














Seattle City Council



Select Committee on the 2016 Housing Levy

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SECTION 1



Select Committee on the 2016 Housing Levy

Meeting Schedule for Select Committee on 2016 Seattle Housing Levy

Meeting Date	Topic	Presenters
3/10 Thursday 2 p.m.	1) Housing need 2) OH housing programs & report on 2009 Levy 3) SHA programs 4) Public Comment	Central Staff, Office of Housing, Seattle Housing Authority Staff
3/14 Monday 10:30 a.m.	1) Current and future state of City Rental Market 2) Current and future state of City Homeownership Market 3) Public Comment	Mike Scott, Dupre + Scott Svenja Gudell, PhD, Chief Economist, Zillow
3/24 Thursday 2 p.m.	1) Mayor's Proposed Housing Levy Renewal Proposal 2) Public Comment	Office of Housing & Central Staff
4/1 Friday 9:30 a.m.	1) Further discussion of Mayor's Levy Renewal Proposal 2) Initial identification of issues and options for Levy Renewal measure 3) Public Comment	Office of Housing & Central Staff
4/4 Monday 5:30 p.m.	Public Hearing	
4/15 Friday 9:30 a.m.	1) Discussion of options for Levy Renewal measure 2) Public Comment	Central Staff
4/22 Friday 9:30 a.m.	1) Discussion of options for Levy Renewal measure and possible vote on Levy Renewal measure 2) Public Comment	Central Staff
4/28 Thursday 2 p.m. <i>(if necessary)</i>	1) Discussion of options for Levy Renewal measure and possible vote on Levy Renewal measure 2) Public Comment	Central Staff
5/6 Friday 9:30 a.m. <i>(if necessary)</i>	1) Discussion of options and vote on Levy Renewal measure 2) Public Comment	Central Staff
Monday 4/25 or 5/2 2 p.m.	Full Council Vote on Levy Renewal measure	

SECTION 2



Select Committee on the 2016 Housing Levy

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Glossary of Terms

“American Community Survey” means the ongoing survey conducted by the U.S. Census Bureau that provides vital information on a yearly basis. Information collected includes: ancestry, educational attainment, income, language proficiency, migration, disability, employment, and housing characteristics. Approximately 1 in 38 households per year are surveyed.

"Affordable Rent" means annual rent not exceeding 30% of household income.

“Cost burdened households” means households spending more than 30% of their income on rent or mortgage payment.

"Extremely low-income" means Income not exceeding 30% of Median income.

“Household Income” means total wages or salary, interest and dividends, retirement income, monetary public assistance, and other similar income, before taxes.

"Low-income" means income not exceeding 80% of Median income.

“Market rate housing” means housing units without rent or income restrictions .

"Median income" means annual median family income for the Seattle-Bellevue, WA HUD Metro FMR Area, as published from time to time by the U.S. Department of Housing and Urban Development (HUD) with adjustments according to household size based upon a method used by HUD to adjust income limits in subsidized housing, and which adjustments for purposes of determining affordability of rents or sale prices shall be based on the average size of household considered to correspond to the size of the housing unit (one (1) person for studio units and one and a half (1.5) persons per bedroom for other units).

"Rent" means all amounts charged for the use or occupancy of the project (whether or not denominated as rent or constituting rent under state law), plus a utility allowance for heat, gas, electricity, water, sewer, and refuse collection (to the extent such items are not paid for tenants by the owner).

“Subsidized housing” means housing units, subsidized by the City and/or other agencies, that are restricted to households who qualify based on income.

"Very low-income" means income not exceeding 50% of median income.

2015 Income and Rent Limits - Multifamily Rental Housing

Published by HUD on March 6, 2015

30% Income limits for 1-5 person is HUD published; 6-8 person is a calculation off the 50% AMI

Income Limits						
Family Size	Percent of Area Median Income					HUD 80%
	30%	40%	50%	60%	65%	
1 Person	\$18,850	\$25,120	\$31,400	\$37,680	\$40,820	\$46,100
2 Persons	\$21,550	\$28,680	\$35,850	\$43,020	\$46,605	\$52,650
3 Persons	\$24,250	\$32,280	\$40,350	\$48,420	\$52,455	\$59,250
4 Persons	\$26,900	\$35,840	\$44,800	\$53,760	\$58,240	\$65,800
5 Persons	\$29,100	\$38,720	\$48,400	\$58,080	\$62,920	\$71,100
6 Persons	\$31,200	\$41,600	\$52,000	\$62,400	\$67,600	\$76,350
7 Persons	\$33,360	\$44,480	\$55,600	\$66,720	\$72,280	\$81,600
8 Persons	\$35,490	\$47,320	\$59,150	\$70,980	\$76,895	\$86,900

Affordable Rents Including Utilities at 30% of household income						
Unit Size	Percent of Area Median Income					HUD 80%
	30%	40%	50%	60%	65%	
0 Bedrooms	\$471	\$628	\$785	\$942	\$1,020	\$1,152
1 Bedroom	\$505	\$672	\$840	\$1,008	\$1,092	\$1,234
2 Bedrooms	\$606	\$807	\$1,008	\$1,210	\$1,311	\$1,481
3 Bedrooms	\$700	\$932	\$1,165	\$1,398	\$1,514	\$1,711
4 Bedrooms	\$780	\$1,040	\$1,300	\$1,560	\$1,690	\$1,908
5 Bedrooms	\$860	\$1,147	\$1,434	\$1,721	\$1,864	\$2,106

Seattle Property Tax Information 2010 - 2016

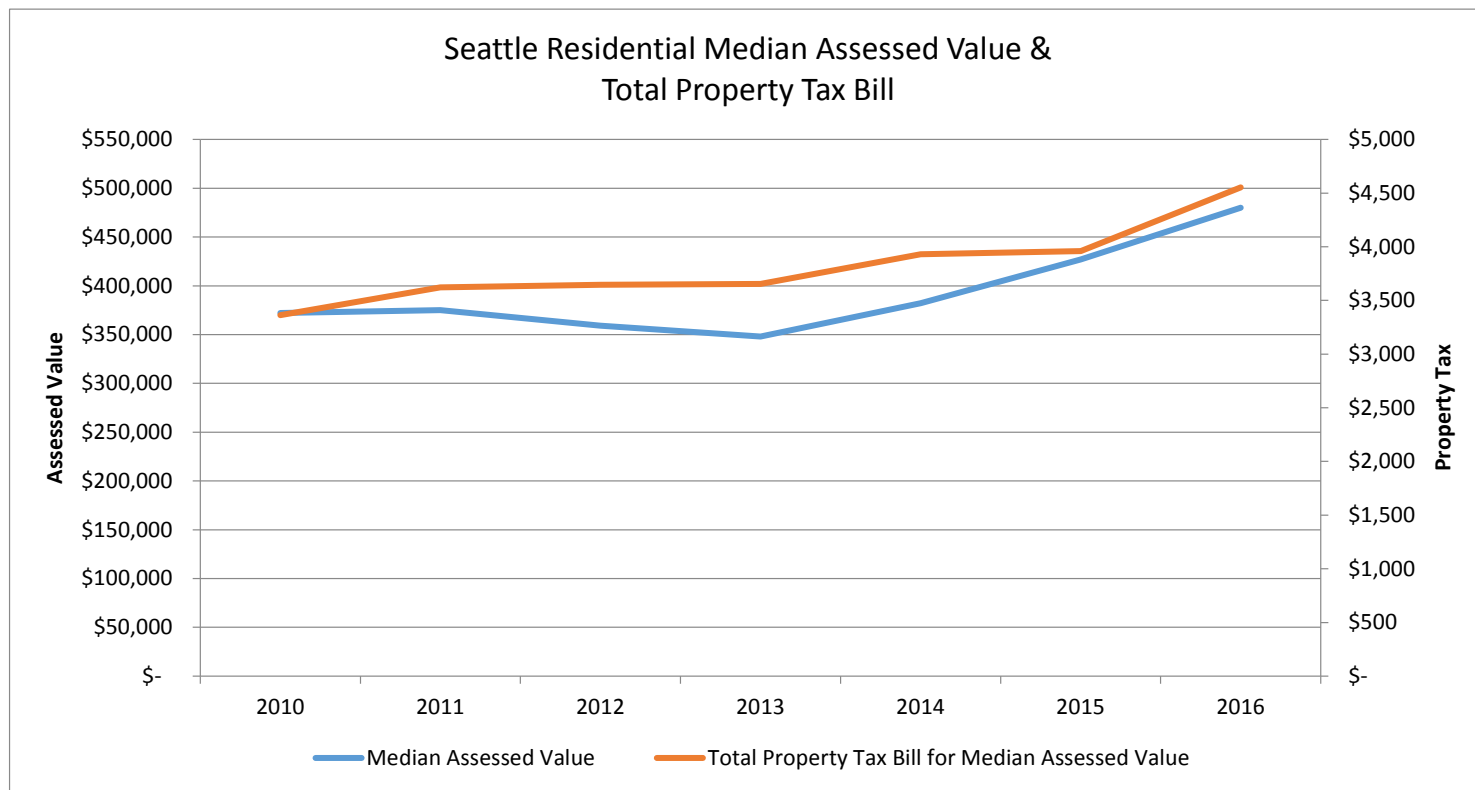
	2010	2011	2012	2013	2014	2015	2016
Median Assessed Value	\$ 372,000	\$ 375,000	\$ 359,000	\$ 348,000	\$ 382,000	\$ 427,000	\$ 480,000

