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# City of Seattle Affordable Housing Programs and the Seattle Housing Levy

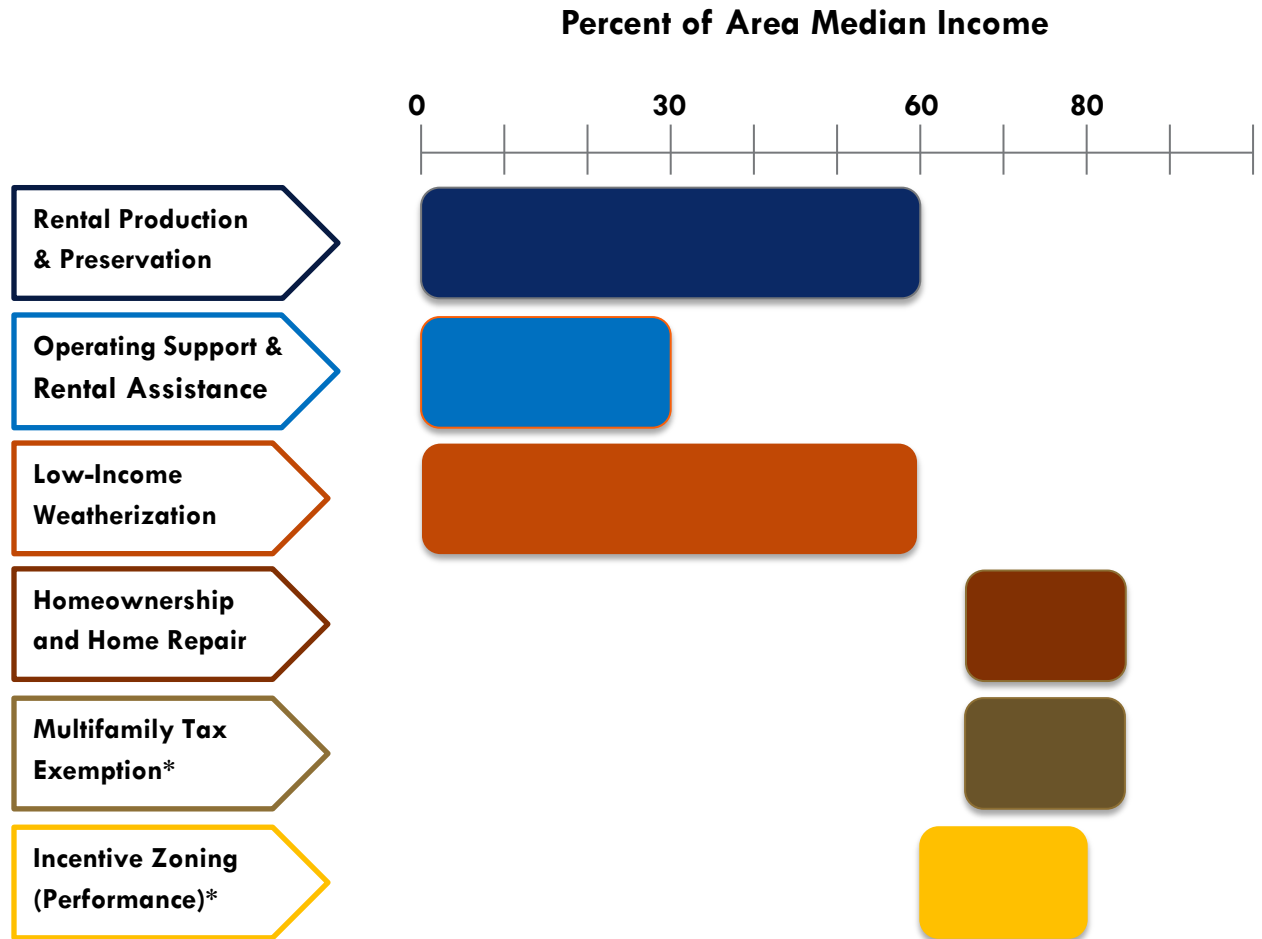
Seattle City Council  
Select Committee on the Seattle Housing Levy  
March 10, 2016



# City of Seattle Housing Programs

*Direct investment  
prioritizes our  
most vulnerable  
residents and low-  
income  
homeownership.*

*Incentives address  
lower-wage  
workers.*



\* Includes rental component of program only.



