2025 OH Annual Reports and Achievements

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Agenda

1. OH Reports Overview and Context for 2025
2. 2025 Annual Investments and Housing Levy Report
3. 2025 MHA Annual Report
4. Implementing Creative Solutions

OH Reports Overview and Context for 2025

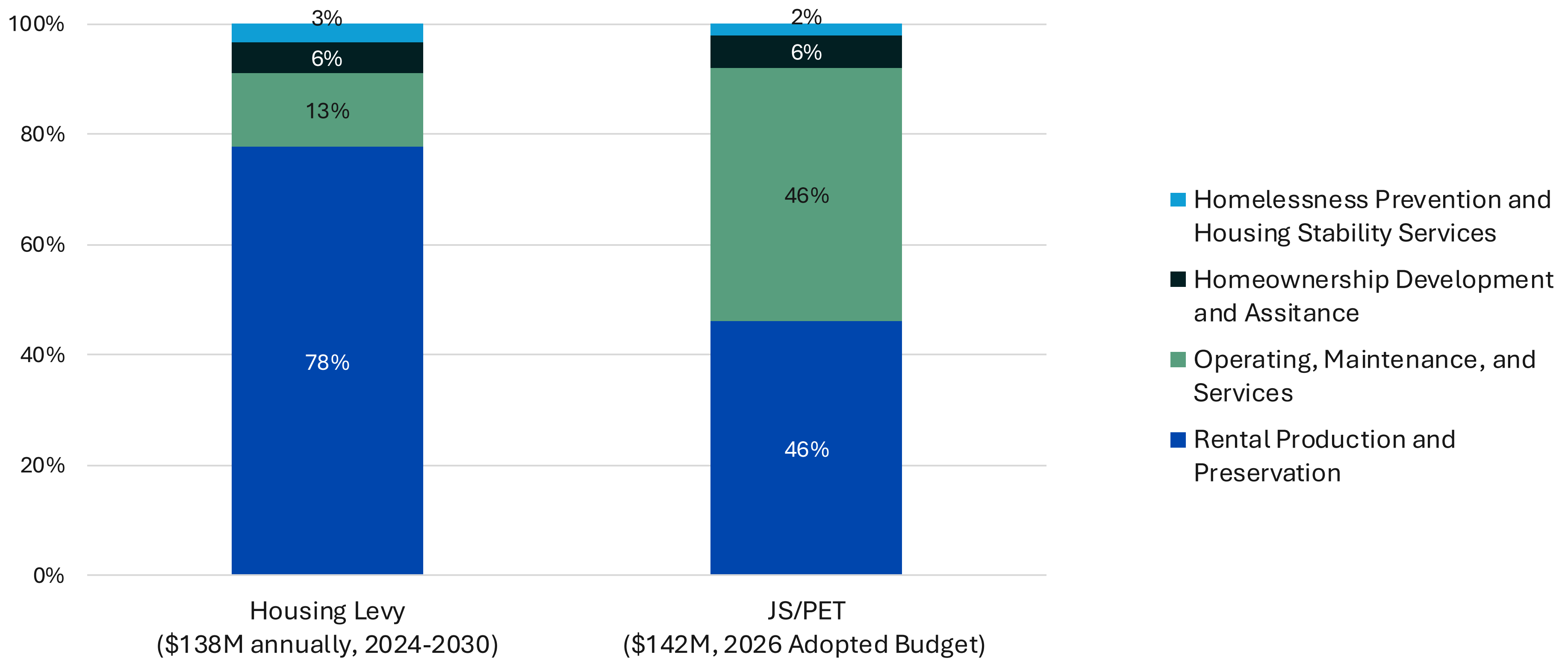
OH Annual Reports

- OH provides the following annual reports:
  - Annual Investments and Housing Levy
  - Mandatory Housing Affordability (MHA)
  - Religious Lands
  - Multifamily Tax Exemption (MFTE) (September)
- Reports due in June, and report on the prior calendar year

Annual Investments and Housing Levy Report

- Comprehensive overview of agency work
  - Rental Housing; Operating, Maintenance, and Services (OMS); Homeownership; Homelessness Prevention and Housing Stability Services; Home Repair and Weatherization
- Includes Seattle Housing Levy, JumpStart/PET, MHA, and other public funding
- OH has always achieved its Housing Levy goals