Data provided by King County Assessor's Office

Total City Tax Rate	\$ 2.925	\$ 3.060	\$ 3.277	\$ 3.286	\$ 3.048	\$ 2.624	\$ 3.066
Total Other Jurisdictions	\$ 6.117	\$ 6.598	\$ 6.883	\$ 7.220	\$ 7.242	\$ 6.650	\$ 6.420
Grand Total Levy to Seattle Property Owners	\$ 9.042	\$ 9.658	\$ 10.166	\$ 10.510	\$ 10.292	\$ 9.274	\$ 9.486

Tax rate is per \$1,000 of assessed value

Total Property Tax Bill for Median Assessed Value	\$ 3,363	\$ 3,621	\$ 3,647	\$ 3,654	\$ 3,931	\$ 3,960	\$ 4,553
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Note: Significant Levy Additions 2010-2016

2013: Seattle Public Library; King County Children & Family Services Center

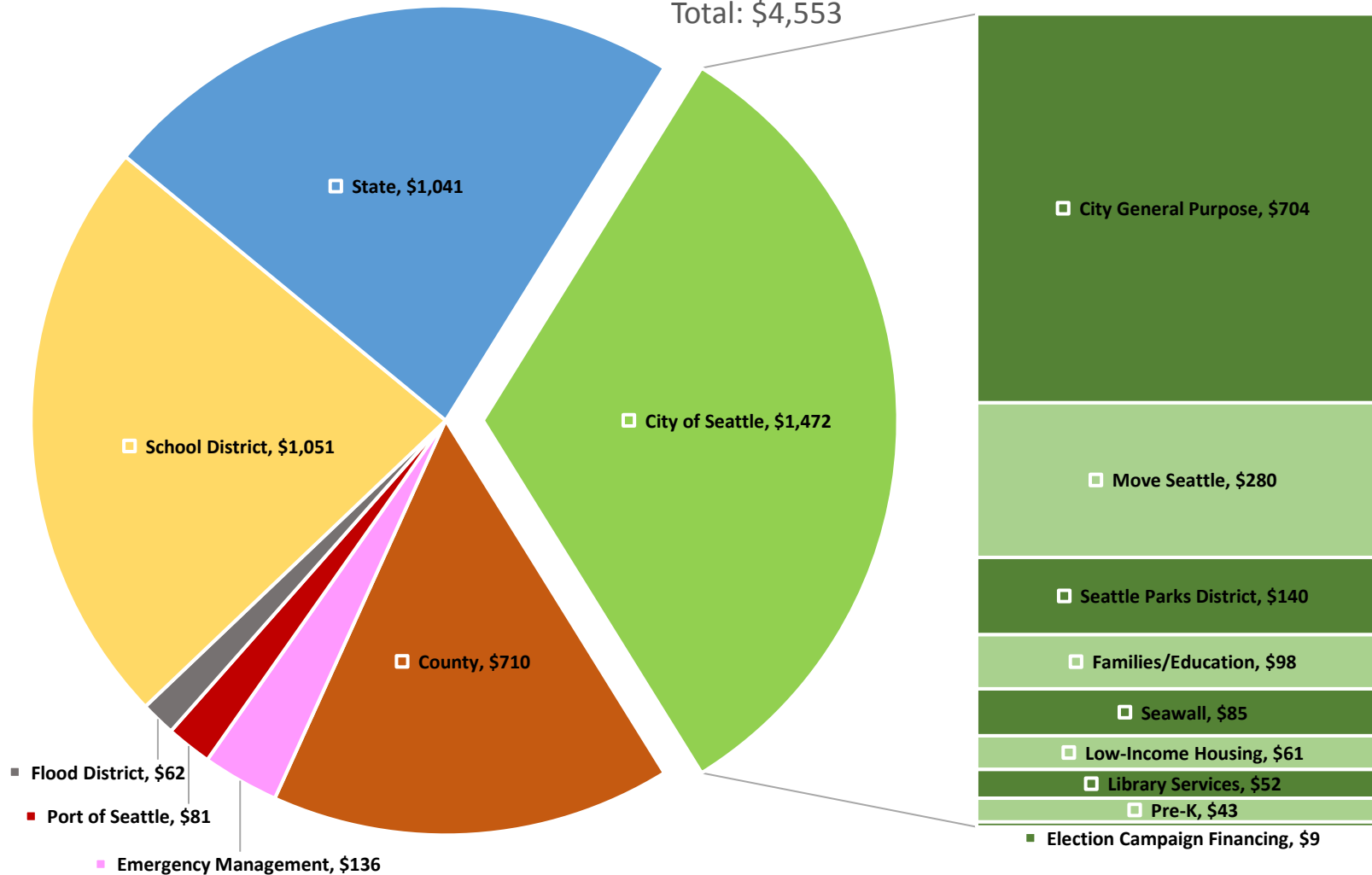
2015: Seattle Preschool Program

2016: Move Seattle; Election Vouchers; Seattle Park District

2016 Property Taxes

Amount by Jurisdiction for Median-Priced Home in the City of Seattle

Total: \$4,553



Median assessed value of single-family house in Seattle is \$480,000
 Data Source: King County Assessor's Office

