

Edward B. Murray Mayor

March 1, 2016

Honorable Bruce Harrell, President Seattle City Council City Hall, 2nd Floor Seattle, WA 98199

Dear Council President Harrell:

I am pleased to transmit my proposal to renew and expand the Seattle Housing Levy. The seven-year, \$290 million Housing Levy will produce affordable housing for seniors, people with disabilities, low-wage workers, and people experiencing homelessness. The Levy will also provide funding for homelessness prevention and homeownership assistance.

The Seattle Housing Levy is the foundation of our City's commitment to create and preserve affordability in our city. It is also one of the most important recommendations in the Housing Affordability and Livability Agenda ("HALA") and in my *Roadmap to an Affordable and Livable City*. The HALA report calls for increasing the Levy because it is the single most important source of local funding for addressing the housing needs of the most vulnerable in our city. Since 1981, Seattle residents have voted five times to provide affordable housing to our neighbors in need. With this sustained investment, we have funded over 12,500 affordable apartments throughout the City. In addition, over 800 households were able to purchase a home and 6,500 households received emergency assistance to avoid eviction and homelessness.

As our city grows, the need for affordable housing is growing as well. Workers in the retail, healthcare, food services industries – workers who help keep our local economy moving – deserve an opportunity to live in the city they work in. Parents deserve to give their children a healthy, stable home so they can succeed in school and life. Seniors and people with disabilities who are living on low, fixed incomes deserve the safety and stability of an affordable home close to the community supports they rely on. The 2016 Housing Levy will support these Seattle residents through the following programs:

 Rental Production and Preservation (\$201 million capital funding; \$42 million operating funding): The Levy will produce and preserve 2,150 affordable apartments, and reinvest in 350 existing affordable apartments. The proposal also provides operating funds to supplement tenant-

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paid rent in 510 of these apartments that serve extremely low-income residents; 60% of the combined capital and operating funds will serve this income level.

- Homelessness Prevention (\$11.5 million): The Levy will provide short-term rent assistance and stability services for 4,500 individuals and families who are at imminent risk of eviction and homelessness.
- Homeownership (\$9.5 million): The Levy will help 100 low-income homeowners stay in their homes by funding emergency home repairs, and help 180 first-time homebuyers with limited income find a stable and affordable home for their family.

The 2016 Seattle Housing Levy will continue the long-running levy priority to serve the most vulnerable people in our community. At least 60 percent of Rental Production and Preservation funds (\$145.8 million) will serve those who earn up to 30 percent of area median income (\$18,350 for a single person or \$24,250 for a family of three), including those who are experiencing homelessness. The remainder of the Rental Production and Preservation funds will be dedicated to serving lower-wage workers and their families who earn up to 60 percent of area median income (\$48,420 for a family of three).

The expanded 2016 Housing Levy will cost \$122 per year for the owner of a Seattle home with the median assessed value of \$480,000, which is an increase of \$61 a year over the expiring 2009 Housing Levy. This relatively modest investment will create affordable homes that will be available for 50 years or more.

The need for affordable housing in Seattle is demonstrated by the daily struggles of families who are trying to make ends meet and can no longer call Seattle home. Seattle experienced the third highest rent increases in the country in the last five years, workers are struggling to pay rising rents, and far too many have fallen into homelessness. Now more than ever, our community should renew and expand our investment by supporting the 2016 Seattle Housing Levy. It is one of the most important steps we can take this year to make Seattle an affordable and equitable city for all.

Thank you for your consideration of this proposal. Should you have questions, please contact Steve Walker, Director of Seattle's Office of Housing, at 684-0338.

Sincerely,

Edward B. Murray Mayor of Seattle

cc: Honorable Members of the Seattle City Council