

# Seattle Office of Housing Housing Financing Overview

Housing & Human Services Committee

Maiko Winkler-Chin, Director, Office of Housing

Kelli Larsen, Policy & Planning Director, Office of Housing



# Terms Simplified

- **AMI** (Area Median Income)
- **NOFA** (Notice of Funding Availability)
- **RFP** (Request for Proposals)
- **LIHTC** (Low Income Housing Tax Credits)
- **Equity**
- **Leverage**
- **Construction loan, bank loan**
- **OMS** (Operating, Maintenance, & Services)



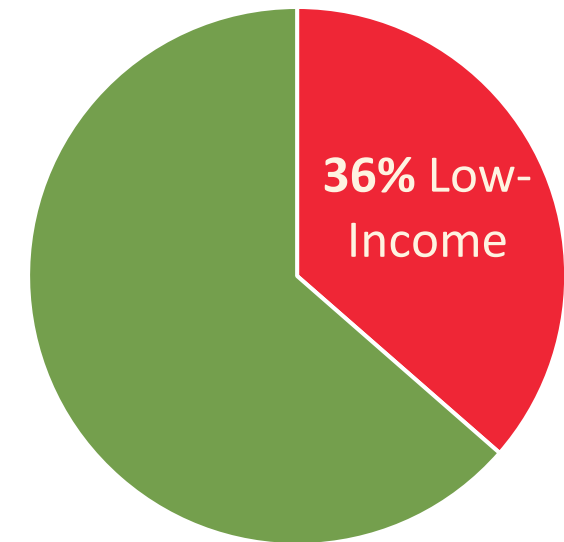
# What does 'low income' mean?

**Area Median Income (AMI)** is a measure established by HUD, used to determine eligibility for various human services and housing.

- **Low-income** households make less than 80% AMI
- **Very low-income** households make less than 50% AMI
- **Extremely low-income** households make less than 30% AMI

