

Seattle Office of Housing Housing Financing Overview

Housing & Human Services Committee

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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)



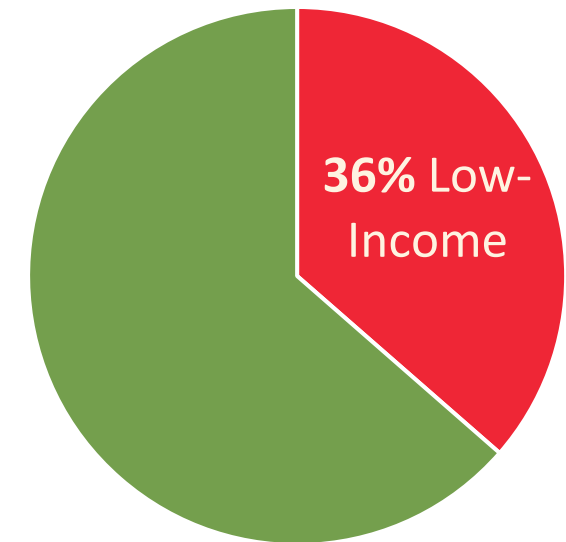
What does 'low income' mean?

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

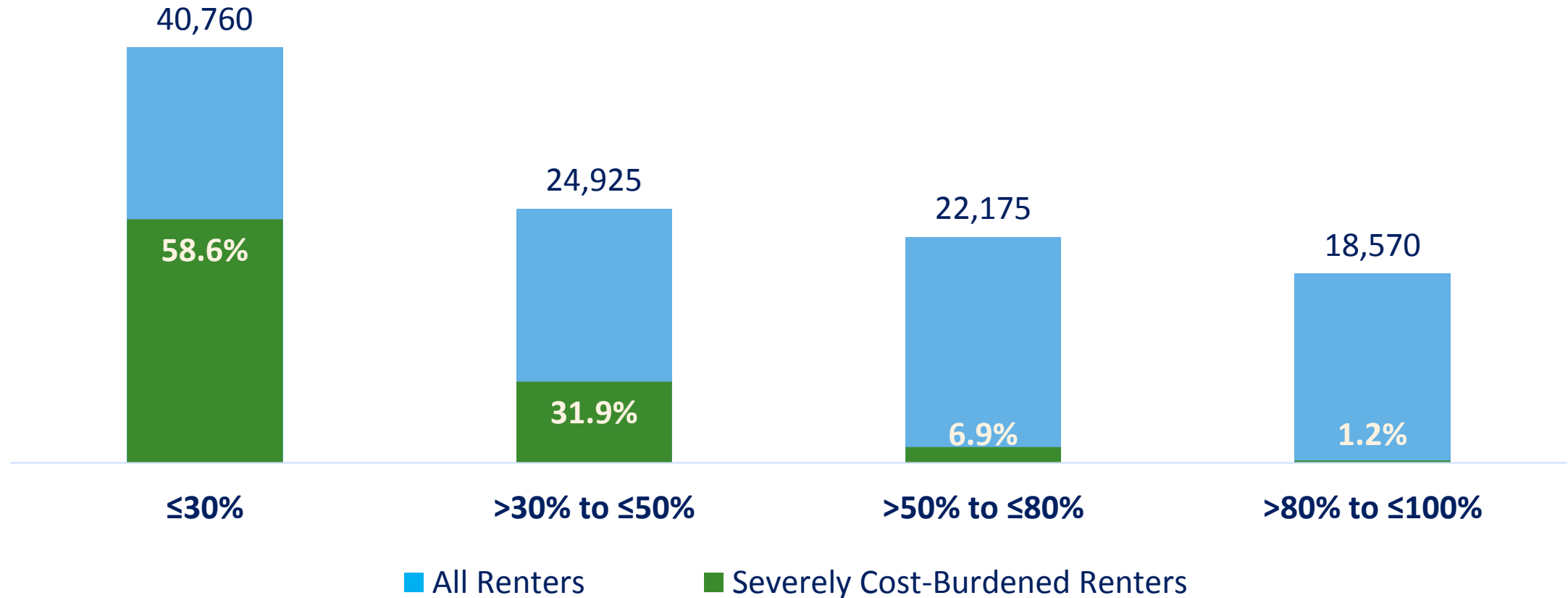
Key Principles

- 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

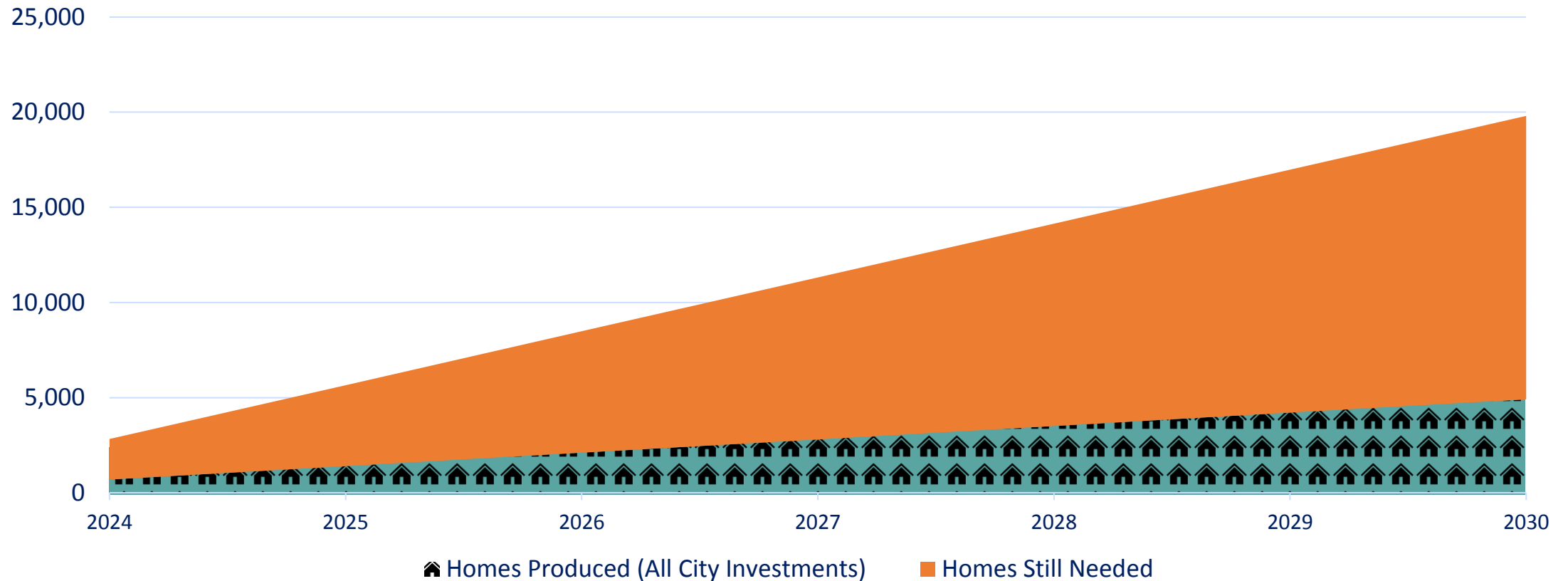
Permanent Supportive Housing	Affordable Housing			Private Market	
	28,572	15,024	19,144	7,986	11,572
0-30% AMI PSH	0-30% AMI non-PSH	30-50% AMI	50-80% AMI	80-120% AMI	120% AMI+

