

Office of Housing Annual Investment Report

Presentation to Seattle City Council Committee on
Housing, Health, Energy and Workers' Rights

Steve Walker, Director
May 17, 2018



Seattle
Office of Housing

2017 Office of Housing Annual Reporting to Council

Office of Housing's Annual Report of Investments and three required annual reports:

- 2017 Housing Levy Annual Report (Ordinance 125308)
- 2017 Incentive Zoning/Mandatory Housing Affordability Report (Ordinance 125308)
- 2017 Multifamily Tax Exemption Program Annual Report (Ordinance 124877)

Levy Program	Funding		Housing Outcomes		Status: Meeting or Exceeding Goal
	Total Levy Funding 2017-2023	Funding Committed 2017	Levy Goals 2017-2023	Housing / Households 2017	
Rental Production and Preservation	\$201 M	\$28.56	2,150 units added	523	✓+
			350 units reinvestment	233	✓+
Operating and Maintenance ¹	\$42 M	NA	280 units	NA	NA
Homelessness Prevention / Housing Stability Services	\$11.5 M	\$1.15 M	4,500 households	889	✓+
Homeownership ²	\$14.3 M	\$2.28 M	280 households	30	✓
Acquisition and Preservation ³	Up to \$30 M	\$10.54 M	N/A	303	NA

CITY OF SEATTLE MFTE PROGRAM: 2017 STATUS REPORT TO CITY COUNCIL
 ATTACHMENT F: MFTE TOTAL PROJECT AND UNIT COUNTS BY STATUS, UNITS, SUBSIDIZED/MARKET-RATE, AND RENTER/OWNER
 Information current as of 12/31/2017

MFTE Program Data															
ALL PROJECTS															
	SEDU / Congregate	SEDU /	Studios	Studios	SR	SR	SR	SR	SR	TRAO 50%	All Total	All	%	Restricted	
Total Projects	Total	Afford.	Total	Afford.	Total	Afford.	Total	Afford.	Total	Afford.	AMI Units	Afford.	Afford.		
Active	192	1	-	6,955	1,578	9,616	2,386	2,813	879	102	64	17	19,508	4,928	25%
Pipeline	87	185	46	3,535	862	4,829	1,304	1,270	378	36	27	15	9,855	2,632	27%
Expired	14	-	-	228	116	543	326	404	262	77	54	-	1,252	758	61%
Withdrawn	13	-	-	518	113	800	168	237	52	-	-	-	1,555	333	21%
Total	306	186	46	11,236	2,669	15,788	4,184	4,724	1,571	215	145	32	32,170	8,651	27%
Subsidized Projects															
	SEDU Total	SEDU	Studios	Studios	SR	SR	SR	SR	SR	TRAO 50%	All Total	All	%	Restricted	
Total Projects	Total	Afford.	Total	Afford.	Total	Afford.	Total	Afford.	Total	Afford.	AMI Units	Afford.	Afford.		
Active	14	-	-	159	159	564	556	416	394	65	59	-	1,204	1,168	97%
Pipeline	6	-	-	159	159	406	406	150	150	25	25	-	742	740	100%
Expired	10	-	-	53	53	319	278	315	250	77	54	-	764	635	83%
Withdrawn	-	-	-	-	-	-	-	-	-	-	-	-	1,555	333	-
Total	30	-	-	371	371	1,291	1,240	881	794	167	138	-	4,265	2,876	67%
Market-Rate Projects															
	SEDU Total	SEDU	Studios	Studios	SR	SR	SR	SR	SR	TRAO 50%	All Total	All	%	Restricted	
Total Projects	Total	Afford.	Total	Afford.	Total	Afford.	Total	Afford.	Total	Afford.	AMI Units	Afford.	Afford.		
Active	178	1	-	6,796	1,419	9,052	1,830	2,397	485	37	5	17	18,304	3,760	21%
Pipeline	81	185	46	3,376	703	4,421	898	1,120	228	11	2	15	9,113	1,892	21%
Expired	4	-	-	175	63	224	48	89	12	-	-	-	488	123	25%
Withdrawn	13	-	-	518	113	800	168	237	52	-	-	-	1,555	333	0%
Total	276	186	46	10,865	2,298	14,497	2,944	3,843	777	48	7	32	27,905	5,775	21%
Homeowner Projects (all subsidized)															
	SEDU Total	SEDU	Studios	Studios	SR	SR	SR	SR	SR	TRAO 50%	All Total	All	%	Restricted	
Total Projects	Total	Afford.	Total	Afford.	Total	Afford.	Total	Afford.	Total	Afford.	AMI Units	Afford.	Afford.		
Active	4	-	-	-	-	27	20	75	53	28	22	-	130	95	73%
Pipeline	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Expired	2	-	-	-	-	16	5	40	12	30	7	-	86	24	28%
Withdrawn	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	6	-	-	-	-	43	25	115	65	58	29	-	216	119	55%
Rental Projects															
	SEDU Total	SEDU	Studios	Studios	SR	SR	SR	SR	SR	TRAO 50%	All Total	All	%	Restricted	
Total Projects	Total	Afford.	Total	Afford.	Total	Afford.	Total	Afford.	Total	Afford.	AMI Units	Afford.	Afford.		
Active	189	1	-	6,955	1,578	9,589	2,366	2,738	826	74	42	17	19,378	4,833	25%
Pipeline	87	185	46	3,535	862	4,829	1,304	1,270	378	36	27	15	9,855	2,632	27%
Expired	12	-	-	228	116	527	321	364	250	47	47	-	1,166	734	63%
Withdrawn	13	-	-	518	113	800	168	237	52	-	-	-	1,555	333	21%
Total	300	186	46	11,236	2,669	15,745	4,159	4,609	1,506	157	116	32	31,954	8,532	27%