OH Primary Funding Sources and Uses



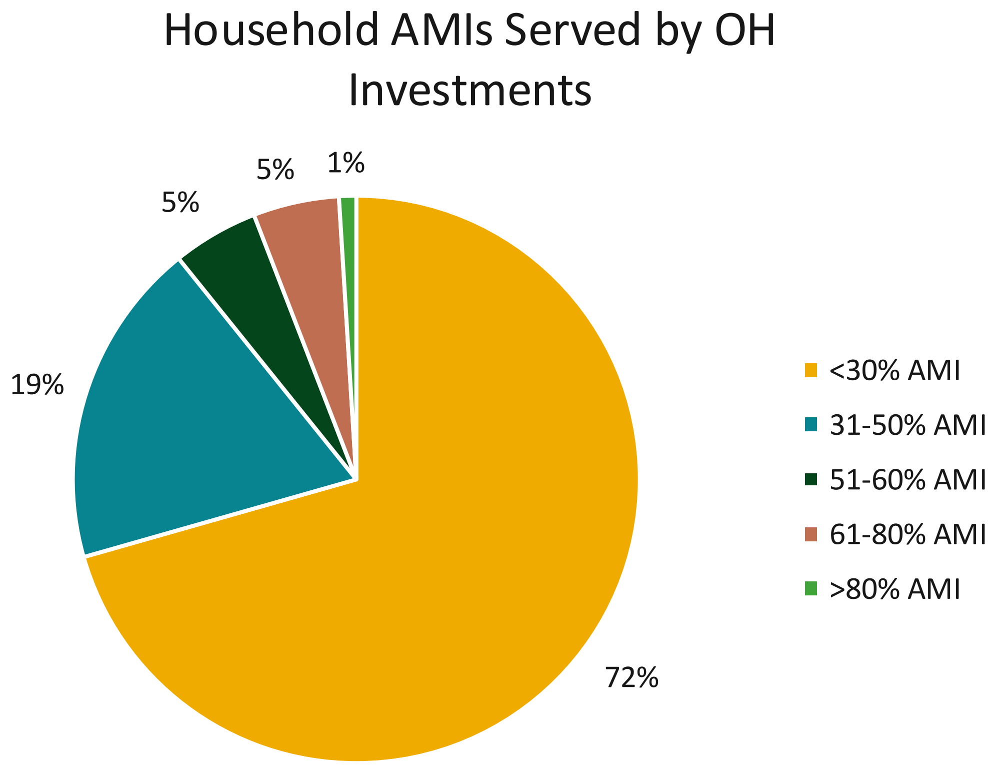
2026 Projections

MHA: $20M

Other sources: $43M

OH Serves Those Most in Need

- Per Housing Levy ordinance, at least 60% of total Levy Rental Production and Preservation and Operating, Maintenance, and Services funds must serve households with extremely low incomes (0-30% AMI)
- As of 2025, OH has committed $102M in Levy funds to homes for households with extremely low incomes



A Challenging Year for Affordable Housing

- Federal funding withdrawn
- Operating costs continued to rise (insurance, construction, labor, etc.)
- Increase in the upper quintile of household incomes has increased Seattle's AMI and income-restricted rent limits
- Local funding sources strained to address multiple challenges