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

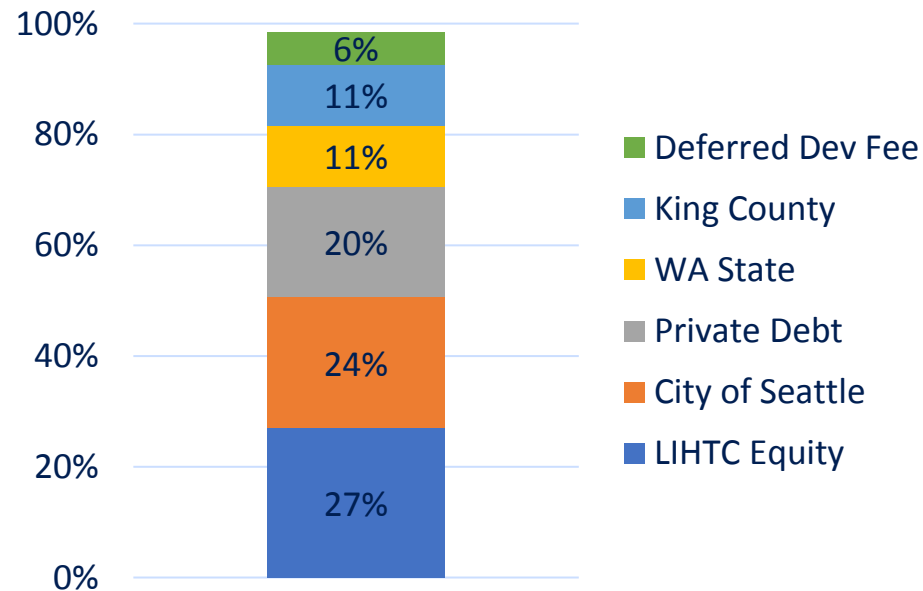
- Provide technical assistance to owner on operating and services funding
- Asset Management Team ongoing compliance and monitoring of project, including onsite inspections and document review