* SEDU: Small Efficiency Dwelling Unit
 * TRAO: Tenant Relocation Assistance Ordinance; 1:1 replacement of dwelling units when displaced households qualify for TRAO

Rental Housing Program At-a-Glance

- Funds loans for the production and preservation of rental housing serving low-income residents
- Housing owned and operated by community partners, largely non-profit organizations; regulatory agreement restricts use of property
- Serves priority populations: seniors and people with disabilities, homeless families and individuals, low-wage workers and their families
- Requirements for durability, sustainability, and labor equity
- Long-term (at least 50 years) stewardship, compliance and monitoring by OH
- May provide cultural, community, and commercial spaces



2017 Rental Housing Program Production

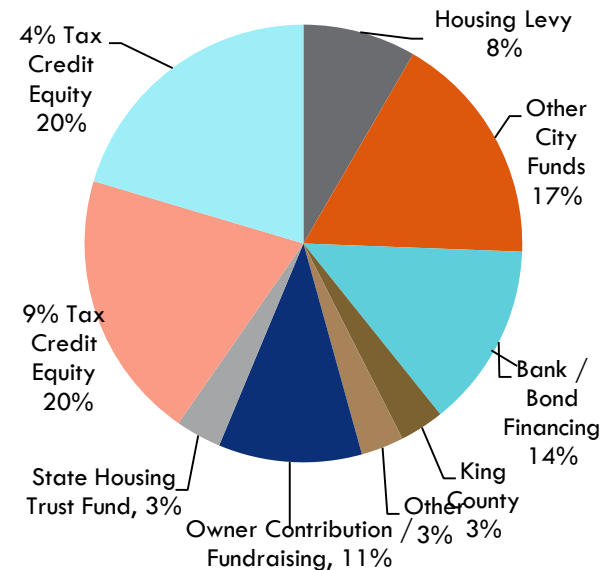
- \$93.4 million awarded for rental housing production and preservation
 - 944 units -- affordable rental housing created
 - 534 units -- reinvestment in affordable rental housing



Housing Capital Funds Invested and Leveraged

Fund Source	2017 Funding
Seattle Housing Levy	\$28.56 M
Incentive Zoning / Bonus payments	\$30.55 M
Seattle Housing Bonds	\$21.71 M
City Surplus Property	\$2.00 M
Federal HOME and CDBG	\$4.10 M
2018 Funds Committed	\$6.52 M
Total City Investment	\$93.44 M

- Total investment in new low-income housing development exceeds \$300 million
- About \$3 in other public and private investment for each City dollar
- Private equity through federal tax credits remains the most significant source
- Owner Contribution / Fundraising is high due to a large grant (\$30 million from Allen Foundation)