TIMELINE FOR BONDS AND LEVIES AND OTHER BALLOT MEASURES as of February 2016

		2003				2004				2005				2006				2007				2008				2009				2010				2011				2012				2013				2014				2015				2016				2017				2018				2019				2020															
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4																												
State	Initiative 776 - Elimination of MVET and local option VLF	Supreme Court finding in favor of I776 ratifies loss of VLF for Seattle																																																																																			
	Initiative 960 - 2/3 vote requirement for taxes and fees	Passed (56%-44%)																																																																																			
	Initiative-747 - Property tax limitation	101% growth limit effective 2002 tax year												King Co. Sup. Ct. ruled unconst.												State Sup. Ct. rules Nov. 8, 2007 unconst. -- Leg. Spec. Session reimposes I747 language																																																											
	Initiative 1033 - Revenue growth cap via prop tax reductions	Failed 42.1%-57.9% State; 31.4%-68.6% King Co.																																																																																			
	Initiative 1053 - Reiteration of I-960 w/ 2/3 Leg. or voter approval of taxes and majority Leg. approval of fees	Passed State 63.7% - 36.3%; County 53.6% - 46.4%																																																																																			
	Initiative 1183 - Privatization of Liquor Dist. & Retail	Passed (59.2% - 40.8% State; 60.4% - 39.6% King Co.)																																																																																			
	Initiative 502 - Legalization of Marijuana																																																																																				
Schools	Capital Levy (R)(PT)	\$398m levy (2002-2007)												\$490m levy (2008-2013)												\$694.9m (6 year, 2014-2019)																								E																																			
	Buildings, Technology, Athletic Fields (R)(PT)													\$178m levy (2005-2010)												\$270m levy (6 year, 2011-2016)																								E - (Proposed 6 year \$475.3 m 2017 - 2022)																																			
	Education Programs and Operations Levy (R)(PT)													\$338m levy (2005-2007)												\$397m levy(2008-2010)												\$442.7 m levy (3 year, 2011-2013)												\$551.9m (3 year 2014-2016)												E - (Proposed 3 year \$758.3m 2017-2019)	E																						
	Supplemental Educ. Programs and Operations Levy (PT)																																																	\$48.2 m levy (2011-2013) Passed 67.2% - 32.8%																																			
County	Medic I/EMS Levy(R)(PT)	(2002-2007) with a beginning rate of \$0.25/\$1000 AV																								(Passed 81%-19%) \$0.30 per \$1,000 AV in 2008 then 101% thru 2013																								Renewal - 6 year \$695m levy at \$0.335/\$1,000 AV; Passed 84.2%												E																							
	Public Safety Emergency Radio Network (PT)																																																	9-Yr (2016-2024) \$0.07/\$1,000; passed 4/2015, 65.4% - 34.6%																																			
	Automated Fingerprinting ID System Levy (R)(PT)	\$54m levy (2001-2005)												6 year levy (2007-2012) beginning at \$0.0568 per \$1,000 AV												Renewal 6-yr (2013-2018) \$0.0592/\$1,000																								E																																			
	Parks Open Space Levy (PT)	4.9cent levy for parks open space, regional trails (2004-2007)																																																6-yr. levy (2008-2013) open space at \$0.05/\$1,000.												combined w/Ops Levy for renewal (see next row)																							
	Parks Operating Levy (PT)																																																	6 yr. levy (2008-2013) operating at \$0.05/\$1,000 AV																								6-Yr. Grwth at CPI, 1st yr at \$0.1877/\$1,000; Passed Aug 70.2% - 29.8%											
	Veterans and Human Services Levy (PT)																									\$0.05 per \$1000 AV in 2006 then 101% thru 2011												Renewal 6 yr (2012-2017) \$0.05/\$1,000 AV, grwth at CPI btwn 1%-3%												E																																			
	Children & Family Services Center Capital Levy (PT)																																																	9 yr. levy (2013-2021) capital \$0.07/\$1,000 AV grwth at 1%																																			
	Best Start For Kids (PT)																																																	6 yr levy (2015-2021) \$.14/\$1,000 AV																																			
	Rural Libraries 20 year Bond																																																	\$172m bond (2005-2024)																																			
	Metro Transit Funding																																																	Metro 0.1% Sales Tax (permanent) begins April 1, 2007												Congestion Fee \$20 VLF 2012-13												Failed - 4/22/2014 - TBD with \$60 VLF and 0.1% Sales Tax expiring after 10 yrs (46.05% - 53.95%)											
	Metro Fare Increase - no vote required																																																	\$0.25 increase												\$0.25 increase												\$0.25 increase											
	Mental Health/Substance Abuse - no vote required																																																	10 yr (2008-2017) 0.1% Sales Tax increase (eff. 4/1/08)												councilmanic renewal																							
	Ferry Enhancement (PT - no vote required)																																																	10 year levy (2008-2017) at \$0.055 per \$1,000 AV												councilmanic renewal																							
	Countywide Flood Zone (PT - no vote required)																																																	Zone established in April, 2007. 10 yr. levy (2008-2017) at \$0.10 per \$1,000 AV												councilmanic renewal																							
	Ballot Measures - Regional Transportation Improvement District/Sound Transit (Phase II) <i>could include sales, MVET, vehicle license fee, fuel, tolls, parking, employer excise</i>																																																	Failed (44%-56%) Nov. 2007																																			
	Sound Transit 2 RTA (Phase II)																																																	0.5% sales tax (Pass 11/08 60.5%-39.5%) start 4/1/09; +orig. 0.4% sales tax & 0.3% MVET (to 2028)																																			
	Sound Transit 3 RTA																																																	E - Prpsd (as early as Nov. 2016; State leg. auth. \$0.25/\$1,000 AV)																																			
Criminal Justice Sales Tax																																																	Failed - (54.9% -45.1%)																																				
King County Rural Library District (PT)	Previous KCLS Levy lid lifts 1977, 1980, 2002																																																\$0.50/\$1000 AV 1st yr-2011, growth at 1% (passed Feb. 52.1% - 47.9%)																																				
City	Libraries for All (Excess Levy PT)	30 year Bond (1999-2028) \$196,400,000; Passed November 1998;																																																																																			
	Family and Education Levy (R)(PT)	\$69m levy (1998-2004)												\$116,788,000 levy (2005-2011)												Renewal 7 year \$231.5m levy 2012-2018																								E																																			
	Low Income Housing Levy (R)(PT)	\$86m levy (2002-2009)																																																Renewal 7 year \$145,000,000 levy (2010-2016)												E - Proposed 7-yr \$290 million (2017-2023)																							
	Seattle Center/Community Centers (R)(PT)	\$72m levy (2000-2007)																																																Renewal 6 year \$145.5m levy 2009-2014												See MPD below																							
	Local Parks/Open Space Levy (PT)(R)	\$198m levy (2001-2008)																																																Renewal 6 year \$145.5m levy 2009-2014												See MPD below																							
	Fire Facilities Levy (PT)	9 year \$167.2m levy (2004-2012)																																																																																			
	Schools "Great Schools Initiative" (PT)																																																	Failed - up to \$3.27 per \$1000 AV, growth at CPI (2008-2012)																																			
	BTG - Transportation Ballot Measure (PT)																																																	9-yr \$365 million (2007-2015)												9-yr \$930 million (2016-24)																							
	Pike Place Market Levy (PT)																																																	6 year (2009-2014) \$73 m																																			
	Transportation Vehicle License Fee																																																	Failed \$60 VLF (59.2% - 40.8%)																																			
	Library Levy (PT)																																																	7 year \$122.63 m (2013-2019) [+1% growth]																								E											
	Public Financing Elections (PT)																																																	Failed - 6-yr levy; 1st year \$2,000,000 (50.37% -49.63%)																																			
	Preschool Program Levy (PT)																																																	4 year \$58,266,518 levy (2015-2018)																								E											
	Public Finance Election Vouchers (PT)																																																	10 year \$30.0 m levy (2016-2025)																																			
Alaskan Way Seawall (PT)																																																	30 year Bond (2013-2042) \$290 mill.; 76.98% -23.02%																																				
Seattle Metropolitan Park District (MPD)																																																	Established MPD - 8/5/2014 - Permanent \$0.75/\$1,000 AV authority (53.35% - 46.65 %)																																				
Seattle Metropolitan Park District (PT - No Vote Required)																																																	First Year Levy, \$47.9 million; Amount determined annually thereafter																																				
Seattle Transportation Benefit District																																																	Established \$20 Vehicle License Fee (1st collections June 2011)																																				
Seattle Transportation Benefit District																																																	Approved -- 11/4/2014 -- \$60 VLF and 0.1% Sales Tax for Transit Buy Back; expires 12/31/2020												E																								

