora Senior Housing and DESC Lake City were identified for funding from the 2023 Levy. These projects will appear again in the 2024 report to be credited to the 2023 Housing Levy and their fund assignments and precise allocations may change.

Selected 2023 Income Levels			
AMI = Area Median Income			
	30% AMI	50% AMI	60% AMI
Single Person	\$31,620	\$52,700	\$63,510
3-person Household	\$40,680	\$67,800	\$81,360

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 over the 7-year 2016 Levy will primarily serve extremely low-income households. Taken together with Operating and Maintenance Program funds, which are wholly dedicated to units serving extremely low-income tenants, as of the end of 2023, over 66% of total program funds have been allocated to support housing for people with incomes at or below 30% AMI.

External Leverage

From 2017 through 2023, on average each City dollar invested in Levy-funded projects has been matched by over \$2.50 from other sources of public and private capital investment. Co-investment in Levy-funded projects from other public and private sources of capital add to the purchasing power of Levy proceeds. Private equity investment through the 9% and 4% Low Income Housing Tax Credit programs is the largest external fund source, with all 2016 Levy-funded projects collectively anticipating equity investment of over \$503 million from this source. Other external sources of public capital investment include funding from 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.

2023 Summary

In the final year of the 7-year 2016 Housing Levy program period, the Operating and Maintenance Program has exceeded its goal of supporting 510 units, with 526 units supported across eight buildings. The estimated funding award over 20 years for these buildings is approximately \$42 million.

Also in 2023, using JumpStart Payroll Expense Tax (PET) funds, OH administered \$25M to support the first year of the Permanent Supportive Housing Operating, Maintenance, and Services Workforce Stabilization Fund (PSH OMS WSF) program that was approved to receive dedicated funding as part of the 2023 Seattle Housing Levy.

**2016 Housing Levy Impact
Operating & Maintenance**

2023 Outcome: New preliminary long-term O&M commitments for 45 homes.
Progress Toward 7-year Goal: 103% complete

Finalized O&M Contracts

In 2023, no additional O&M contracts were finalized. However, one preliminary commitment was made totaling as much as \$4M in funding over 20 years to support as many as 45 affordable rental homes. The contract will be finalized as the building places into service. More information on this project is below.

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 2023, one Levy-funded building serving extremely low-income and homeless residents was identified for a preliminary O&M funding commitment. This preliminary commitment of up to \$4M could provide annual operating subsidies for up to 45 rental units. The figures shown below represent the number of housing units that would be supported under the preliminary commitment; however, the final award may change slightly as the project may ultimately secure other operating subsidies. Any remaining Levy resources will be allocated accordingly and in compliance with program requirements.

Project Name <i>Project Sponsor</i>	Population Served	Supported Units (maximum)	First Year Funding Estimate	Funding Award (20 years)
Preliminary Commitment (2023)				
15th Avenue DESC	Individuals experiencing homelessness	45	\$153,964	\$4M
TOTAL		45	\$153,964	\$4M

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.

OH and SHA have assigned all 300 vouchers, which will support operations in eight buildings receiving funding through the 2016 Housing Levy. Separately, SHA allocated 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.

Permanent Supportive Housing Operating, Maintenance, and Services Workforce Stabilization Fund Program

In 2023 using PET funds, OH issued contracts to provide support for workforce stabilization to 11 recipients, piloting a program that will receive dedicated funding from the 2023 Seattle Housing Levy, approved by voters in November of 2023.

PSH OMS WSF Recipients	Contracted Investment
Chief Seattle Club	\$726,000.00
Catholic Community Services and Catholic Housing Services	\$3,330,000.00
Community House Mental Health Agency	\$450,000.00
Compass Housing Alliance	\$362,087.00
DESC	\$10,507,679.00
LIHI	\$1,349,826.00
Mercy Housing Northwest	\$187,500.00
Plymouth Housing	\$6,547,000.00
Solid Ground	\$500,000.00
Transitional Resources	\$509,908.00
YWCA of Seattle, King, Snohomish	\$530,000.00
Workforce Stabilization Total	\$25,000,000

The program is primarily intended to support workers in PSH buildings, and eligible uses include a variety of operational and infrastructure needs to allow providers to shift funds around to bolster staff compensation and supports to improve hiring and retention not only in the buildings specifically identified as eligible for support, but across their portfolio of PSH buildings. More than half of program funds supported staff compensation. Further, the need for workforce and operating support in general was evidenced by the fact that two providers opted to reduce their allowed administrative rate, instead

shifting funds to workforce support, while two other providers opted to forgo administrative rates entirely.