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# Seattle Housing Levy

## 35 Year History of Affordable Housing Investment

- Unique in the Nation
- Builds on Partnerships
- Attracts Additional Investment

### Production at a Glance

- Created **over 12,500** new affordable apartments
- Assisted **800** lower-income families in purchasing their first home
- Provided emergency rental assistance to **6,500** households
- Every Housing Levy has **exceeded its goals**



### HISTORY OF THE SEATTLE HOUSING LEVY



Seattle Housing Levy

# Rental Production and Preservation

Funds awarded competitively to multifamily rental projects

## Project Types

- New construction and acquisition/rehab
- Reinvestment in affordable housing



## OH Rental Housing Portfolio

- 301 buildings, 12,533 City-funded units
- 286 buildings, 11,013 City-funded units in operation
- 4,477 units regulated to serve homeless
- 53% of units for extremely low-income households
- **22,079 people served in 2014**



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# Investments Prioritize People with Lowest Incomes

## Emphasis on the most vulnerable

- Chronically homeless individuals with disabling conditions
- Homeless families, adults, youth and young adults
- Seniors and people with disabilities
- Low-wage workers and their families



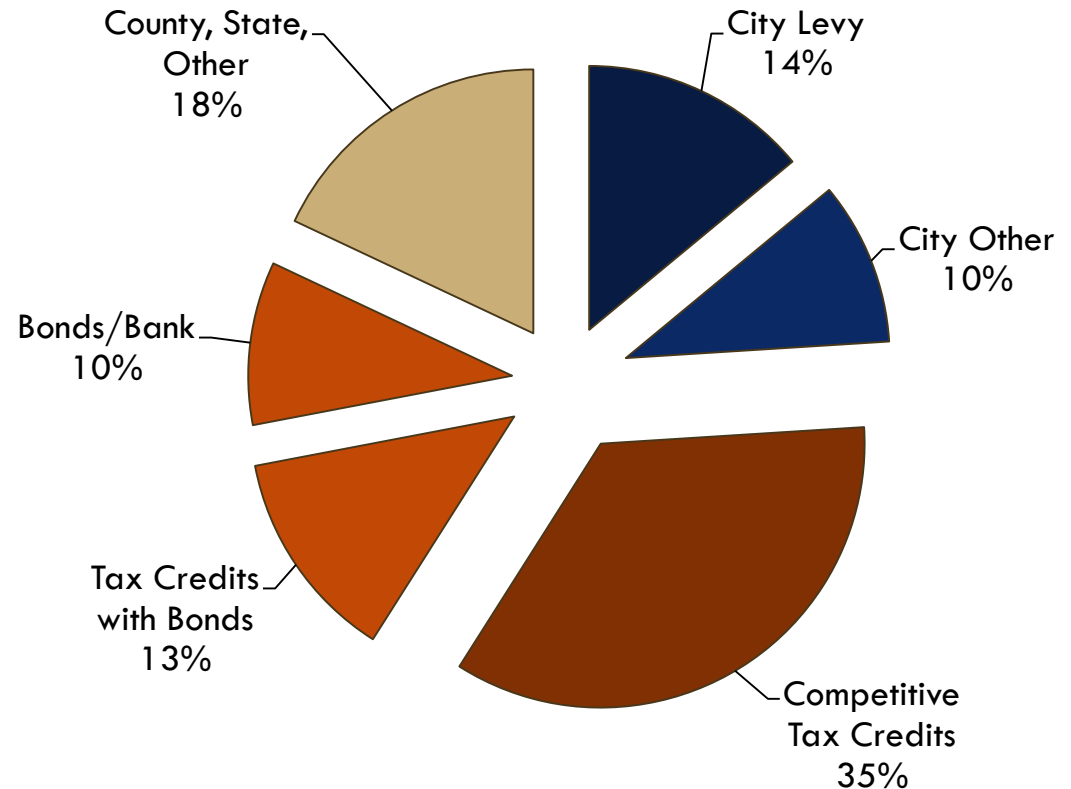
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# Capital Funding Landscape