**Over 1/3 of Seattle households are low-income.**

Percentage of low-income households in Seattle



Source: US Department of HUD, CHAS 2015-2019, ACS 5-Year Estimates, Seattle



# Housing Needs and the Role of Seattle's Office of Housing

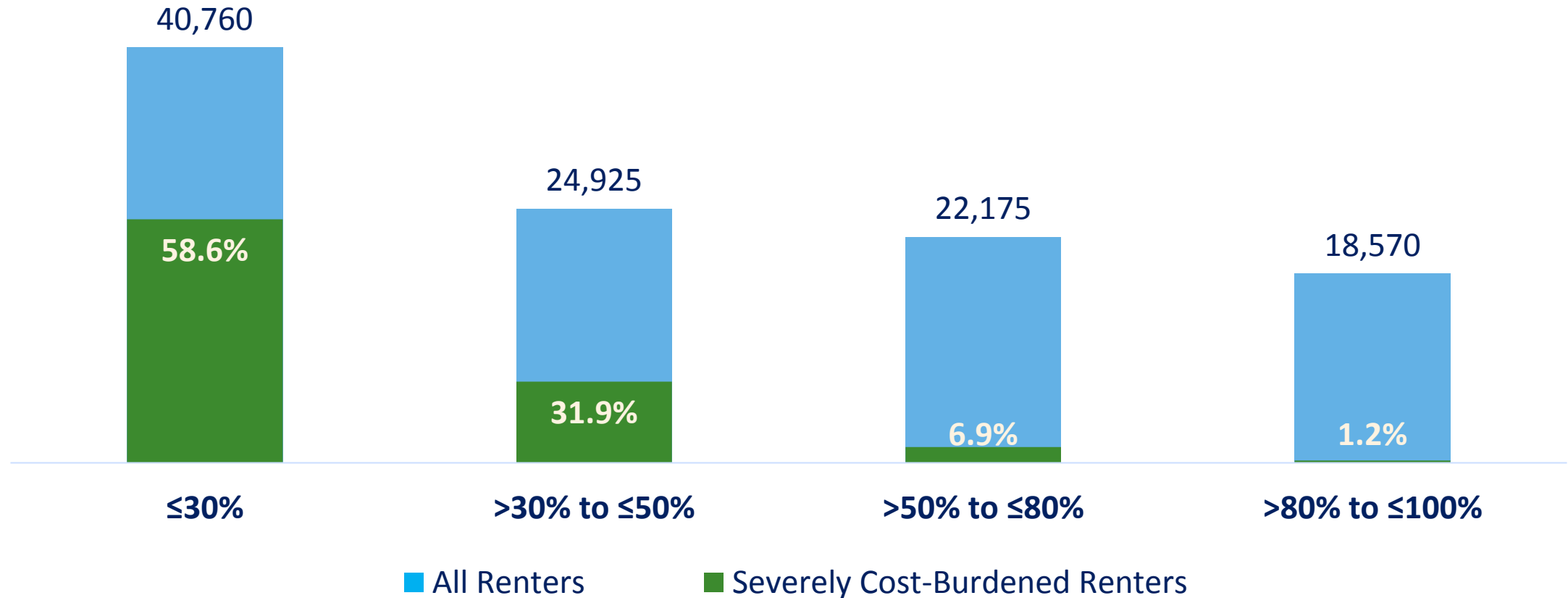
# Key Principles

- By 2044, Seattle needs 112,000 more homes
- Seattle's housing need is greatest for those with the lowest incomes
- Leveraging other funding sources helps us maximize OH funding to build as many affordable homes as possible
- Existing homes also need support



*Africatown CLT and Community Roots Housing  
Liberty Bank Building, 114 affordable homes*

# Severe housing cost-burden affects those with the lowest incomes



Source: US Department of HUD, CHAS 2015-2019, ACS 5-Year Estimates, Seattle



# Seattle needs 112,000 new homes by 2044

Future housing needs broken down by AMI

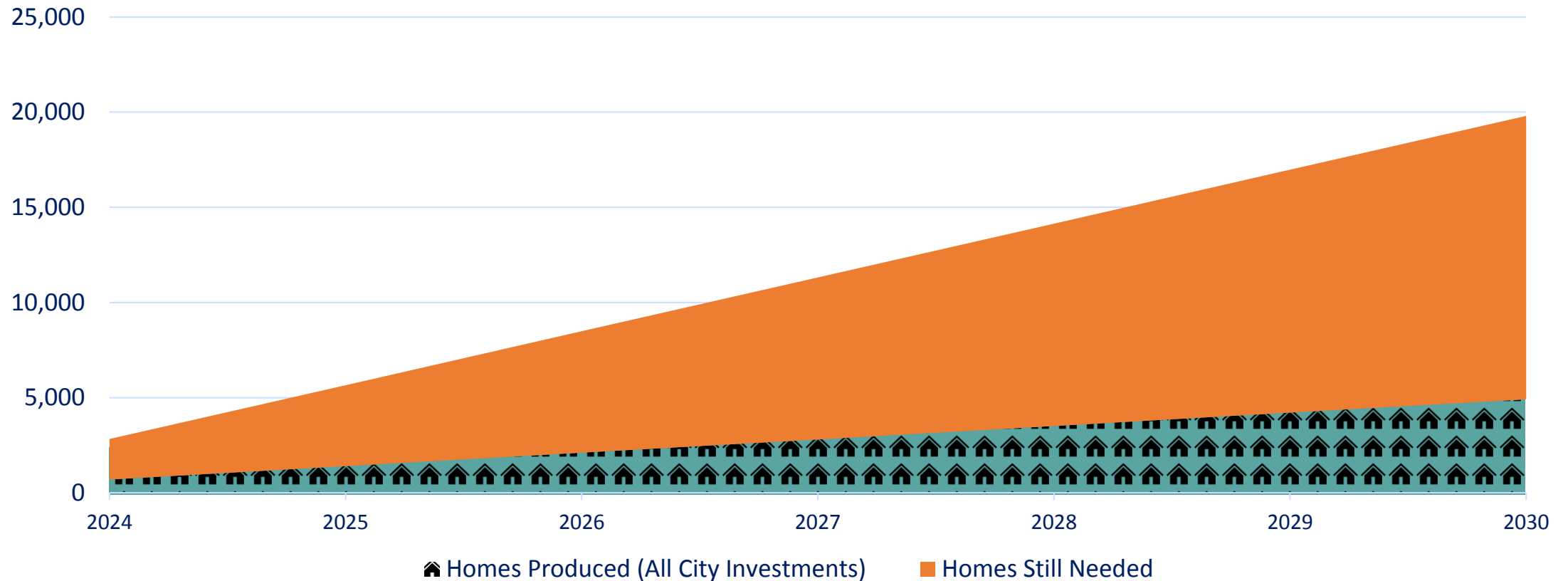
Permanent Supportive Housing	Affordable Housing			Private Market	
	<b>28,572</b>	<b>15,024</b>	<b>19,144</b>	<b>7,986</b>	<b>11,572</b>
0-30% AMI PSH	0-30% AMI non-PSH	30-50% AMI	50-80% AMI	80-120% AMI	120% AMI+