OH Remains Committed to Its Mission

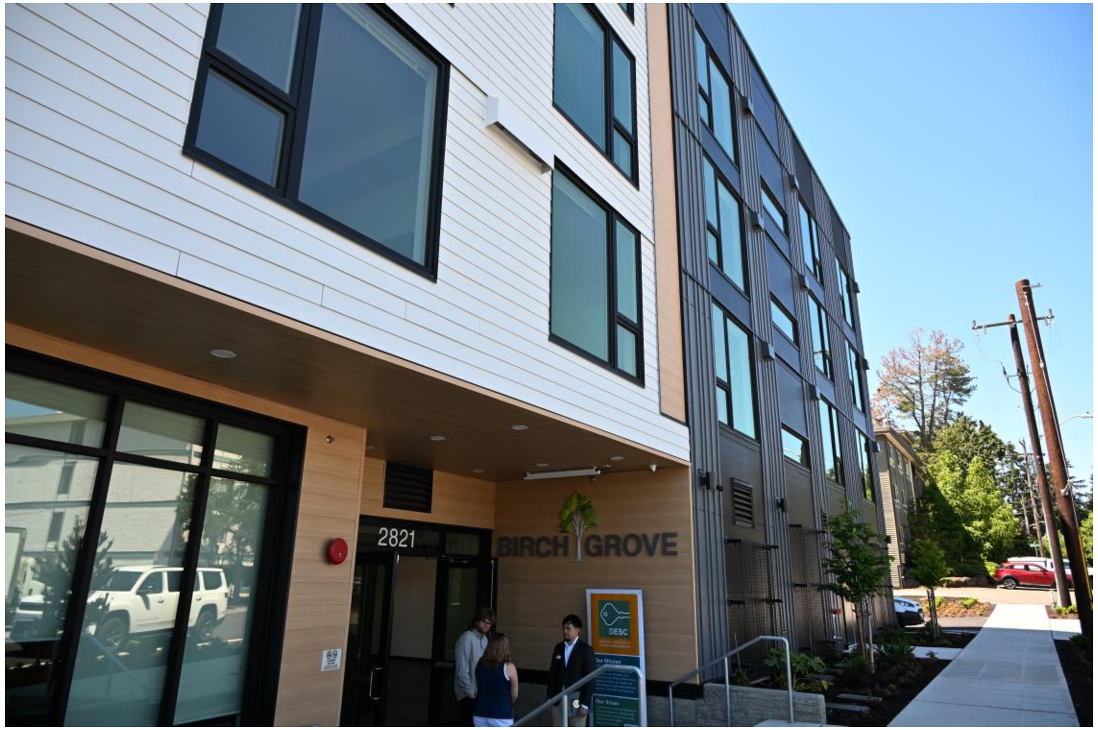
- Permanently affordable, income-restricted rental housing and homeownership is the foundation of OH's work
- Initial OH analysis finds approximately 7.3% of all housing units and 15.3% of all occupied rental housing units are income- and rent-restricted
- In 2025, OH responded to provider challenges with creative investment solutions, and focused on long-term financial and physical sustainability of the affordable housing portfolio

2025 Annual Investments and Housing Levy Report

2023 Seattle Housing Levy Progress

- OH is on track to achieve our 2023 Housing Levy goals
- Built or preserved 1,646 units of our 3,516 rental housing unit goal (47%)
- Provided OMS support for 712 of 1,156 units (62%)
- Built homes for and assisted 126 out of 367 homeownership households (34%)

Rental Housing



Birch Grove, DESC

- Over $133M awarded
- Four new buildings with 550 units, nearly half of them (245) 2+ bedrooms
- Eight capital preservation projects with 782 units
- Nine buildings with 850 units receiving debt restructuring loans

Operating, Maintenance, and Services (OMS)

- OMS subsidies supplement rental revenue to pay for operating expenses, maintenance, services, staff wages
- $17.9M in ongoing subsidy commitments in 2025
- Three new OMS awards in 2025