Supportive Housing

- Units regulated at 30%AMI; tenant average income is ~11-16%AMI
- Projects need ongoing operating and maintenance
- Projects provide on-site services
 - Federal homeless service funding (McKinney)
 - State Medicaid
 - County homeless, mental health and public health sources (Document Recording Fees, Veterans, Seniors and Human Services Levy, others)
- Tenant referral through Coordinated Entry for All or other referral mechanism (Western State and Harborview) accompanying services funding



Supportive Housing

Project Name/Sponsor	Project Description	Units
22 nd Avenue Supportive Housing Downtown Emergency Service Center North Rainier	<ul style="list-style-type: none"> • Intensive supportive services for homeless individuals with chronic mental illness and co-occurring disorders • Second phase adds primary & behavioral health care clinic 	85
501 Rainier Supportive Housing Plymouth Housing Group Little Saigon	<ul style="list-style-type: none"> • Studio apartments for chronically homeless adults • On-site case management services • Community meeting space and street-level retail. 	102
Eng House Plymouth Healing Communities Beacon Hill	<ul style="list-style-type: none"> • Renovation of the Eng House; supportive housing for seven residents released from psychiatric care • Supported by community volunteers, mental health and economic empowerment services 	7
Patricia K Apartments Community House Mental Health Agency Central Area	<ul style="list-style-type: none"> • Studios for adults with chronic mental illness, most of whom will be coming from homelessness • Ground floor kitchen, dining, community space and computer room; second floor office space 	52

Rental Housing for Low Income Households

- Units regulated at 30%AMI-60%AMI; many buildings are mixed-income
- Tenant average income is ~25%AMI
- Serves a range of populations: seniors, low-wage workers and families, homeless individuals and families, people exiting incarceration
- Services tailored to resident population. May include: on-site support and/or referral and information, and connections with community-based programs. More intensive case management may be provided in some set-aside units.
- May provide cultural, community, and commercial spaces responsive to community needs/priorities



Rental Housing for Low Income Households

Project Name/Sponsor	Project Description	Units
<p>6600 Roosevelt <i>Bellwether Housing and</i> Mercy Housing Northwest Sound Transit site, Roosevelt</p>	<ul style="list-style-type: none"> • New construction affordable at 30%, 50% and 60% AMI; Over 100 family-sized apartments • Retail, community room, outdoor space, bilingual affordable childcare • Site at the Roosevelt light rail station area purchased from Sound Transit 	245
<p>Judkins Junction Community House Mental Health Agency Central Area</p>	<ul style="list-style-type: none"> • New construction for families and individuals up to 60% AMI. • In a transit-rich commercial district, with retail spaces available to long-time neighborhood businesses 	74
<p>Filipino Community Village HumanGood Affordable Housing and Filipino Community of Seattle Rainier Valley</p>	<ul style="list-style-type: none"> • New construction of studio and 1-bedroom units for seniors aged 55 and older, affordable at 30%, 50% and 60% AMI • Adjacent to the Filipino Community Center; includes community space for residents, computer access, and a Youth Innovation Learning Center 	93
<p>Uncle Bob's Place InterIm Community Development Association Chinatown/International District</p>	<ul style="list-style-type: none"> • New construction affordable at 60% AMI; 35 family-sized units • Long-time owners of the Four Seas restaurant located at the site retain ownership of ground floor commercial space 	103
<p>Mt. Baker Family Housing Mercy Housing Northwest Mount Baker</p>	<ul style="list-style-type: none"> • New construction half affordable at 30% AMI and reserved for homeless families, and half at 60% AMI; family-sized units. • Located one block from the Mt. Baker light rail station. 	94
<p>Belmont Avenue Pioneer Human Services Capitol Hill</p>	<ul style="list-style-type: none"> • Studio apartments at 30%, 50% and 60% AMI • Includes supportive housing for formerly incarcerated and homeless residents • Classroom and community space 	89

Acquisition and Preservation Loans

Project Name <i>Project Sponsor</i>	Description	Housing Units	Loan Amount	Status
Judkins Junction <i>Community House Mental Health Agency</i>	Studios, 1-bedroom and 2-bedroom apartments for families and individuals up to 60% AMI	74	\$2.7 M	Loan outstanding OH permanent financing awarded 12/2017
Mt Baker Family Housing <i>Mercy Housing Northwest</i>	1-, 2- and 3-bedroom apartments, half at 30% AMI set-aside for homeless families, half at 60% AMI	94	\$3.34 M	Loan outstanding OH permanent financing awarded 12/2017
Africatown Plaza <i>Capitol Hill Housing and Africatown CLT</i>	Rental housing, potential homeownership component Potential ground floor uses: retail, nonprofit office space	134	\$4.5 M	Loan outstanding