Assumes average household size of 2.24

Source: Countywide Planning Policies, King County Growth Management Planning Council, 2023



# Affordable Housing Need & Production (Projected 2024-2030)














Affordable for incomes 0%-80% AMI





# How do OH fund sources work together?

	Rental Production & Preservation		Operating, Maintenance & Services (OMS)	Homeownership	Homelessness Prevention
	0-30% AMI	30-60% AMI	0-30% AMI	0-80% AMI	0-50% AMI
Housing Levy					
Payroll Expense Tax					
Mandatory Housing Affordability (MHA)					

# Affordable Housing Development and Production

---

## Affordable Rental Housing

- Invest to develop
- Invest to operate
- Compliance monitoring





# OH Process of Developing Rental Housing Projects

# Typical Affordable Development Process



**Organizing and Visioning**

- Meet with Developer and partners to discuss project concept
- Review site questions

**Project Concept and Pre-Development**

- Discuss project feasibility
- Provide technical assistance to projects
- NOFA/RFP issued, and applications are reviewed

**Development and Construction**

- Budget scrutiny, legal review, and underwriting
- In coordination with other funders, produce and execute loan docs
- Site inspections
- Develop and negotiate OH contract for operating and services funding, if applicable

**Operations and Sustainability**

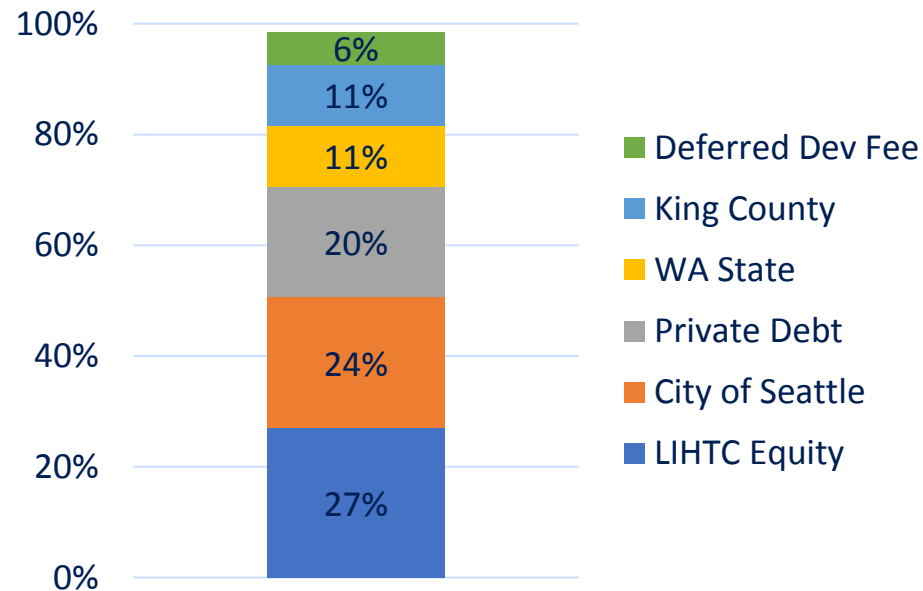
- Provide technical assistance to owner on operating and services funding
- Asset Management Team ongoing compliance and monitoring of project, including onsite inspections and document review