Sources of leverage maximize every City dollar

- **City Subsidy (25%)**
  - Levy
  - Incentive Zoning Revenue
  - Federal Pass-Through
- **Tax Credit Equity**
  - Competitive Credits
  - Credits with Bonds
- **Tax-Exempt Bonds** (debt service paid from rents)
- **County, State, Other**

Capital Sources for Levy-Funded Projects, 2010-2015



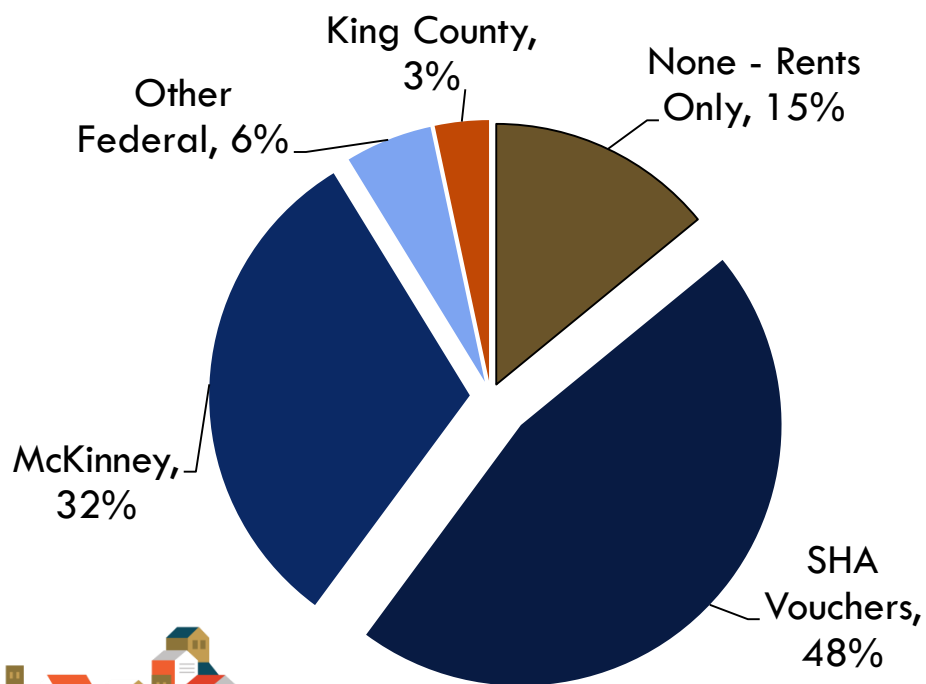
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# Lowest Income Units Require Operating Subsidy

Rent insufficient to cover costs for 30%AMI units

Operating Subsidy for Approx 1,300 Levy-Funded Units  
for Extremely Low Income Tenants, 2010-2015



- Rule of thumb: rents set at 30% of maximum income for the unit
- Operating subsidy allows Levy to serve those with incomes well below 30%AMI
- SHA vouchers most significant source, McKinney next
- Levy O&M leverages federal dollars
- Units without subsidy feasible in mixed-income affordable buildings

Notes:

Levy O&M funds expended as match for McKinney and County funds.

SHA vouchers include replacement vouchers but exclude vouchers placed in prior-year Levy and reinvestment projects.