SECTION 3



Select Committee on the 2016 Housing Levy

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Urban Center / Village Residential Growth Report

Urban Center / Village	Finaled Permits (Net New Units Built by Year Finaled)																							Through 4th Quarter				
																								Progress Toward Targets				
	95	96	97	98	99	00	01	02	03	04	Growth 1995- 2004	05	06	07	08	09	10	11	12	13	14	15	Growth 2005- 2015	Target 2005- 2024	% of Target Met	Permit Issued*	% of Target w/ Permitted	
Belltown	75	1	1	87	502	572	636	920	292	11	3,097	116	441	-1	387	909	34	2	-88	475	892	147	3,314	4,700	71%	1,566	104%	
Denny Triangle	-31			20	-1		366	65		55	474	50	5	522		587	325		49	654	-1	820	3,011	3,000	100%	357	112%	
Commercial Core	5	16	447	156		301	45	-1	65	-2	1,032	-1	117	0	119	142	35		3	208	-1	0	622	300	207%	607	410%	
Pioneer Square	-1	1	15	6	10	20				93	144	112		130	1		26				511	2	782	1,000	78%	45	83%	
Chinatown-International District	30		80	172		25	269	76		57	709		186	1	1		121	1	-1	27		35	371	1,000	37%	342	71%	
Downtown Urban Center	78	18	543	441	511	918	1,316	1,060	357	214	5,456	277	749	652	508	1,638	541	3	-37	1,364	1,401	1,004	8,100	10,000	81%	2,917	110%	
Capitol Hill	41	84	62	14	43	18	111	28	32	74	507	88	170	62	149	17	401	12	302	137	259	349	1,946	1,000	195%	300	225%	
Pike/Pine	46	-6	-25	56	75	25		209	160	1	541		225	33	21	143	179	28	264	179	611	776	2,459	600	410%	1,138	600%	
First Hill	93			84		36	200		7		420	-21	50	-57	64	313	-2	-48	229	-1	-122	416	821	1,200	68%	151	81%	
12th Avenue	57	2	45	36	253	168	119	156	2	-1	837		6	89	5	11	104			255	21	-117	239	613	700	88%	374	141%
First Hill/Capitol Hill Urban Center	237	80	82	190	371	247	430	393	201	74	2,305	67	451	127	239	484	682	-8	1,050	336	631	1,780	5,839	3,500	167%	1,963	223%	
Ravenna		1	21		115	2			146		285				-78	227			1		3		153	450	34%	54	46%	
University Campus	-12		-6			-1			-4		-23				-1			249	6	2		24	280	0	N/A	-1	N/A	
University District Northwest	2	38	152	4	184	45	9	96	18	5	553	135	18	139	141	229	-3	70	-31	335	278	599	1,910	2,000	96%	661	129%	
University Community Urban Center	-10	39	167	4	299	46	9	96	160	5	815	135	18	139	62	456	-3	319	-24	337	281	623	2,343	2,450	96%	714	125%	
Northgate	32	15	106	16	-28	12		17			170	5	22	-1	1	699	8	3	2	8	282		1,029	2,500	41%	5	41%	
South Lake Union		-56	40	69	3	319		-5	70	162	602	151		614	97	735	89			889	675	102	3,352	8,000	42%	2,715	76%	
Uptown	23	18	70	2	62	225	192	157	133	111	993	8	212	94	173	320	46	207	105	483	542	333	2,523	1,000	252%	183	271%	
Urban Centers	360	114	1,008	722	1,218	1,767	1,947	1,718	921	566	10,341	643	1,452	1,625	1,080	4,332	1,363	524	1,096	3,417	3,812	3,842	23,186	27,450	84%	8,497	115%	

* Permit issued, final inspection not completed, may be under construction, pre-construction, or complete awaiting final inspection.