**Office of Housing tasks and activities throughout development process**

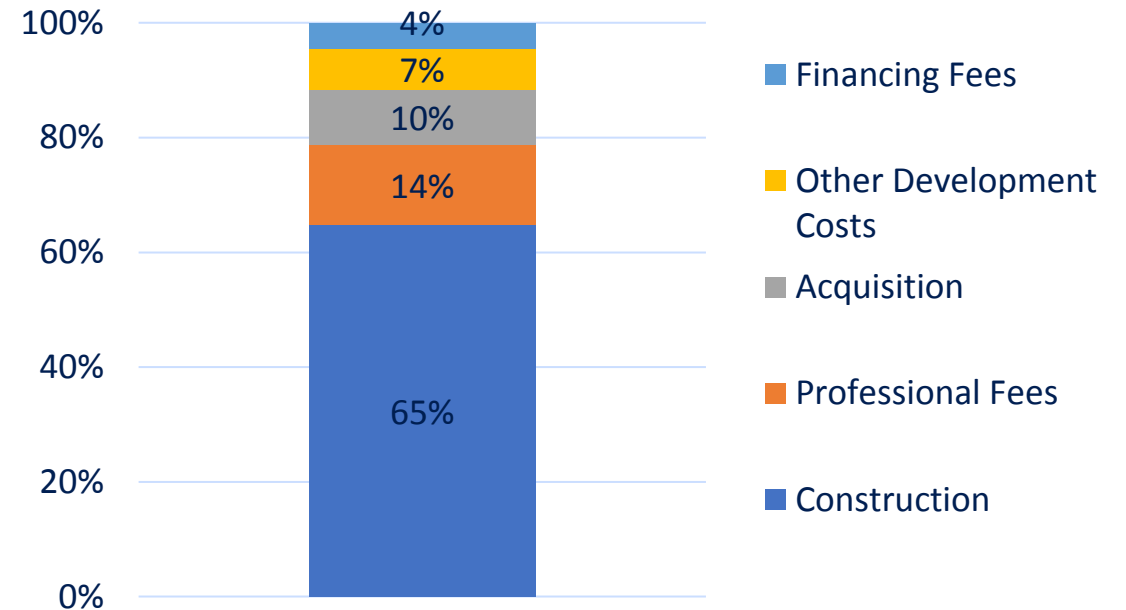


# Rental Housing Development