Office of Housing tasks and activities throughout development process

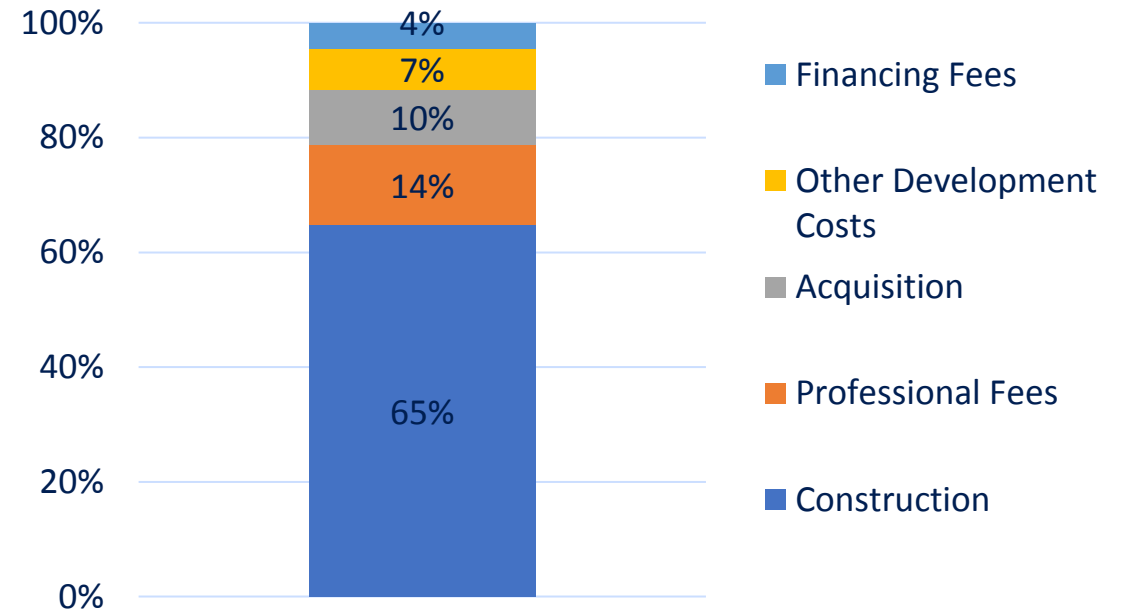


Rental Housing Development Sources and Uses

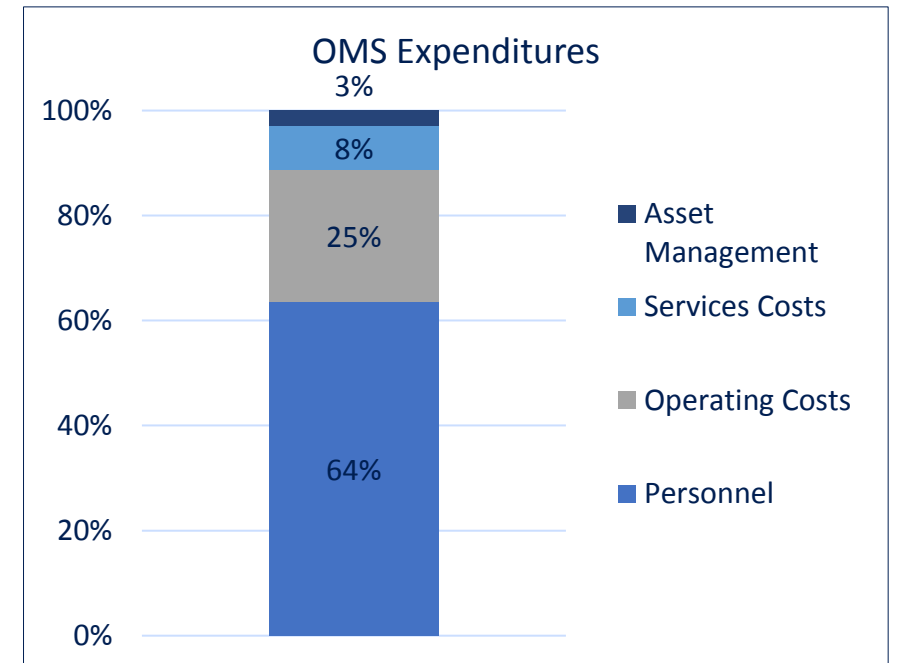
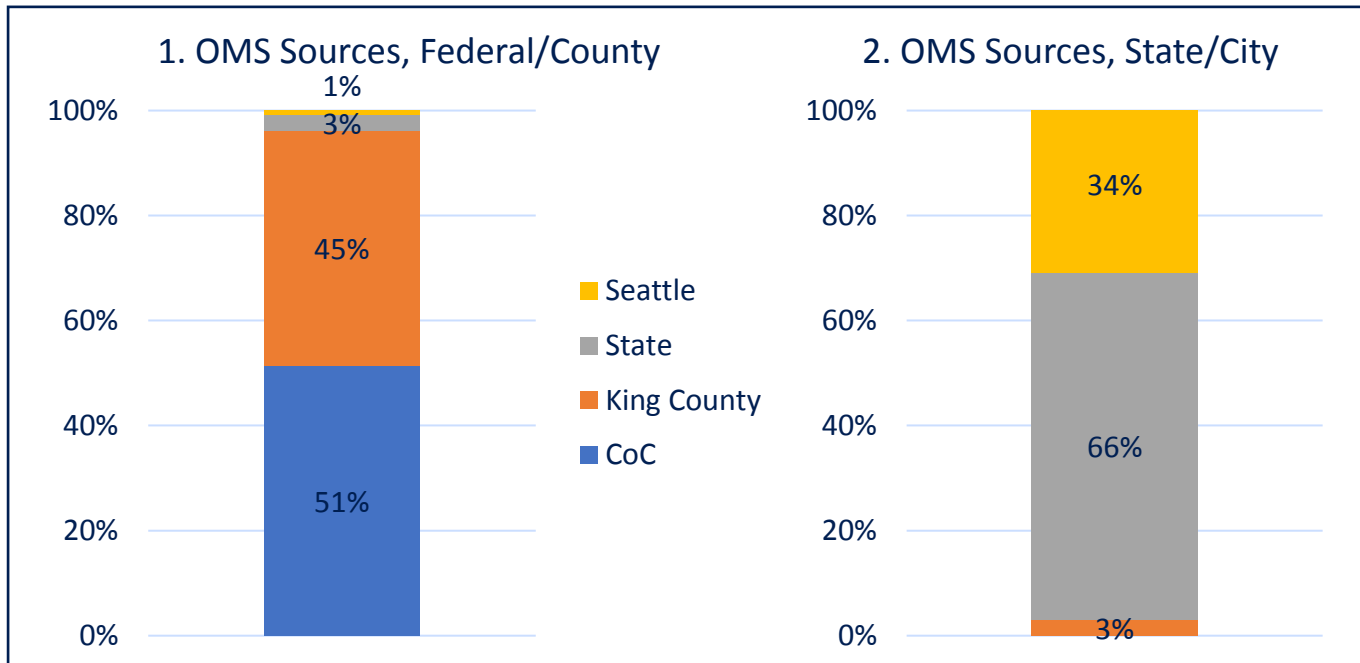
Example Capital Funding Stack