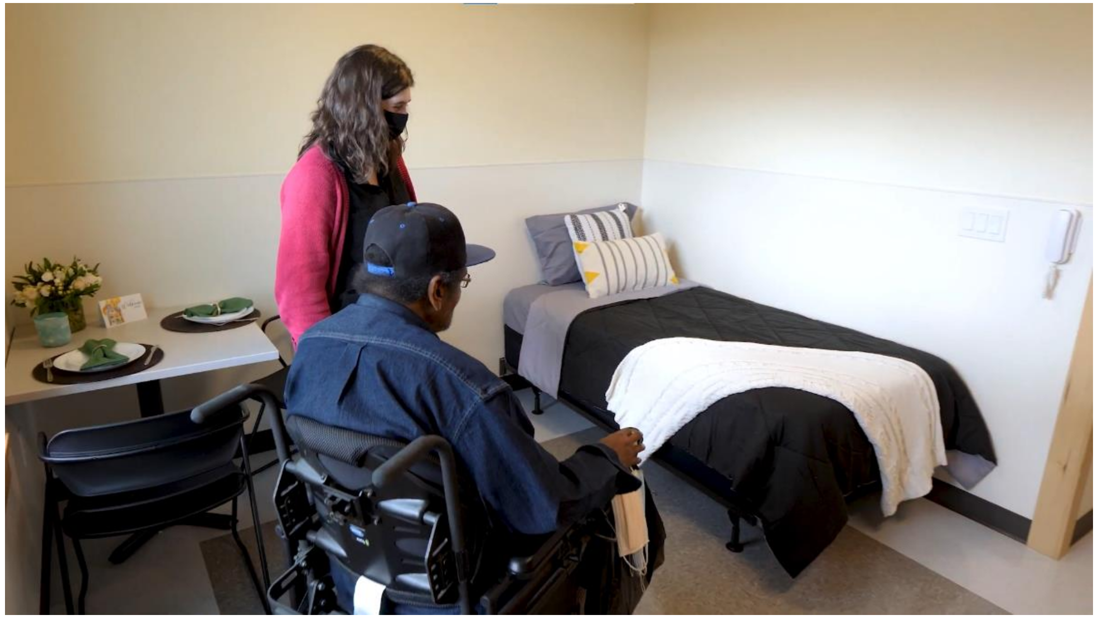
Steven's Place, DESC

Homeownership

- $15M for 105 resale-restricted, permanently affordable homes for first-time homebuyers with low-incomes
- Includes two surplus, City-owned sites that will have 24 new 2+ bedroom homes (Rainier Valley Affordable Homeownership Initiative)

Nest, Homestead CLT

Homeless Prevention and Housing Stability Services



- 900 households participated in Homelessness Prevention and Rapid Re-Housing programs with $2.5M in Levy funding
- $3.1M in resident services funding serving 4,205 households

Home Repair and Weatherization

- Over $458,000 provided in Home Repair loans and grants to assist 87 low-income homeowners
- $8.6M in Weatherization grants serving 403 single-family homes and 8 multi-family buildings with 976 affordable apartments

Renata and Norman, Weatherization clients

2025 MHA Annual Report

2025 MHA Report Highlights

- $47M in MHA funding contributions, nearly doubled from 2024
- $26.7M of MHA funding awarded for Beacon Crossing, 125-unit building
- 86 MHA Performance units committed

Beacon Crossing, Urban League and Blue Ridge Cascade

Key MHA Report Takeaways

- To date, 3,258 homes have been funded by MHA payments with 1,320 in the pipeline (4,649 total). And 343 MHA performance homes have been built with 255 in the pipeline (598 total).
- Development in Lowrise (LR) zones is steady and about 1/3 of $375M total MHA payments
- But future townhomes may shift to Neighborhood Residential, which doesn't have MHA requirements
- Commercial is one of every ten dollars of MHA payment

MHA Payment: Permanently Affordable Homeownership

- $16.27M in MHA payment funds for permanently affordable homeownership
- Built 13 homes in 2023, 29 homes in 2025 and 33 homes in 2026 in Phinney Ridge, South Park, Capitol Hill, Beacon Hill
- 38 more homes in pipeline