Sources and Uses

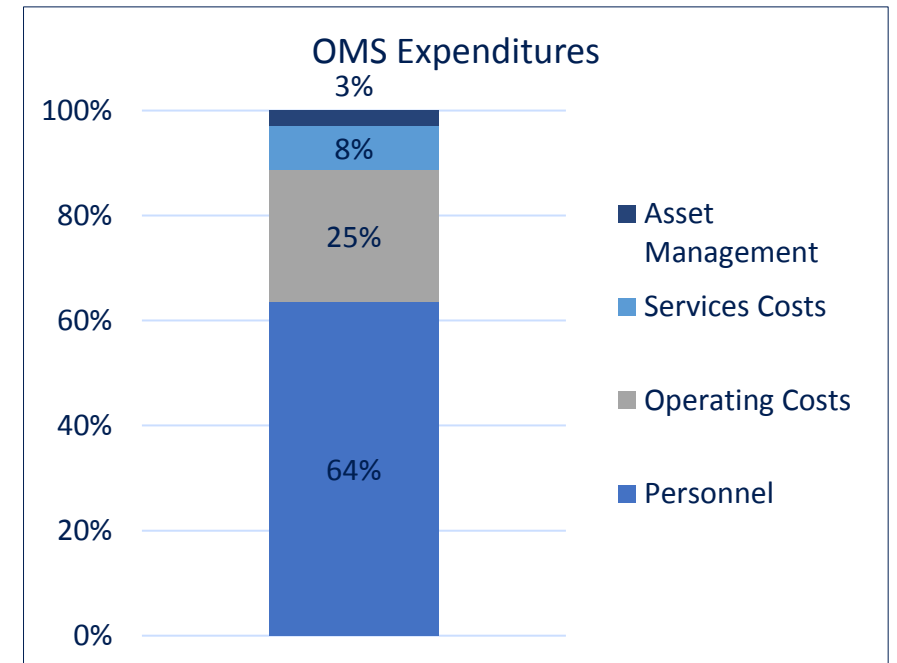
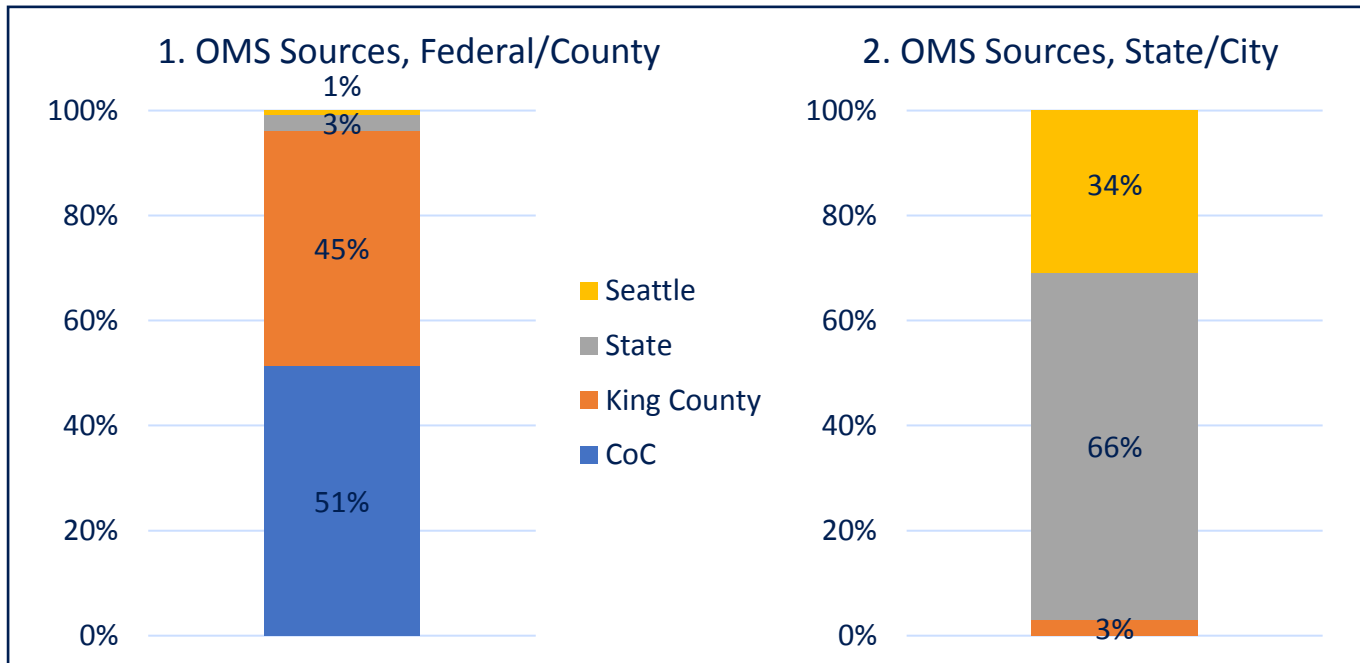
### Example Capital Funding Stack