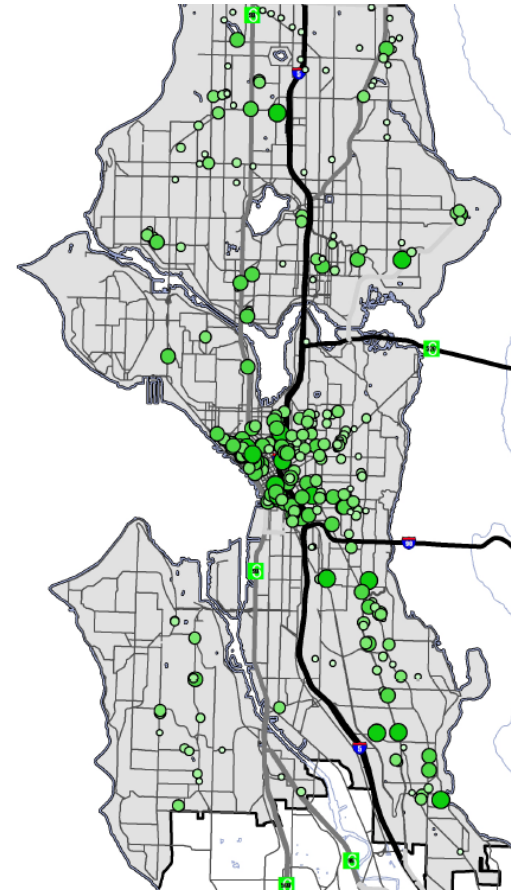


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# Accountability through Asset Management

## Stewardship and compliance monitoring

- On-site inspections on a regular cycle; 89 inspections scheduled for 2016
- Physical condition assessment
- Financial review (building and owner)
- Reserve deposits (deposits and draws)
- Tenant income certification
- Rent levels



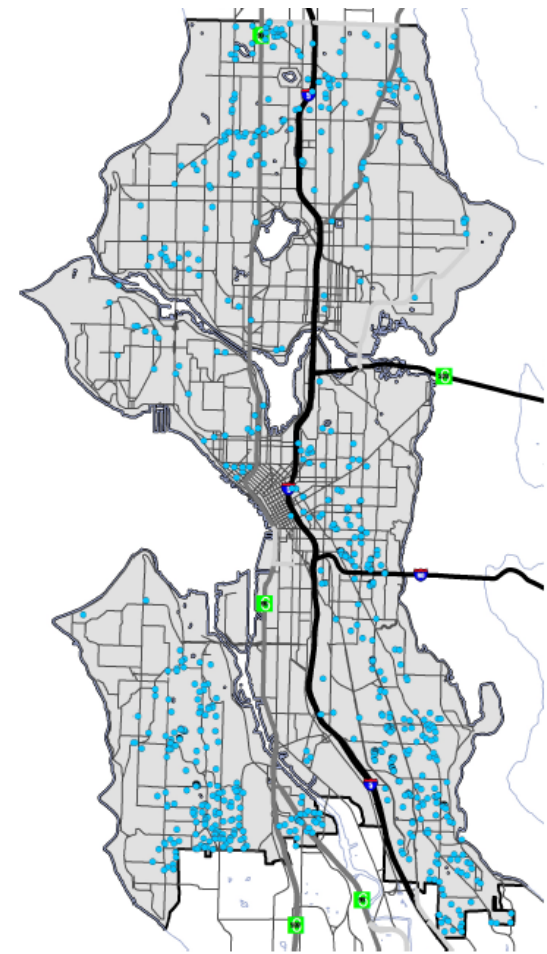
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# Homeownership Program

Loans to low-income first-time buyers

- Downpayment assistance (revolving loans) or permanent affordability
- Buyers qualify for first mortgage; City funds fill the downpayment gap
- 800 homeowners assisted since 1995
- Locations throughout City, but supply is tight



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# Annual Report: 2009 Levy Performance through 2015

Levy Program	Funding		Housing Produced		Status: Exceeding goal, On track
	Total Levy Funding 2010-2016	Funding Committed 2010-2015	Levy Goals 2010-2016	Housing Outcomes 2010-2015	
Rental Production & Preservation	\$104 M	\$88.5 M	1,670 rental units	2,184 units added	✓ +
			no goal for reinvestment	410 reinvestment units	✓ +
Acquisition & Opportunity Loans	\$6.5 M	\$7.9 M	175 housing units	234	✓ +
Operating & Maintenance	\$14.4 M	\$12 M	220 rental units	207	✓
Rental Assistance/ Homelessness Prevention	\$4.25 M	\$3.4 M	3,025 households (2012-2016)	2,442 (2012-2015)	✓
Homebuyer Assistance	\$9.1 M	\$5.8 M	180 home purchases	144 closed loans 43 projected	✓ +



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