With only one year's worth of data, it is not possible to draw definitive conclusions. However, the available data points to some clear successes and potential areas for monitoring going forward as program implementation continues in future years.

In 2023, the openings rate (the proportion of open to filled positions) at reporting organizations decreased from 23% to 11%. While still high compared to the 8% average in the US in 2023, this represents a marked improvement, especially over this period when providers were also adding budgeted positions. Turnover in this notoriously difficult and taxing field also improved, from 38% in 2022 to 31% in 2023. Again, still high, but markedly improved. Across all PSH staff at the reporting organizations, wages increased on average by \$4 an hour and among staff directly supported by the PSH OMS WSF program by more than \$4.50 an hour, representing increases of 14% and 17%, respectively. These increases solidly outpaced 3.4% inflation over the same period, as well as the average pay increase in the US of 4.6%. OH staff will continue to work with providers to improve data collection and perform monitoring with year-over-year data to better assess the impact of workforce stabilization funding and calibrate the program to better target improvements in openings rate, turnover, retention, and other desired outcomes.

Homelessness Prevention and Housing Stability Services Program

The Homelessness Prevention and Housing Stability Services Program serves families and individuals who are either at imminent risk of homelessness (Prevention) or experiencing homelessness (Rapid Rehousing). In 2022, management of the Homelessness Prevention and Housing Stability Services Program was transferred from the Seattle Human Services Department (HSD) to the King County Regional Homelessness Authority (KCRHA). However, HSD continued their involvement in the administration of funds.

The Homelessness Prevention and Housing Stability Services 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. Households access Rapid

Rehousing via the Coordinated Entry for All (CEA) System administered by KCRHA.

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

2023 Summary

In 2023, KCRHA contracted with 7 different community-based nonprofit agencies for \$1.6 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, 510 households received case management and rental assistance, as needed, in six homelessness prevention and two rapid rehousing programs. In 2023, 369 households exited the programs, and 145 were still enrolled going into 2024.

In the final year of the 2016 Housing Levy program period, the Homelessness Prevention and Housing Stability Services Program has achieved 97% of its 7-year goals for the number of households assisted.

Homelessness Prevention

The programs offered by the following community-based nonprofit agencies assisted 415 households who were at imminent risk of homelessness. Households were enrolled an average of 95 days from initial case management appointment until both case management and rent assistance ended. Direct financial assistance averaged \$1,183 per household.

Homelessness Prevention	Contracted Levy Investment
El Centro de la Raza	\$187,494
InterimCDA	\$373,714
Muslim Housing Services	\$160,300
Neighborhood House	\$42,020
Society of Saint Vincent de Paul	\$150,000
YWCA	\$256,849
Homelessness Prevention Total	\$1,127,696

Performance measures for Homelessness Prevention include:

- **Housing stability at 6 months:** Of those households who received prevention assistance in 2023 alone, 98% retained their housing during the 6-month period after receiving that assistance.
- **Housing stability at 12 months:** Of those households who maintained their housing after receiving prevention assistance in 2022, 99% retained their housing during the 12-month period after receiving that assistance.
- **Retention of permanent housing:** 99% of households successfully maintained their housing when they exited the program.

Homelessness Prevention - Household Demographics	
Households below 30% AMI	85%
Head of Household less than 25 years of age	5%
Head of Household with Race other than White	82%
Head of Household with Race as White	12%
Head of Household with Ethnicity as Hispanic/Latino	12%
Race Data Unknown, Refused, Not Collected	6%
Households with minor children	37%
Number of household members that are minor children	249

Rapid Rehousing

Two agencies assisted 95 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 413 days from the initial case management appointment until rent assistance and case management ended. Direct financial assistance averaged \$1,894 of Housing Levy funds per household.

Rapid Rehousing	Contracted Levy Investment
Catholic Community Services	\$267,074
YWCA	\$239,629
Rapid Rehousing Total	\$506,703

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 2023, 95% retained their housing during the 6-month period after their program exit.
- **Housing stability at 12 months:** Of those households who exited to permanent housing in 2022, 93% retained their housing during the 12-month period after their program exit.