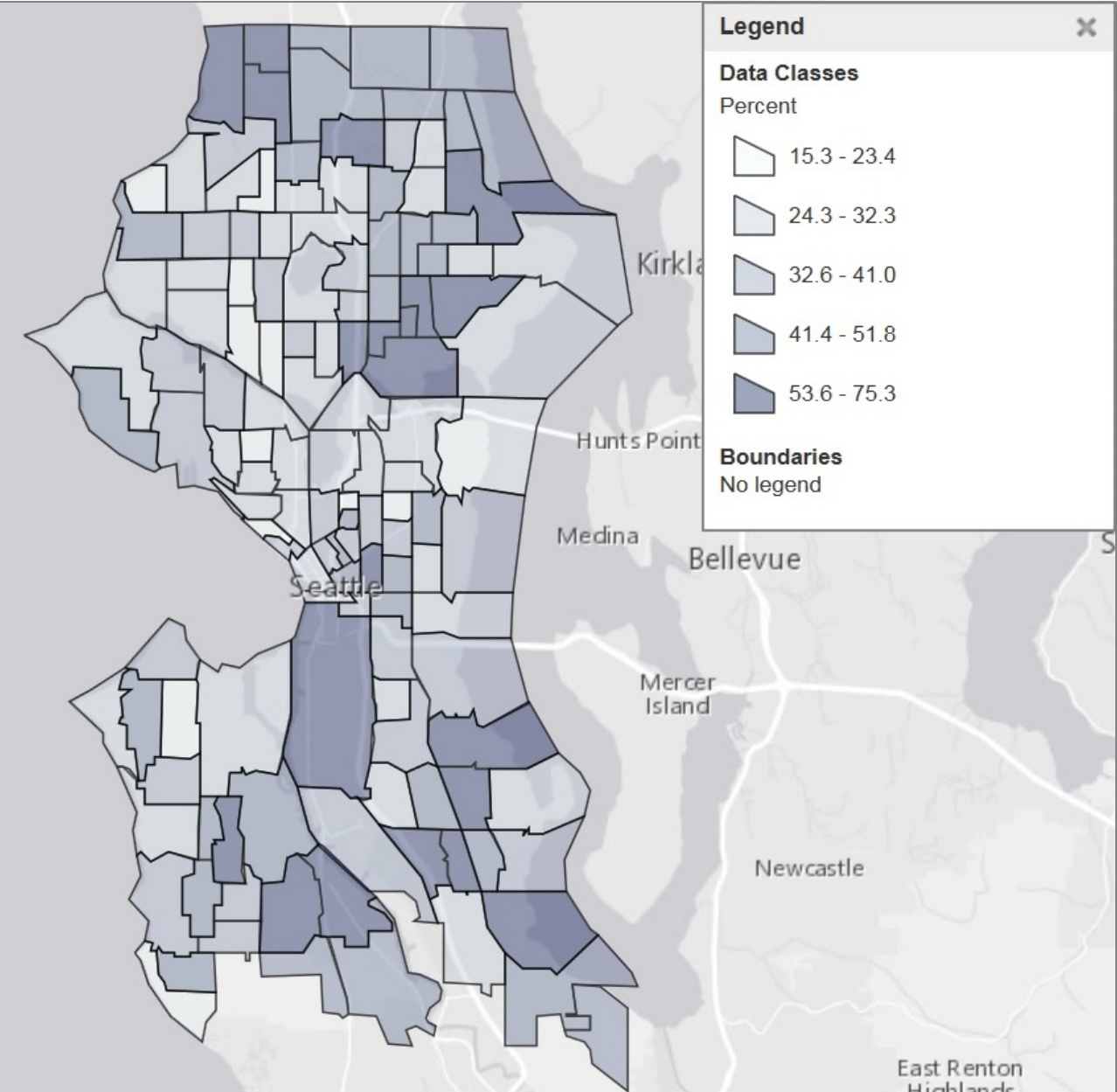
Urban Center / Village	Finaled Permits (Net New Units Built by Year Finaled)																								Progress Toward Targets			
	95	96	97	98	99	00	01	02	03	04	Growth 1995- 2004	05	06	07	08	09	10	11	12	13	14	15	Growth 2005- 2015	Target 2005- 2024	% of Target Met	Permit Issued*	% of Target w/ Permitted	
Ballard	25	64	14	13	63	20	223	23	39	196	680	35	86	70	602	294	298	18	81	572	712	540	3,308	1,000	331%	981	429%	
Bitter Lake Village	3	183	7		4		1	3	5	2	208	4	4	450	35	26	475		3	177		1	1,175	800	147%		147%	
Fremont	9	15	14	16	28	5	55	22	8	27	199	146	15	4	61	42	25	19	164	50	167	228	921	500	184%	522	289%	
Lake City	16	2	44		3	44	105	244	79	63	600	55	28	16	228	86	14	91	-4	11	8	21	554	900	62%	183	82%	
North Rainier	10	1	33	41	5	12	10	6	11	215	344	183	1	22	59	19	13	72	-3	12	139	24	541	900	60%	222	85%	
West Seattle Junction	4	22	27	75	76	4	1	162	117	41	529	48	20	73	13	172	6	198	53	68	348	663	1,662	700	237%	716	340%	
Hub Urban Villages	67	287	139	145	179	85	395	460	259	544	2,560	471	154	635	998	639	831	398	294	890	1,374	1,477	8,161	4,800	170%	2,624	225%	
23rd & Union-Jackson	20	42	40	33	39	97	97	173	33	198	772	110	48	63	198	306	121	57	9	96	141	78	1,227	650	189%	351	243%	
Admiral	-1	6	5	3	18	86	27	68	2		214		10	7	4		1	6		78		-10	96	200	48%	137	117%	
Aurora-Licton Springs	23	12	61	57	61	35	18	48	33	45	393	88	42	94	54	133	12	37	13	90	29	15	607	500	121%	39	129%	
Columbia City	3	6	2	7	1	15	13	2	0	28	77	195	34	63	119	80	107	53	309	49	49	235	1,293	800	162%	302	199%	
Crown Hill	5		1	10	10	0	14	4	1	-2	43		1	8	12	0	1	3	1	51	27	32	136	250	54%	161	119%	
Eastlake	77	14	64	14	75	-3	35	12	44	11	343	34	17	-4	162	59	206	11	14	12	36	8	555	250	222%	271	330%	
Green Lake	1	4	9	11	14	-1	5	50	10	117	220	7	5	3	18	11	59	1	200	7	297	33	641	250	256%	243	354%	
Greenwood-Phinney Ridge	0	4		33	30	3	109	-1	181	27	386	0	-1	77	3	101	1		-1	6		23	209	400	52%	137	87%	
Othello	2	1	5	85	213	82	532	29	16	-193	772	142	80	58	58	50	13	365	7	-1	2	19	793	590	134%	451	211%	
Madison-Miller	6	33	11	83	28	41	36	3	155	64	460	259	31	11	13	16	11	11	150	164	26	13	705	500	141%	483	238%	
Morgan Junction	1	18		3	2	1	1	12	6	2	46	8	27	14	46	7	3	11	3	11	3	42	175	200	88%	12	94%	
North Beacon Hill	10		5	1	4	1	13	3	18	8	63	2	8	13	27	15	9		3	0	54	31	162	490	33%	143	62%	
Upper Queen Anne		-2	38	10	7	-1	17		14	-1	82	4	61	-15	27	64			57		96	1	295	200	148%	-1	147%	
Rainier Beach	-1	6	2	45	1	14	0	1	8	4	80	5	8	-1	-20	6	3	1	2	2	14	12	32	600	5%	55	15%	

* Permit issued, final inspection not completed, may be under construction, pre-construction, or complete awaiting final inspection.

Urban Center / Village	Finaled Permits (Net New Units Built by Year Finaled)																								Progress Toward Targets			
	95	96	97	98	99	00	01	02	03	04	Growth 1995- 2004	05	06	07	08	09	10	11	12	13	14	15	Growth 2005- 2015	Target 2005- 2024	% of Target Met	Permit Issued*	% of Target w/ Permitted	
Roosevelt			1	1	0	52	2	0	5	3	64	6	0	80	2	2	1	5	-1	124	96	194	509	250	204%	349	343%	
South Park	6	13	-1	6	15	6	16	12	9	16	98	14	17	6	11	20	25		7	3	2	-2	103	250	41%	13	46%	
Wallingford	11	46	1	198	20	47	18	12	55	-1	407	114	4	49	56	47	3	7	5	121	1	148	555	400	139%	57	153%	
Westwood-Highland Park	8	22	9	7	56	-50	48	-17	27	4	114	19	16	54	31	16	26	8	1	4	1	-1	175	400	44%	27	51%	
Residential Urban Villages	171	225	253	607	594	425	1,001	411	617	330	4,634	1,007	408	580	821	933	602	576	779	817	874	871	8,268	7,180	115%	3,230	160%	
Ballard-Interbay-Northend	-3	-3	-13	-1	1	1	-3		1	1	-19	-2	8	0	3	1	-5		-1	-3		0	1	0	N/A	1	N/A	
Greater Duwamish	-1	2	4	-2	-1	6	-4	1	-1	0	4	-2	-1	-3	-11	-2	0	-1	-1	-2	-2	-4	-29	0	N/A	-1	N/A	
Manufacturing Industrial Centers	-4	-1	-9	-3	0	7	-7	1	0	1	-15	-4	7	-3	-8	-1	-5	-1	-2	-5	-2	-4	-28	0	N/A	0	N/A	
Total Inside Villages	594	625	1,391	1,471	1,991	2,284	3,336	2,590	1,797	1,441	17,520	2,117	2,021	2,837	2,891	5,903	2,791	1,497	2,167	5,119	6,058	6,186	39,587	39,430	100%	14,351	137%	
Total Outside Villages	576	498	592	621	708	1,119	480	711	763	770	6,838	1,001	860	812	1,061	1,090	843	639	508	1,165	1,490	811	10,280	7,570	136%	2,365	167%	
GRAND TOTAL	1,170	1,123	1,983	2,092	2,699	3,403	3,816	3,301	2,560	2,211	24,358	3,118	2,881	3,649	3,952	6,993	3,634	2,136	2,675	6,284	7,548	6,997	49,867	47,000	106%	16,716	142%	

* Permit issued, final inspection not completed, may be under construction, pre-construction, or complete awaiting final inspection.

