



SEATTLE CITY COUNCIL
CENTRAL STAFF

Discussion of Issues and Options for 2023 Housing Levy Renewal Measure

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SELECT COMMITTEE ON 2023 HOUSING LEVY
MAY 3, 2023

Summary of Mayor's 2023 Proposed Housing Levy Measure

Levy Program	7-year funding	Annual Funding	7-year outcomes
Rental Production and Preservation Program (RPP): New Rental Production	\$631,172,000	\$ 90,167,000	2881
RPP: Preservation	\$76,099,000	\$10,871,00	635
Operating, Maintenance & Services (OMS) - new Permanent Supportive Housing (PSH)	\$88,300,000	\$12,614,000	510
Workforce Stabilization – OMS for existing PSH units	\$34,000,000	\$4,857,000	646
Acquisition & Opportunity Loan Program	\$30,000,000	N/A	N/A
Homeownership Program: New Homebuyers	\$49,089,000	\$7,012,000	277
Homeownership Program: Homeowner Stabilization	\$1,600,000	\$228,000	90
Homeless Prevention/Eviction Prevention/ Resident Service	\$30,000,000	\$4,285,000	4,500
Administration	\$60,000,000	\$8,571,000	N/A
Total	\$970,260,000	\$138,605,000	3,158

2023 Proposed Levy and JumpStart Funding

Program	Levy	Outcome	JumpStart	Outcome
New Rental Production	\$631,172,000	2881	\$405,949,000	2041
Preservation	\$76,099,000	635	\$49,306,000	603
OMS for new PSH	\$88,300,000	510	\$110,695,000	1349
OMS for prior city funded units	-	-	\$10,372,000	349
Workforce Stabilization - OMS for existing PSH units	\$34,000,000	646	\$171,356,000	3254
Acquisition & Opportunity Loan Program*	\$30,000,000	-	-	-
New Homebuyers	\$49,089,000	277	\$42,854,000	178
Homeowner Stabilization	\$1,600,000	90	-	-
Prevention/Eviction Prevention/Resident Services	\$30,000,000	4,500	\$14,000,000	-
Administration	\$60,000,000	-	\$42,854,000	-
Total	\$970,260,000	3158	\$847,386,000	2219

Summary of Mayor's Proposed Housing Levy & JumpStart Funding

Mayor's Proposed 2023 Housing Levy assumes JumpStart Funding will be paired with Levy funding for the following programs:

- **Workforce Stabilization program** - \$34 million of Levy funding paired with \$171 million in Jumpstart funding supports wages at 3,900 existing City-funded PSH units.
- **Resident Services program** - ~\$10 million of Levy funding paired with ~\$14 million in JumpStart funding to provide stabilization services in existing non-PSH units.
- **OMS funding for new PSH units** – \$88 million of Levy funding may be paired with up to \$110 million JumpStart should other fund sources be inadequate.

Summary of Levy Ordinance

1. Authorizes submittal to voters at November 7th election a \$970 million seven-year property tax levy – not to exceed \$138,608,596 each year
2. Exempts certain seniors, veterans with disabilities, or other persons who qualify under RCW 84.36.381
3. Requires submittal of Levy Administrative and Financial (A&F) Plan to City Council for approval every two years; describes policies to be included in such plans
4. Establishes Levy Oversight Committee, membership, and oversight responsibilities
5. Requires Office of Housing to submit annual progress report on the implementation of the Housing Levy
6. Describes programs to be funded by Levy revenues (Attachment A)

Summary of Companion Resolution

1. Requires OH to develop and submit a Levy A & F Plan to the City Council in second quarter of 2024.
2. Requests OH to include the following specific policies in the A & F Plan:
 - Encourage geographic distribution of levy-funded units throughout City
 - Collaborate with community partners and affordable housing developers to explore how housing investments can support broader community development goals
 - Work with Permanent Supportive Housing (PSH) providers on implementation of the PSH Workforce Stabilization Fund

Summary of Companion Resolution, continued

- City shall work with affordable housing and labor partners to update City's CWA by establishing criteria specific to OH-funded affordable housing, with a focus on projects on City-owned sites
- Anticipates CWAs applied to between four and six OH-funded new rental construction projects early in the levy period
- Collect and analyze quantitative and qualitative data for CWA and non-CWA projects to inform updates to the City's Housing Funding Policies.

Issues Identified by Central Staff

- A. Levy Interest earnings from Rental Production & Preservation Program (RPP) not accounted for in production model - estimated \$21 million over 7-year period.
- B. Description of administrative costs does not cover all proposed expenditure activities (holding costs and predevelopment costs).

Initial Councilmember Proposals: Councilmember Herbold

1. Request report on results of 2021 Request for Proposals for non-PSH housing providers.
2. Establish specific outcome in the Levy for acquisition of buildings.
3. Add new program for preserving city-funded affordable housing projects coming to end of affordability requirements.
4. Modify language regarding mixed-use, low-income housing projects that support broader community development goals.
5. Add language regarding affordable homeownership program being used to assist those at risk of displacement and to address racial equity gap.

Initial Councilmember Proposals: Councilmember Mosqueda

6. Require annual review of administrative expenditures.
7. Expand use of administrative funds for pre-development costs for small community-based projects.
8. Add language supporting development of family-sized units through the Levy Rental Production and Preservation and Homeownership Programs.

Initial Councilmember Proposals: Councilmember Nelson

9. Authorize up to 10% of the Rental Production Program for workforce housing serving households from 61 – 80% of AMI.
10. Request OH to explore extending the length of time rental assistance can be provided by the homelessness prevention program.
11. Increase funding for the homelessness prevention program.
12. Require reporting and performance measures for workforce stabilization funding.

Initial Councilmember Proposals: Councilmember Pedersen

13. Explore a different approach to increase funding for low-income housing that reduces reliance on property taxes.
14. Refine collection of vacancy data and use of vacant units.

Next Steps

Wednesday, May 31, 9:30 a.m.

- Discussion of 2023 Levy Proposal & related legislation
- Discussion of Councilmember proposed amendments

Wednesday, May 31, 4:00 p.m. - Public Hearing

Wednesday, June 7, 9:30 a.m.

- Discussion of 2023 Levy proposal and related legislation
- Discussion of Council member proposed amendments

Wednesday, June 21, 9:30 a.m.

- Discussion and possible vote on 2023 Levy proposal and related legislation

Questions?