Rapid Rehousing - Household Demographics	
Households below 30% AMI	90%
Head of Household less than 25 years of age	11%
Head of Household with Race other than White	84%
Head of Household with Race as White	16%
Head of Household with Ethnicity as Hispanic/Latino	14%
Race Data Unknown, Refused, Not Collected	0%
Households with minor children	90%
Number of household members that are minor children	206

Homeownership Program

The Homeownership Program creates and sustains homeownership opportunities for low-income Seattle residents. Additional funds often become available each year from repayments of purchase assistance loans. 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 Down Payment 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 in their homes and communities.

2023 Summary

The Homeownership Program awarded \$355,000 in Levy funds for purchase assistance loans, and over \$110,000 in home repair grants. Demographic and income information for all assisted homeowners is reported in the **2023 Office of Housing Investments Report**. Program milestones for 2023 included:

- Five new homebuyers purchased a home through the resale of permanently affordable homes previously funded by the Homeownership Program.
- Fourteen low-income homeowners received grants for urgent home repairs.
- Two current homeowners were able to avoid foreclosure and stay in their homes.
- Seven new homebuyers purchased a home using purchase assistance loans.

2016 Housing Levy Impact Homeownership

2023 Outcome: 26 low-income homeowners and first-time homebuyers assisted

Progress Toward 7-year Goal: Goal exceeded.

The Homeownership Program has exceeded its 7-year goals by 35% in the final year of the 2016 Housing Levy program period. Next year, with the new 2023 Housing Levy, the Office of Housing will continue to support low-income homeowners and first-time homebuyers with expanded funding through the Homeownership Program.

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. Five such resales occurred in 2023, 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 Down Payment 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 homes off the open market. In 2023, seven down payment assistance loans were closed using Levy funds, supporting new homebuyers in the purchase of their first homes.

Home Repair Grants

In 2023, OH awarded 14 grants totaling \$110,846 to low-income homeowners. These grants funded small, urgent home repairs. The average grant was \$7,918; 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 households assisted had a member who was 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 15 loans, including two that originated in 2023, that allowed homeowners to maintain ownership of their homes and prevent their displacement from the neighborhoods they call home.

The Office of Housing continues to work in collaboration with HomeSight and other local housing counselors to evaluate how to respond to and best meet the need of low-income homeowners facing foreclosure.

Acquisition and Preservation Program

The Acquisition and Preservation (A&P) 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 issue up to \$30 million in A&P Program loans outstanding at any time, although the Director may authorize exceptions exceeding the cap when new resources become available and doing so is consistent with citywide funding needs and priorities. Because they are to be repaid within a 5-year period, A&P loans are funded from Levy proceeds dedicated to the Housing Levy O&M program, which are not yet needed for planned projects. Housing outcomes for the A&P program 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.

2023 Summary

During the 2016 Levy period, OH has made 15 loans under the A&P Program totaling approximately \$95.7 million, \$36.8 million of which has been repaid to date. Three new loans closed in 2023.

**2016 Housing Levy Impact
Acquisition & Preservation**

2023 Outcome: 3 projects with new short-term funding in 2023.

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

Project Name <i>Project Sponsor</i>	Description	Affordable Housing Units	Loan Amount (\$M)	Status
Acquisition & Preservation Loans Closed in 2023				
Beacon Crossing	Acquisition of a site for future development of affordable apartments serving individuals and families earning a range of income up to 50% and 60% AMI	165	\$9.7	Closed

Beacon Hill Affordable TOD	Acquisition of 3 single family residences for future development of affordable apartments serving 30%, 50%, and 60% AMI	72	\$5.7	Closed
Urban League Empowerment Center	Acquisition of three adjoining sites for future development of affordable apartments serving individuals and families earning up to 60% AMI.	291	\$2.6	Closed
TOTAL		528	\$18 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 Administrative & Financial (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 available for Levy O&M contract commitments.

Homelessness Prevention and Housing Stability Services Program funds are administered by the Seattle Human Services Department and in 2022 and 2023 were managed by KCRHA. Contracted 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

The Mayor and City Council appoint a Housing Levy Oversight Committee 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 OH.

More Information

For more information, contact the City of Seattle Office of Housing or visit seattle.gov/housing.

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