Portfolio Reinvestment

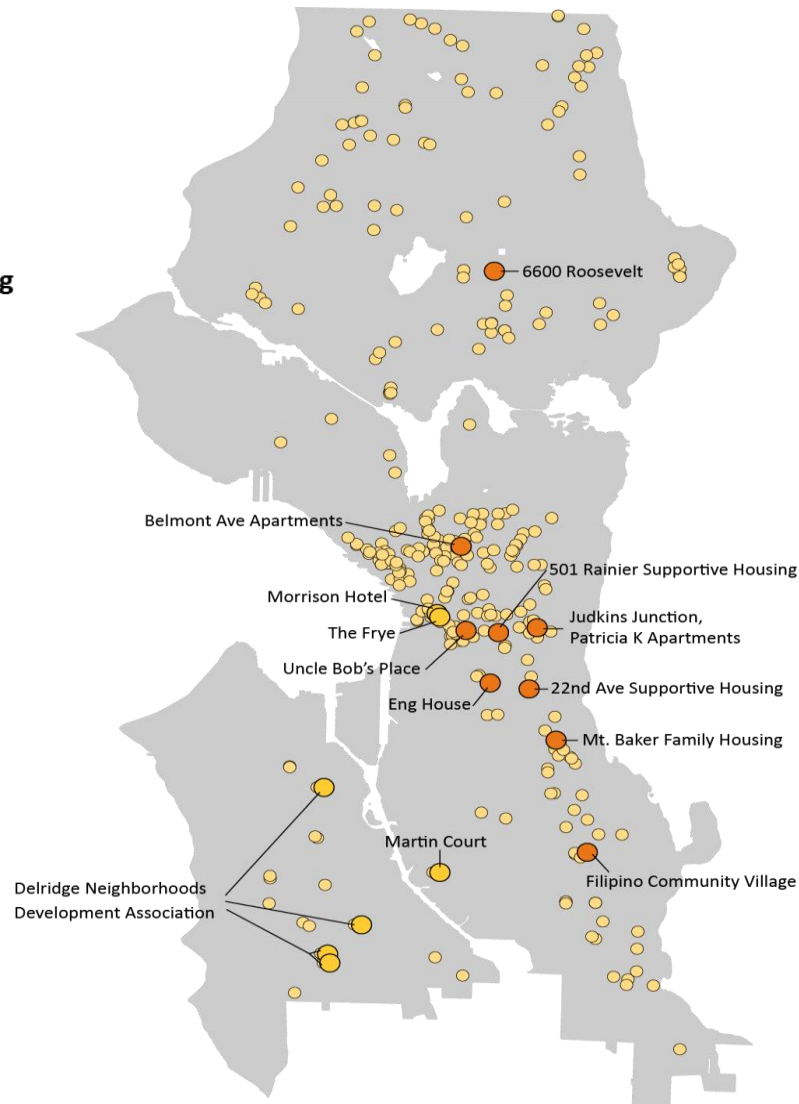
Project Name Project Sponsor Location	Project Description	Total Funded Units
DNDA Rehabilitation Delridge Neighborhood Development Association Delridge	<ul style="list-style-type: none"> • Rehabilitation of residential buildings at four sites serving individuals and families, with an income mix at 30%, 50% and 65% AMI • Includes site improvements, exterior systems, building interiors, abatement of foundation settling 	70
Morrison Hotel Downtown Emergency Services Center Pioneer Square	<ul style="list-style-type: none"> • Rehabilitation addressing critical repairs to support operation of supportive housing of extremely low-income adults with chronic disabilities. • Includes hydronic heating system, security and intercom system, boiler repairs, roofing 	190
Frye Hotel Low Income Housing Institute Pioneer Square	<ul style="list-style-type: none"> • Comprehensive update of 1908 historic building • Includes mechanical, electrical and plumbing systems overhaul, exterior renovation 	233
Martin Court Low Income Housing Institute Georgetown	<ul style="list-style-type: none"> • Originally constructed as a motel, operating as homeless housing for over 15 years, with a mix of unit sizes at 30% AMI, a playground, community space • Includes site and exterior building upgrades, plumbing system, interior upgrades, enhanced security 	41
Total – Portfolio Preservation		534