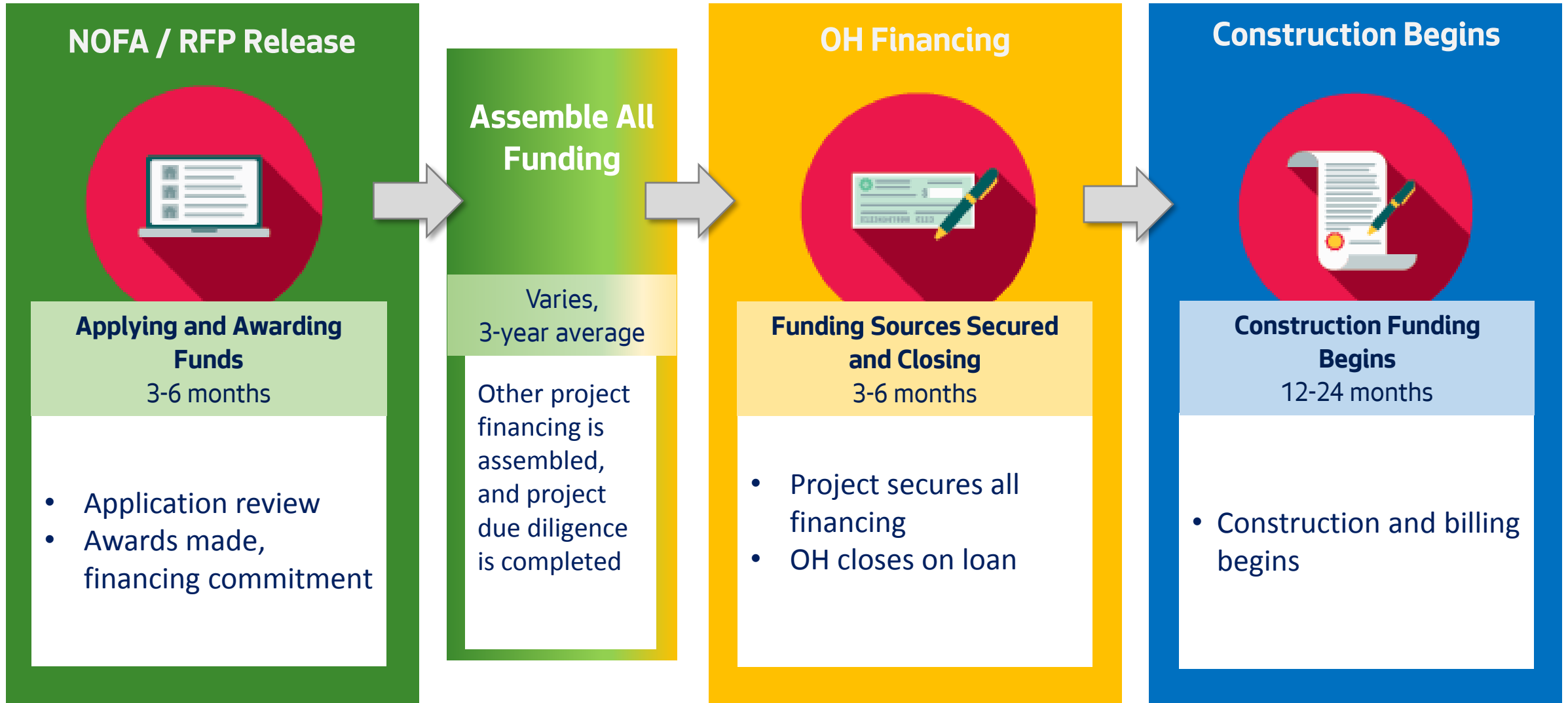
Example Capital Expenditures



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