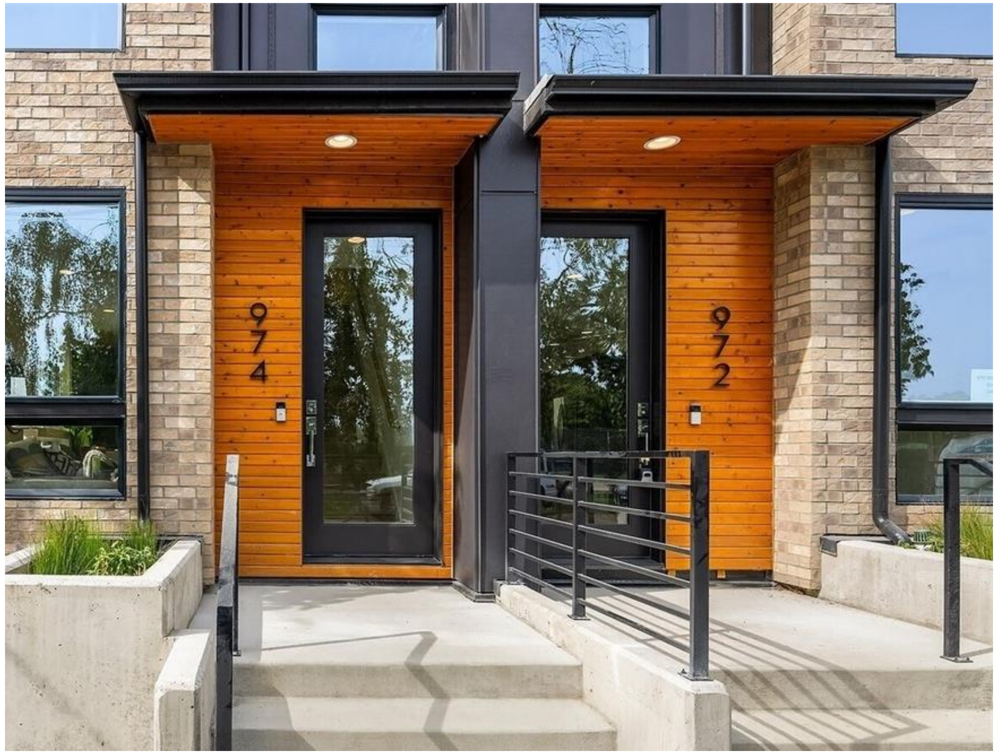
Yarrow Cottages, Habitat for Humanity

MHA Performance: Permanently Affordable Homeownership

- In 2025, two developments with one MHA home each were completed in Crown Hill
- 11 more homes in pipeline
- Homes are in Brighton, Beacon Hill, Capitol Hill, North College Park, Northgate, Roosevelt, West Woodland, and Whittier Heights

Ivy North, Shelter Homes with Habitat for Humanity

MHA Homeownership Performance Spotlight



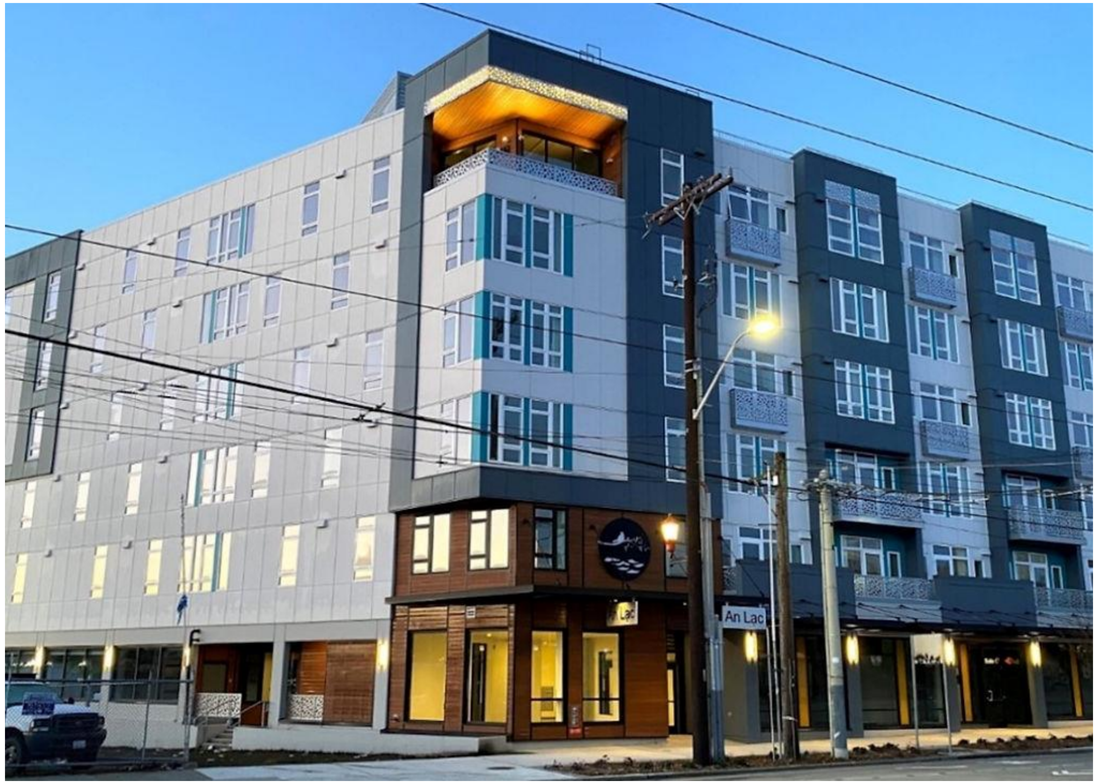
Olive, Shelter Homes with Habitat for Humanity

- Olive is a 21-unit homeownership development in Ballard that will include two permanently affordable homes
- Affordable sales prices are $359K
- Market-rate homes are listed for $849-$979K