Rental Housing Investments Throughout Seattle

City-Funded Affordable Rental Housing

- 2017 Rental Investments (New)
- 2017 Rental Reinvestments (Rehabilitation)
- Previously Funded Rental Housing Portfolio

Source: Office of Housing



Homeownership Program At-a-Glance

- Funds development of housing that will be sold to low-income first-time buyers at affordable prices
- Must be affordable for a minimum of 50 years; homes are re-sale restricted for permanent affordability
- Includes land trusts & limited equity co-ops

2017 Investments

- \$2.25 million from Seattle Housing Levy for permanently affordable homeownership development
- 25 units to be constructed in two developments
- Almost \$10 million in total investment, \$3 leveraged for each City dollar

Homeownership Program Investments

<p>Habitat 35th @ Lake City Habitat for Humanity of Seattle King County Lake City</p>	<ul style="list-style-type: none"> • New construction of 3-bedroom townhomes in duplex, triplex and fourplex structures, affordable to families up to 60% AMI • Owners must complete sweat equity participation 	<p>16</p>
<p>Yakima Avenue Townhomes Edge Developers and Homestead Community Land Trust City-owned site, Leschi</p>	<ul style="list-style-type: none"> • Construction of 3-bedroom townhomes affordable to families up to 80% AMI • Located on a surplus City-owned site 	<p>9</p>



Investments Affirmatively Further Fair Housing

Access to Opportunity Index

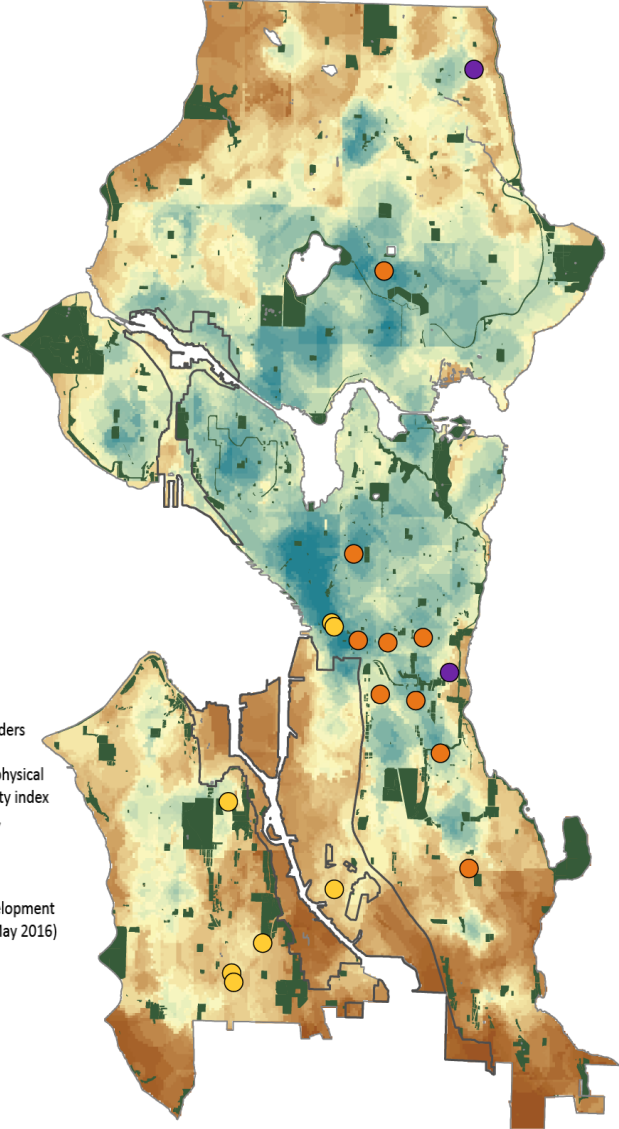


- 2017 Rental Investments (New)
- 2017 Rental Reinvestments (Rehabilitation)
- 2017 Homeowner Projects (New)

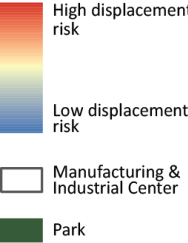
“The Access to Opportunity Index considers marginalized populations’ access to key determinants of social, economic, and physical well-being. (...) The access to opportunity index includes measures related to education, economic opportunity, transit, civic infrastructure, and public health.”

