



Legislation Text

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CITY OF SEATTLE
RESOLUTION _____

A RESOLUTION relating to low income housing; accompanying an ordinance requesting the 2016 Housing Levy Renewal and providing further direction regarding implementation of the programs to be funded by such levy.

WHEREAS, since 1981 Seattle voters have approved four ballot measures to provide affordable housing for low-income residents; and

WHEREAS, all of the prior housing levy measures have exceeded established production goals for units developed and households assisted; and

WHEREAS, there continues to be a need for additional affordable housing for low-income residents; and

WHEREAS, in an effort to meet the need for affordable housing, the Mayor and the City Council are submitting to the voters a \$290 million, seven-year low-income housing levy (“2016 Housing Levy”); and

WHEREAS, social equity has been one of the core values guiding The City of Seattle’s (City’s) Comprehensive Plan since its adoption in 1994, and the displacement of longtime resident and community anchors undermines the City’s commitment to equity; and

WHEREAS, the City’s 2008 study, titled “Analysis of Impediments to Fair Housing in Seattle,” identifies impediments to fair housing in Seattle, stating: “An inadequate supply of affordable housing in Seattle exacerbates fair housing challenges by impeding housing choice. Seattle’s robust private housing market continues to fuel migration of low-income and minority residents toward areas outside of the city as rents and home prices escalate;” and

WHEREAS, Seattle has attempted various strategies for addressing this fair housing impediment, yet the 2014-

2017 Consolidated Plan for Housing and Community Development states that “[d]espite numerous public programs and policies to preserve and expand affordable housing, the force of the private market continues to drive a decline in housing affordability that translates into reduced housing choice for protected classes, who are disproportionately low-income and racial minorities”; and

WHEREAS, the City Council recognizes that displacement has negative impacts on the health and wellbeing of individuals and communities; and

WHEREAS, the City Council adopted the Multi-Family Housing Notice of Intent to Sell ordinance (Ordinance 124861) requiring an owner of multi-family housing to provide advance notice of an intent to sell a building, providing the City time to evaluate and work with a non-profit housing developer to prepare a potential purchase and sale offer for such a building; and

WHEREAS, the purchase of such buildings serving households at or below 60 percent of median income will preserve affordable housing units that would otherwise be lost from the city’s affordable housing stock; and

WHEREAS, the 2016 Housing Levy provides the opportunity to implement innovative anti-displacement strategies; NOW, THEREFORE,

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SEATTLE, THE MAYOR CONCURRING, THAT:

Section 1. 2016 Housing Levy. The City Council passed Council Bill 118656, placing a proposition to authorize a seven-year \$290 million low-income housing levy ("2016 Housing Levy") on the ballot in August 2016. The intended uses of levy funds are described in Exhibit 1 to Council Bill 118656. This resolution requests the Executive to complete certain activities to assure successful implementation of the programs to be funded by the 2016 Housing Levy, if the ballot measure is approved by the voters.

Section 2. Administrative and Financial Plan. The Office of Housing ("OH"), with the assistance of City Council staff, the City Budget Office, the Human Services Department, and other relevant Executive

departments, shall develop an Administrative and Financial Plan ("A & F Plan") for the 2016 Housing Levy. OH should submit the A & F Plan to the City Council's Affordable Housing, Neighborhoods, and Finance Committee, in the first quarter of 2017 for adoption by ordinance. The A & F Plan shall be consistent with the program descriptions and affordability levels established in Council Bill 118656.

In preparing the A & F Plan for submittal to the City Council, OH is requested to analyze the trends in Seattle minimum wage rates and income sources for veterans and people with disabilities, and how those trends impact eligibility for 30 percent of median income housing and to recommend whether flexibility in housing admissions should be allowed for such housing that does not include an operating subsidy. OH should also consider prioritizing specific subpopulations who are underserved or have limited access to culturally appropriate housing, such as, but not limited to, LGBTQ seniors, and individuals with disabilities. Additionally, OH should undertake further needs assessment and policy analysis for foreclosure prevention assistance for low-income homeowners and the home repair grant program for low-income homeowners. OH is also requested to develop policies and guidelines for the following levy programs and activities:

A. Rental Rehabilitation for Multi-Family Housing. This new activity within the Rental Production & Preservation Program would fund the rehabilitation of privately-owned multi-family housing to: make buildings healthier (address mold, asbestos, and other indoor air quality issues); bring buildings up to current City building codes; or make other needed improvements, such as Americans with Disabilities Act (ADA) accessibility changes. Rent and income restrictions and length of such restrictions will be required to the greatest extent feasible and consistent with the level of City funding. Funding will be targeted to assist buildings with units affordable at or below 60 percent of median income. If OH receives its annual federal allocation of HOME Investment Partnerships Program (HOME) and Community Development Block Grant (CDBG) funding, it is expected that this activity would be funded with levy dollars and that HOME and CDBG funding would replace the levy dollars allocated to Rental Rehabilitation loans. This would keep the Rental Production and Preservation program funding whole. Rental Rehabilitation will be reviewed each year by OH

to determine if funding is available to continue the activity and to measure its effectiveness.

B. Acquisition and Preservation Program. This new program would provide short-term loans for the acquisition of existing affordable subsidized and market-rate buildings with five or more units, or land for the development of affordable rental or homeownership housing, when such acquisitions can be done in a cost-effective manner. Acquisitions will be prioritized for areas in which the risk of displacement is high and/or areas supported by frequent transit service. The loans would be funded with existing levy funds that are not needed in the short-term, and would be repaid with permanent financing sources. The housing will serve households at or below 60 percent of median income for rental housing, or households at or below 80% of median income for homeownership housing. Loans will be prioritized for the acquisition of occupied buildings, and could be used with other available sources of acquisition funding.

C. Anti-Displacement Housing Preservation Program. The goal of this new program is to preserve existing multi-family subsidized or market-rate rental buildings with five or more units. Preserved buildings can be used as long-term affordable rental housing or converted to permanently affordable homeownership units. Funding will be targeted to assist buildings with units affordable at or below 60 percent of median income for rental housing, or below 80 percent of median income for homeownership housing. In addition, to help retain currently existing communities, the program should prioritize areas at high risk of displacement and include strategies to empower tenants to participate in efforts to preserve the housing in which they reside. This may include, but is not limited to, collaborating with community based organizations, non-profits, and community land trusts. OH should establish a maximum allowable per-unit public subsidy, and should establish criteria for evaluating and selecting projects consistent with these policies. OH is requested to report back on possible future revenue sources to support this program, such as HOME and CDBG funding, uncommitted revenue from existing levy programs, interest earnings generated from the Rental Production and Preservation program, a renewed Growth Fund, Mandatory Affordable Housing Fees, or other sources.

Finally, OH is requested to submit a proposed A & F Plan that includes the following specific policies:

1. \$250,000 of interest earnings generated from the Rental Production and Preservation program shall be directed annually to the levy Homelessness Prevention and Housing Stability Services program.

2. For providers utilizing housing levy funds to serve people experiencing homelessness or those at risk of homelessness, participation in the All Home coordinated entry and assessment program, and compliance with the All Home tenant screening criteria, shall be required.

3. Criteria to appropriately target homelessness prevention efforts to those most at risk of becoming homeless. These criteria will be based on national best practices.

4. To the maximum extent feasible with available levy and other funding sources, the development of family-sized housing, defined as two- and three-bedroom units, shall be a priority for the Rental Production and Preservation program. In addition, the development of such housing in areas with schools, parks, libraries and transit should be encouraged.

5. Efforts will be made to encourage the geographic distribution of low-income housing developed with levy programs throughout the city.

Section 3. Annual Progress Report. OH shall submit a progress report to the Mayor and the City Council by March 30 every year. The report should include information on: progress in meeting levy program goals; demographics of those served by levy programs; and levy administrative costs and revenues available to cover such costs for the prior year.

Adopted by the City Council the ____ day of _____, 2016, and signed by me in open session in authentication of its adoption this _____ day

of _____, 2016.

President _____ of the City Council

The Mayor concurred the _____ day of _____, 2016.

Edward B. Murray, Mayor

Filed by me this _____ day of _____, 2016.

Monica Martinez Simmons, City Clerk

(Seal)