

Seattle Housing Levy Administrative & Financial (A&F) Plan and Housing Funding Policies



2016 Housing Levy Ordinance & Resolution

70.6% voter approval for renewed and doubled Housing Levy

Program	Levy Amount	Goal
Rental Production and Preservation Program	\$201,000,000	2,150 units produced or preserved 350 units reinvested
Operating & Maintenance Program	\$42,000,000	510 units supported
Homelessness Prevention and Housing Stability Services	\$11,500,000	4,500 households assisted
Homeownership Program	\$9,500,000	280 households assisted
Acquisition and Preservation Program	Up to \$30,000,000	
Administration	\$26,000,000	

- Consistency with *Pathways Home*
- Anti-Displacement & Preservation
- Investment Locations & Resident Populations



A &F Plan and Housing Funding Policies

A&F Plan:

- Funding plan for the Levy; two-year plan
- General policies for each OH Levy program
- HSD's Homeless Prevention program policies

Housing Funding Policies:

- Apply to other housing fund sources administered by OH
- Apply to bond funds
- Designed to achieve production goals and affordability levels set in ordinance
- Focus on providing clear policy direction to borrowers and flexibility for implementation in changing market and funding environment
- Policies reflected in NOFA and OH-executed loan agreements



Community Engagement

Public Engagement

- Community Open House
- Funding Policy Discussion

Online Engagement

- Draft Plan and Policy Papers available on website, comments accepted
- Social Media

Levy Oversight Committee

- Review and recommendation

What We Heard



Consistency with *Pathways Home*

Housing Levy continues to be a significant City resource to prevent and end homelessness

- City capital and O&M funding awarded as part of countywide homelessness NOFAs, aligned with All Home and Pathways Home priorities and homeless fund sources
- Policies prioritize supportive housing for chronically homeless adults and families. Projects with homelessness services funding participate directly in coordinated entry and other referral systems; OH reviews performance before funding new projects
- OH, HSD, King County and United Way launching Housing Resource Center to connect homeless people with affordable and market rate housing



Anti-Displacement & Preservation

Preservation is key component of broader anti-displacement strategy that includes new affordable housing development, tenant protections, and equitable development investments

- Preservation includes suite of strategies (acquisition, incentives, sustainable homeownership) supported through a variety of sources
- Policies for Levy-funded Preservation activities
 - Acquisition and Preservation Lending
 - Acquisition for rental housing and ownership
 - Rental Rehab Financing
 - Home Repair Grant and Foreclosure Prevention Programs



Investment Locations

Continue to invest in housing throughout the City to maximize choice for low-income residents of Seattle.

- Location Priority: Flexibility to invest throughout City with explicit considerations:
 - Access to opportunity
 - Community Development Investments in low incomes communities
 - Anti-displacement of low-income residents
 - Access to transit
 - Locations tailored to serve resident populations
- High Cost Areas: New explicit language to support projects in high cost areas
- Investment Reporting Policy:
 - Annual reporting on OH investments by location.
 - Areas generating payments may be prioritized in NOFA



Resident Populations

Population Priorities: Commitment to invest in housing serving

- Low income seniors and people with disabilities
- Homeless adults, families and youth/young adults
- Low-wage working people and their families

Considerations include:

- Building design and location: play areas, unit size, accessibility
 - Access to services & cultural amenities, for residents and surrounding community located on-site
 - Alignment with priorities/best practices of homeless system and services funders
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- Additional research for specific resident populations (e.g., LGBTQ Senior Housing Needs Assessment)



Racial and Social Equity

Advancing Racial Equity is central to Housing Levy planning and implementation. Includes toolkits, engagement activities, policy development and targeted program implementation.

- RSJI Toolkits completed: Foreclosure Prevention, Home Repair Loan Program
- Alignment with City Initiatives: Fair Housing, Equitable Development
- Equity-focused Program Implementation
 - Targeted outreach to communities
 - Guidelines on Affirmative Marketing
- Ongoing Data and Reporting



Key Policies:

Rental Program:

- Population, Location, Sustainability Priorities
- Forward Commitment: At Director's discretion, up to 30% (\$8.6 million) of following year's funding may be awarded. Allows OH to respond to large and/or significant opportunities that are ready to proceed and cannot be fully funded.
- Rental Rehabilitation: New activity; improve conditions and maintain affordable rents. Funded units regulated at or below 60% AMI, term based on loan size
- HOME and CDBG Affordability: Allows funding up to 50%/60% AMI. Flexibility to find eligible project, fund preservation
- Bridge lending: Allow outstanding loans up to \$7M, increase from \$5M; encourage options such as Impact Capital, Enterprise



Key Policies -- continued

Rental Program:

- Supplemental Funding: Existing affordable housing needing building upgrades; Leverage and owner contributions reduced for buildings with extremely low rents
- 30% AMI housing without rent subsidy: New 2016 Levy flexibility, allows housing for tenants up to 40% AMI on case by case basis, including homelessness
- Rent Increases: Allows rents to rise if income exceeds limit for unit; continue at 30% of income for tenants with rent subsidy; if no rent subsidy, increase to 30% of income when income significantly above limit (140%+)
- Management Plans: Review for affirmative marketing, fair housing including individualized assessment for applicants with criminal records, referrals and screening as required by services providers



Key Policies -- continued

Operating & Maintenance Program:

- Subsidy per unit: Current funding level maintained to stretch limited dollars; new funding cap per building reflects recent trends

Homeownership:

- Homebuyer Assistance: Down payment loans up to \$55,000; Add policies for development of resale restricted homes, up to \$70,000 per home or \$90,000 for family-sized; Allow bridge lending up to \$2 million; Require homebuyer counseling for all borrowers
- Home Repair Grants: New program; Grants for health/safety repairs up to \$10,000, for low-income owners up to 50% AMI when loans are infeasible
- Foreclosure Prevention Loans: Pilot program in 2016 Levy; At risk owners up to 80% AMI, loans up to \$30,000; Referrals through foreclosure counselors



Key Policies -- continued

Acquisition and Preservation:

- 5-year loans for acquisition of land and buildings for ownership or rental housing, preference for occupied buildings with low rents
- Rental housing up to 60% AMI; affordability up to 80% AMI if needed for occupied buildings; ownership housing up to 80% AMI

Crosscutting – Rental and Ownership:

- Development on Publicly owned Sites: New optional RFP process; selection of developer and project funding, in partnership with other public agencies
- Ft Lawton/Yesler Terrace: Funding can occur outside NOFA if consistent with Council approved development plan/cooperative agreement. OH lease payments approved

Investment Locations and Other Reporting:

Annual reports: IZ/MHA-generated payments and OH-funded investment



35 Years of Affordable Housing