Office of Planning and Community Development
“Growth and Equity Analysis” Report (May 2016)

Sources: Office of Planning and Community Development, Office of Housing



Displacement Risk Index

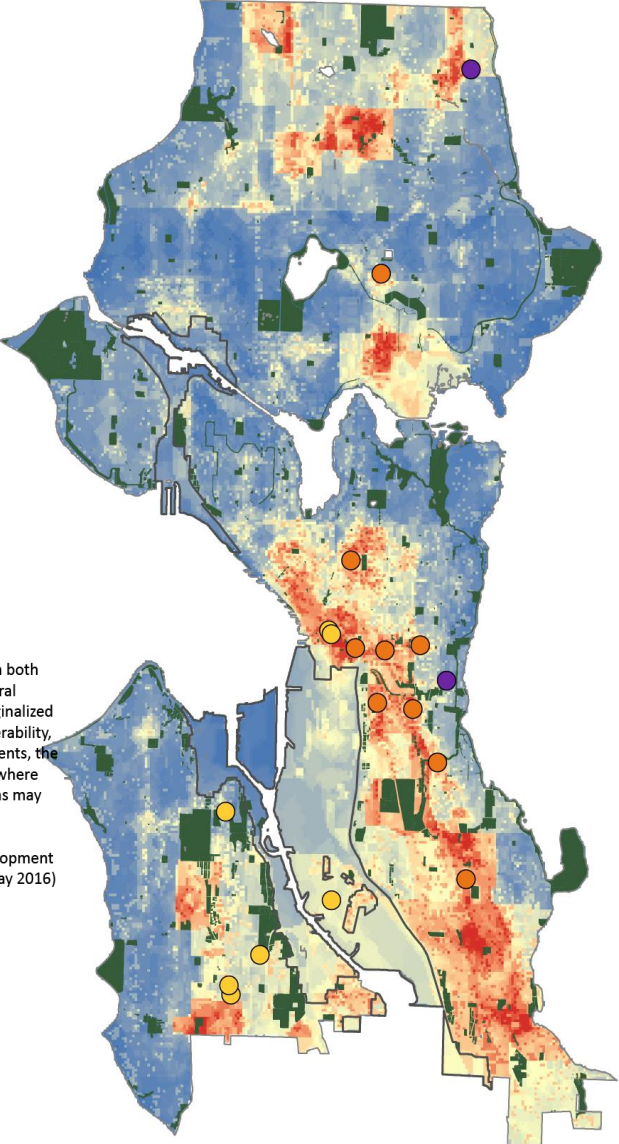


- 2017 Rental Investments (New)
- 2017 Rental Reinvestments (Rehabilitation)
- 2017 Homeowner Projects (New)

“The Displacement Risk Index focuses on both physical (direct) and economic and cultural (indirect) displacement that affects marginalized populations. By combining data on vulnerability, amenities, development potential, and rents, the displacement risk index identifies areas where displacement of marginalized populations may be more likely.”

Office of Planning and Community Development
“Growth and Equity Analysis” Report (May 2016)

Sources: Office of Planning and Community Development, Office of Housing



Investments in Housing Rehabilitation and Sustainability

Home Repair Program: Critical health and safety repairs, helping low-income homeowners preserve most important financial asset and sustain home ownership

- Over \$440,000 provided as loans and grants
- 28 low-income homeowners assisted

Weatherization Program: Energy conservation and related indoor air quality improvements, enhancing health and living conditions and lowering utility bills for low-income owners and renters

- \$3.57 million in grant funds expended
- 112 single family homes upgraded, benefiting low-income owners or renters
- 24 affordable apartment buildings upgraded, benefiting 1,306 low-income renters



City-Funded Housing Opening and Under Construction

- Three funded rental housing buildings completed (225 affordable homes)
- Eleven funded rental buildings in permitting and construction (will lease 1,233 apartments in 2018 and 2019)





Seattle Office of Housing