Percent of Renter Households Paying $\geq 35\%$ of Income on Rent



Notes

- “Cost-burdened” is typically defined as households spending more than 30% of their income on housing costs
- “Severely cost-burdened” is typically defined as households spending more than 50% of their income on housing costs
- “Rent” includes basic utilities

Source: 2010-2014 American Community Survey 5-Year Estimates

SECTION 4



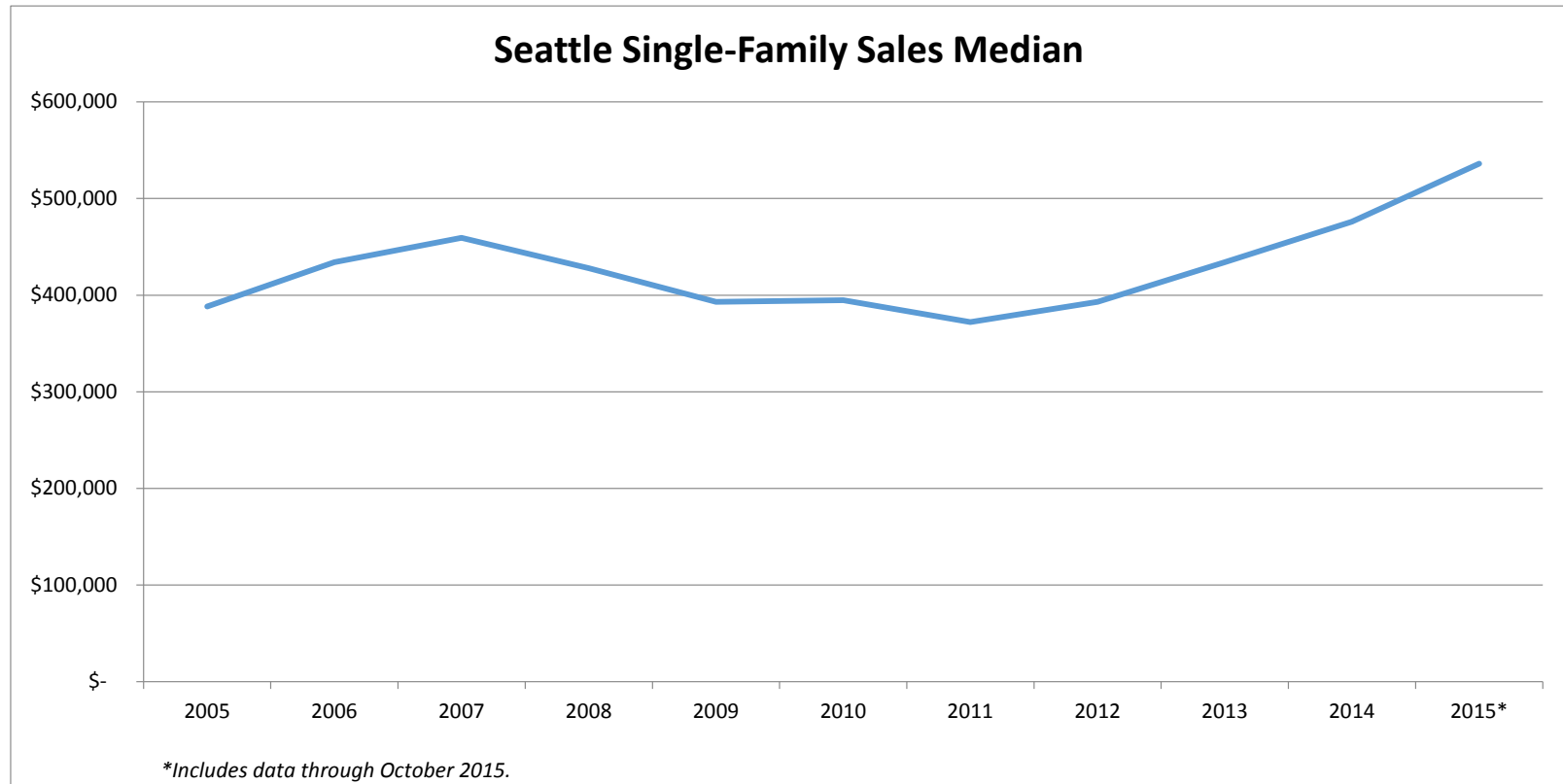
Select Committee on the 2016 Housing Levy

Public Copy

Seattle Single-Family Sales Median 2005 - 2015

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015*
Single-Family Sales Median	\$ 388,163	\$ 433,981	\$ 459,363	\$ 428,000	\$ 393,056	\$ 394,750	\$ 372,125	\$ 393,000	\$ 433,994	\$ 475,994	\$ 536,050

Source: King County Assessor's Office



Notice of Trustee Sales (NOTS) City of Seattle 2008 - 2015

	2008	2009	2010	2011	2012	2013	2014	2015
Jan	48	105	160	177	62	192	118	59
Feb	73	115	155	203	83	223	100	84
March	91	118	288	231	121	188	88	52
Apr	87	197	218	216	96	125	77	61
May	160	151	179	155	154	153	102	79
Jun	121	307	302	200	136	137	83	58
July	85	203	362	192	156	108	89	66
Aug	101	135	261	145	277	136	81	51
Sep	113	162	264	122	201	120	67	55
Oct	95	130	317	114	175	109	90	47
Nov	121	171	145	NA	317	81	39	68
Dec	110	155	233	115	40	90	50	65
Total	1,299	2,224	3,398	2,384	2313	2090	1222	873

Source: First American Title

SECTION 5



Select Committee on the 2016 Housing Levy

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Affordable Housing Programs in the City

This paper provides an overview of affordable housing programs in the City, including: programs operated by the Office of Housing, the Human Services Department, the Department of Planning and Development, and the Seattle Housing Authority. For the purposes of this paper, “affordable housing” refers to those programs that provide housing for households at or below 80% of area median income (AMI) as defined by the Department of Housing and Urban Development (see Appendix A for 2015 income limits).

The majority of the City’s housing programs serve households with incomes at or below 80% of AMI -- primarily due to legal restrictions, as well as the recognition that households at lower incomes have the greatest need for affordable housing (see Appendix B for data on housing need). A few of the City’s housing programs (the Multifamily Tax Exemption and the Incentive Zoning programs) can serve households with incomes as high as 100 to 120% of AMI (see Appendix C for income levels served by city housing programs) .

A. Office of Housing

Revenues and Expenditures

As shown in Table 1, the Office of Housing’s (OH’s) total adopted budget for 2015 was \$55.7 million. The most significant sources of revenue for OH programs are the Housing Levy, followed by the Incentive Zoning and Bonus programs.

The Housing Levy is a \$145 million, 7-year property tax levy, approved by the voters in 2009. It provides approximately \$20.7 million in annual funding. Levy funds are used to support the Rental Production and Preservation, Operating and Maintenance, Homebuyer Assistance, and Rental Assistance programs. It also provides funding for the administration and implementation of Levy programs. The Levy Administrative and Finance (A&F) Plan guides the implementation of Levy programs and expenditures of Levy funds. The Council adopts the A&F plan which is generally updated every 2 years. The current levy expires in 2016. Planning has begun on the development of a new Housing Levy that is anticipated to be approved by the City Council and placed on the ballot in the fall of 2015. Since 1981, voters have approved one bond measure and four property tax levies to fund affordable housing in the City.

The Incentive Zoning and Bonus Programs (jointly administered by OH and the Department of Planning and Development) generate revenues from developers of residential and commercial properties who achieve greater development capacity than would otherwise be allowed with payment of a fee to the City that is used to develop affordable housing. These revenues fluctuate depending on the level of development activity occurring in the city. OH utilizes these funds along with other resources to develop affordable rental housing.