Implementing Creative Solutions

Debt Restructuring

- Avoided foreclosures and restored long-term positive property cash flow to nine (9) buildings
- Lowered rent/deepened affordability, right-sized for 2026 costs, and replenished building reserves
- Responded to deep operating improvement needs with temporary third-party consultant capacity



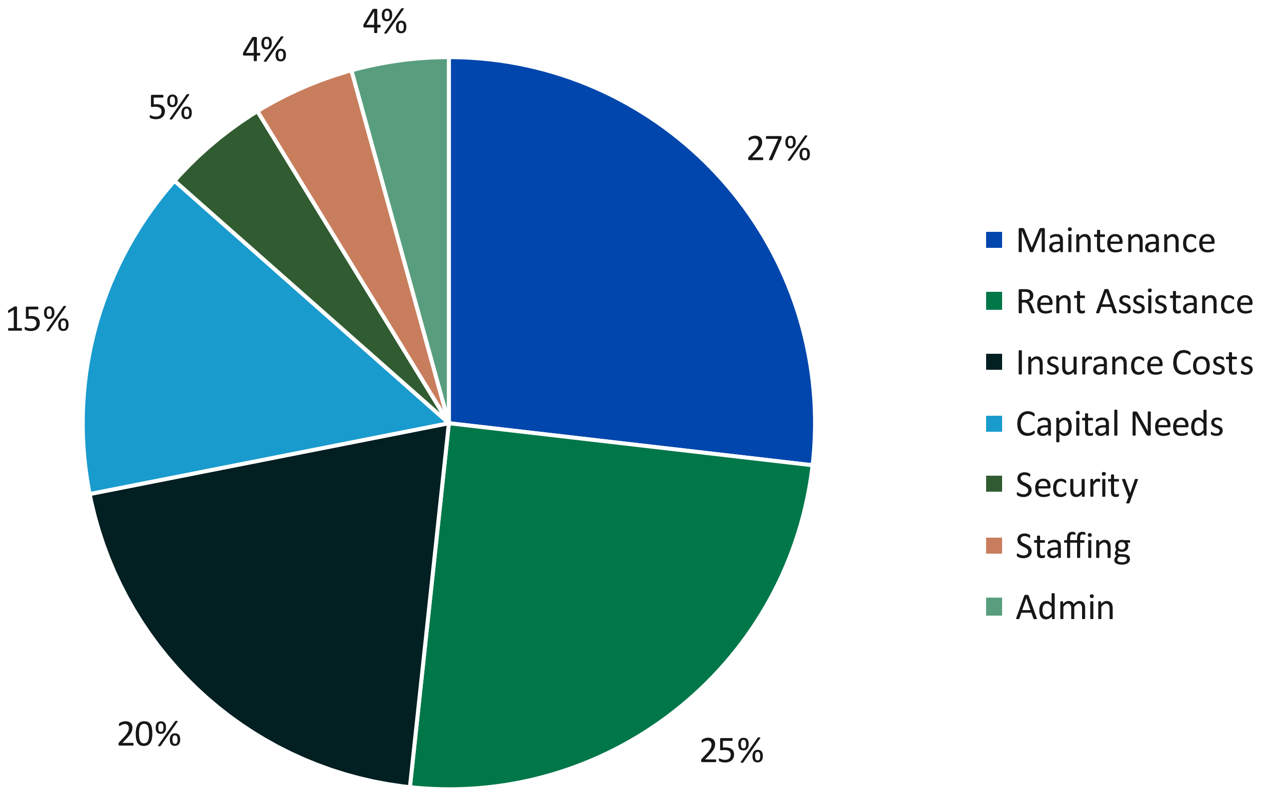
An Lac, LIHI

New and Continued Support for OMS

- $27M in Permanent Supportive Housing (PSH) Workforce Stabilization to raise wages and support staff development
- $26.2M in Urgent Operating Support (UOS) for repairs and maintenance, rent arrears, and insurance

Source: DESC, Employees at *Clover Place*

Urgent Operating Support (UOS) Funding



Portfolio Preservation Planning

- Understand ongoing needs and gaps to plan for the future of the portfolio
- Explore individually tailored approaches for unique organizational situations
- Planning work will begin in Fall/Winter 2026 and continue through 2027

Thank you