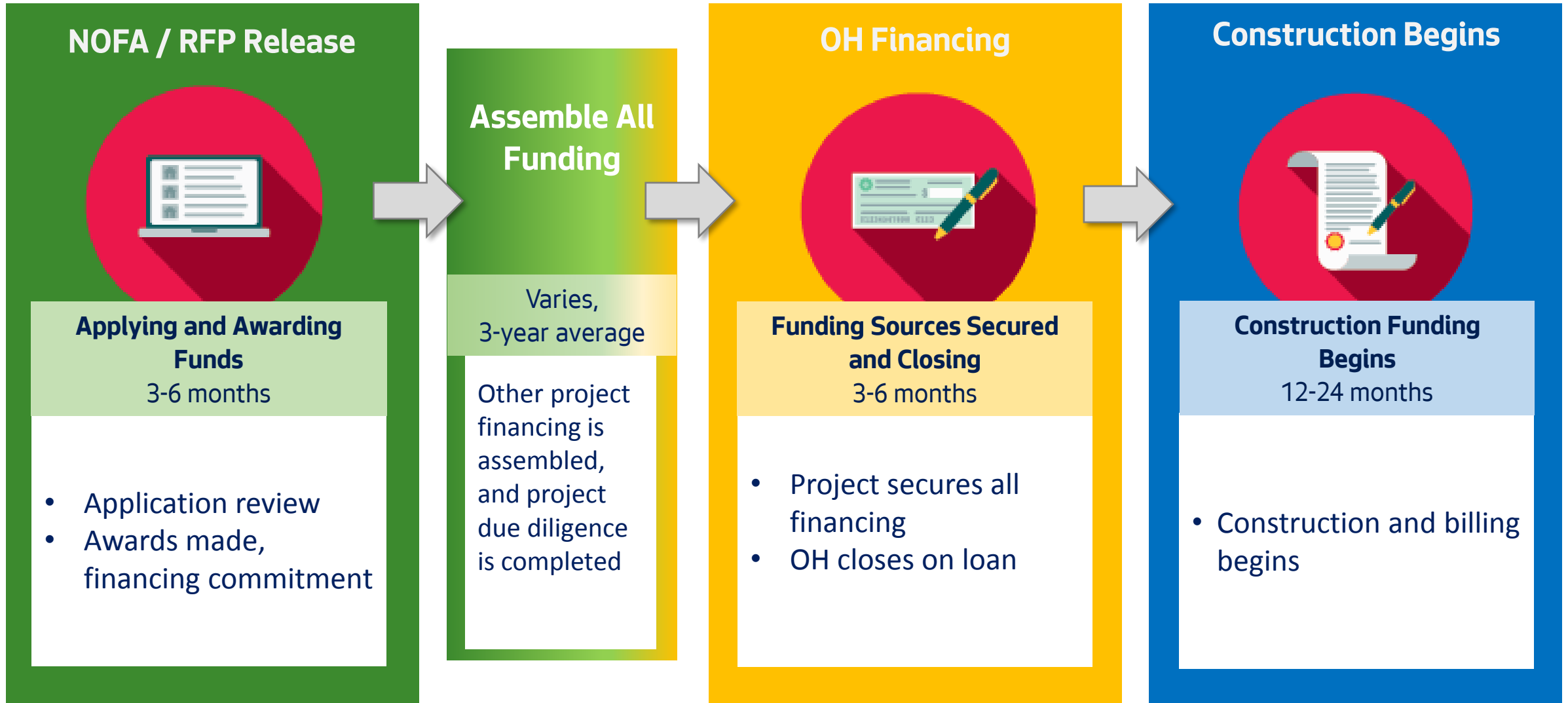
### Example Capital Expenditures



# Supportive Housing OMS Sources and Uses



# OH Rental Production Funding Timeline





# Every investment matters

Real people.  
Real impact.  
Real difference.



# OH work ahead

- Build as many affordable homes as possible
- Prioritize new investments for the lowest income households
- Partner with community organizations and other funders to maximize impact of OH funding
- Support the existing portfolio of housing investments