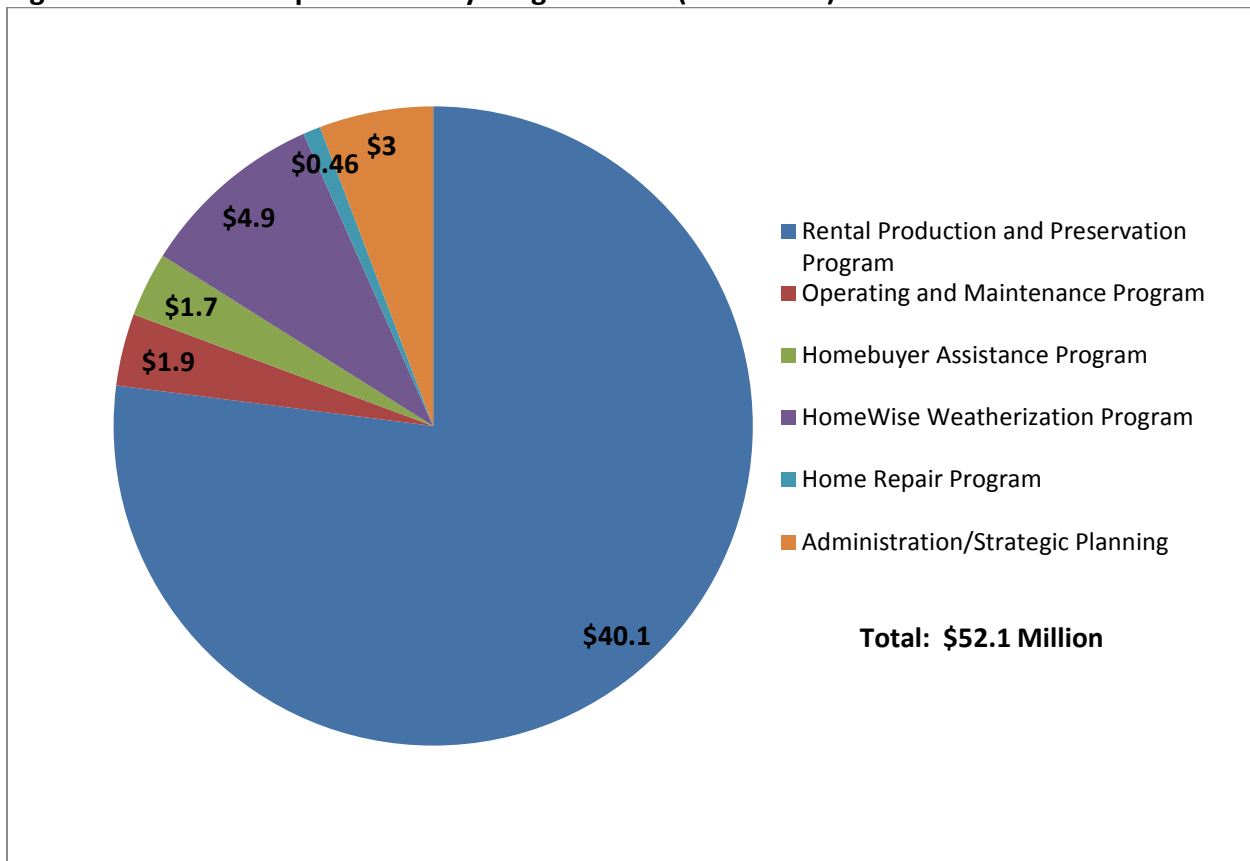
Table 1 – OH 2015 Revenues

<i>Fund Source</i>	<i>2015 Adopted Budget</i>	<i>Comment</i>
Housing Levy	\$19.8 million	An additional \$935,000 of Levy funding is allocated to the Human Services Department to implement the rental assistance/ homelessness prevention program (see narrative below).
Bonus/Transfer of Development Rights/Incentive Zoning	\$10 million	This funding fluctuates dramatically based on real estate development activity.
Federal Community Development Block Grant (CDBG)	\$2.2 million	
Federal HOME	\$1.75 million	
Federal & State Weatherization	\$2.5 million	
Local Weatherization	\$2.3 million	City Light program funds
Program Income	\$4 million	Funds generated from repayment of loans
Investment Earnings	\$2.0 million	Earnings generated from unexpended program funds
General Fund	\$314,000	
Multifamily Tax Exemption fees	\$ 80,000	
Misc. other revenues	\$ 55,000	
Use of fund balance	\$7.1 million	
<i>Total</i>	<i>\$52.1 million*</i>	

*includes program and administration funding

Figure 1 depicts the funding levels for Office of Housing programs for 2015.

Figure 1 – OH 2015 Expenditures by Program Area (In Millions)



Housing Programs

1. Rental Housing Program

The Rental Housing Program (RHP) is the largest program operated by OH. This program provides capital funding for the development of new, or the acquisition and preservation of existing, affordable rental housing units. City funds are allocated to specific projects proposed by non-profit developers via an annual Notice of Funding Availability (NOFA) process held each fall. OH coordinates with other public and private funders in the selection of projects that will receive City, as well as other funds, including federal grants, State Housing Trust funds, County funds, and Low-Income Housing Tax Credits. Historically, most of the affordable housing developed in the city has been produced by non-profit housing developers. City funds are generally provided as low-interest, deferred payment loans that include long term (50 years +) requirements to rent units to households at or below 80% of AMI. In addition to Housing Levy funds, federal Community Development Block Grant and HOME funding, and dollars generated from the City's Incentive Zoning and Bonus programs are used to fund the RHP

As shown in Table 2, over 11,000 units of affordable rental housing have been developed through this program since 1981.

Table 2 – Rental Housing Program Units, by Income Level Served

Income level served	Number of units	Percent of units
Extremely Low- Income (0-30% AMI)	6,468	55%
Very Low-Income (31-50% AMI)	3,639	31%
Low-Income (51-80% AMI)	1,504	13%
Over 80% AMI	76	1%
Total	11,687	100%

2. Operating and Maintenance Program

The Operating & Maintenance (O&M) Program provides annual subsidies for multi-family rental housing projects serving extremely low-income households (0-30% of AMI). O&M subsidies are used to support the annual building operation costs that cannot be fully funded by the low rents paid by the residents of such buildings. O&M subsidies are provided to non-profit owners of projects that receive funding from the RHP. These subsidies are provided for 20 years. The Housing Levy is the sole source of funding for the O&M Program. Currently, 833 units receive an O&M subsidy.

3. Homebuyer Assistance Program

The Homebuyer Assistance Program assists low-income, first-time homebuyers to purchase a home in Seattle. All types of for-sale units are eligible, including single-family residences, condominium units, limited equity cooperatives, co-housing, land trusts, and homes on leased land. The home must be located in Seattle. Assistance is typically in the form of a low-interest deferred loan that is repaid when the owner sells or refinances the home. Funds that are repaid revolve to assist additional buyers. In addition, funds may be provided to non-profit developers to assist in the acquisition or development of homes to be sold to low-income homebuyers as resale restricted homes. Resale restricted homes are homes that if sold by a homeowner in the future, must be sold to another low-income homebuyer at a sales price affordable to the eligible low-income homebuyer. The resale restriction on such homes is in place for at least 50 years.

The maximum assistance that can be provided to a homeowner is between \$45,000 and \$55,000. The type of home being purchased (resale restricted or non-resale restricted), income level of the homebuyer, and availability of other assistance dictates the maximum amount of assistance that can be provided. This program is funded by the Housing Levy and Federal funds. Approximately 40 first-time homebuyers are assisted on an annual basis.

4. HomeWise Weatherization Program

The HomeWise Weatherization program provides free energy efficiency improvements to low-income homeowners and owners of multi-family buildings serving low-income residents. The program actively supports preservation of existing affordable housing and reduces costs for both income-qualified homeowners and affordable rental housing residents and owners. Eligible improvements include: insulation installation, duct and air sealing, furnace repair or

replacement, hot water tank, kitchen or bathroom fans, energy efficient refrigerators. Income limits vary by fund source, with most funds available only for households with incomes at or below 60% of the state median income. Policies governing HomeWise Weatherization services are specified in individual grant agreements between the City and the entity providing funds, including the Washington State Department of Commerce, Seattle City Light, and the federal government. Annually, 500 homes (single family and multi-family) are assisted by this program.

Annually, 25 homeowners are assisted by this program.

5. Multifamily Tax Exemption Program

Authorized by State Law in 1995, the City of Seattle’s Multifamily Tax Exemption (MFTE) program provides a 12-year property tax exemption to developers of multifamily rental projects in exchange for setting aside either 20% or 25% of the units in a project as “affordable.” “Affordable” means that the rent rate charge is restricted, as is the income level of the tenant who resides in the unit. Rent and income restrictions are established by the City and are set at below-market prices with the developer (or owner) receiving the property tax exemption as an offset for the forgone revenue that could have been charged for such units if rented at market rates. Table 3 shows the current income and rent restrictions – commonly referred to as affordability requirements for the rental program. The tax exemption applies only to the residential improvements and does not apply to non-residential improvements (commercial space, etc.) or the land on which the project sits. To be eligible, a project must be located in a residential targeted area (RTA), as designated by the City. The program currently operates in 39 residential targeted areas.

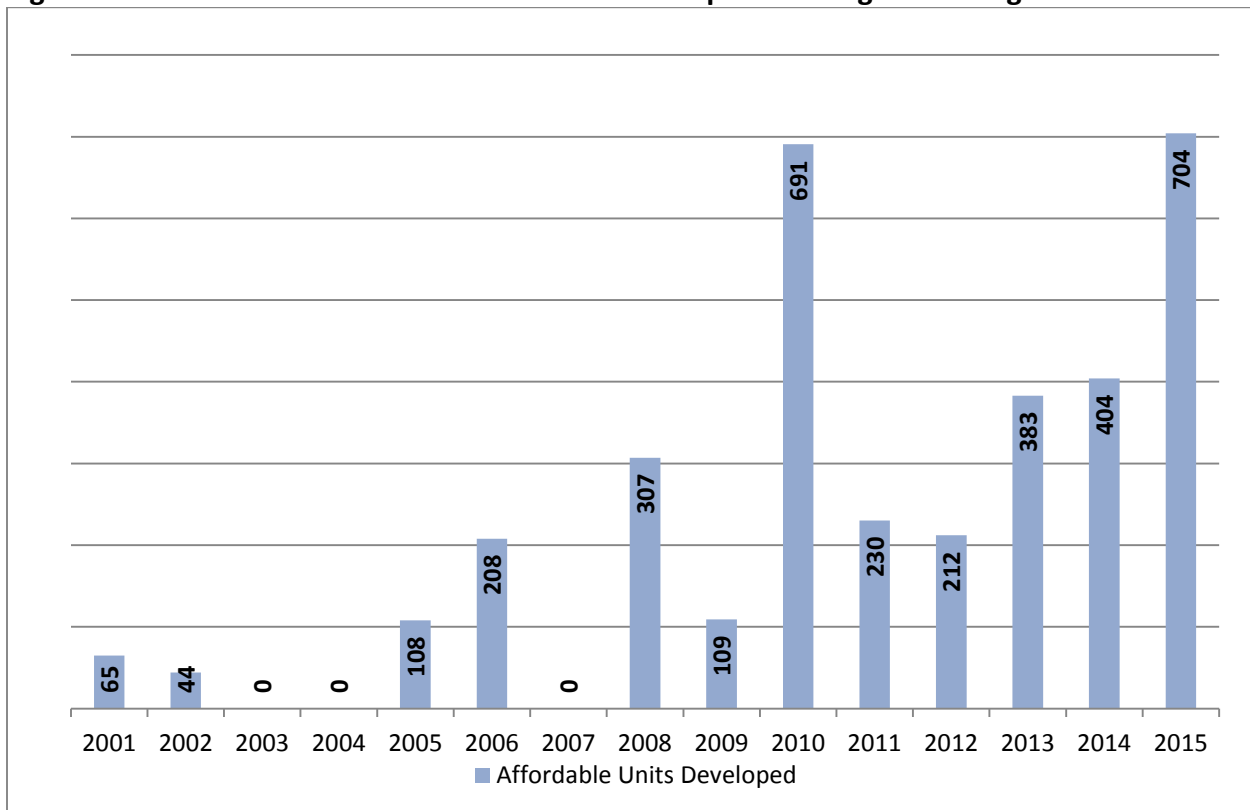
A property tax exemption is also authorized for condominiums or other for-sale multifamily properties. The tax exemption accrues directly to the moderate-income homeowner of each income- and price-restricted unit and is granted for either eight or 12 years depending on the percentage of income- and price-restricted units in a building. This program serves households with incomes from 100% to 120% of AMI.

Table 3 Current MFTE Income and Rent Restrictions for Rental Projects

Unit Size	Income & Rent Rate	% of Income/Restricted Units Required in project
Small Efficiency Dwelling Units	40% of AMI (\$628/mo)	25% of total units
Studio	65% of AMI (\$1004/mo)	20% of total units
1 bedroom	75% of AMI (\$1323/mo)	20% of total units
2 + bedroom	85% of AMI (\$1,686/mo)	20% of total units

The MFTE program was initially authorized by the City in 1998 and has been modified over the years in response to changes in the local housing market and state law. Figure 2 shows the annual number of affordable rental units that have been developed over the life of the program. In total, 3,465 rental units affordable at 60% to 80% of AMI have been developed utilizing this program. Only 111 for-sale units have been developed using the MFTE program, due to the high cost of for-sale units and state law limits on maximum income and price restrictions.

Figure 2 – Number of Affordable Rental Units Developed Utilizing MFTE Program 2001-2015



B. Human Services Department

1. Rental Assistance Program

The Rental Assistance Program serves families and individuals with incomes up to 50% of AMI who are at imminent risk of homelessness or are homeless. The program is funded by the City's Housing Levy but is operated by the Human Services Department (HSD). The program provides short-term (one to three months) or medium-term (up to 6 months) rental assistance. Levy funds may also be used for security or utility deposits, move-in costs, rental and utility arrears and legal or interpretation fees need to stop an eviction action. HSD distributes rental assistance funding through community based agencies that provide a range of additional services such as case management, financial literacy and tenancy skills, and referral to mainstream benefits (food stamps, utility assistance, etc.) that assist families achieve long-term housing stability. The program is part of HSD's homelessness prevention strategy. Approximately 745 households are served annually by this program.

C. Incentive Zoning

Since 2001 the City has administered a voluntary bonus program whereby developers can achieve extra development capacity, in the form of additional height or density, in exchange for providing housing affordable. In the City's Downtown and South Lake Union Urban Centers, extra floor area for the provision of affordable housing is also bundled with incentives for the

provision of childcare facilities. Generally, in zones where the allowable height is less than 85 feet developers using bonus residential floor area are required to provide affordable units on-site. In zones where development above 85 feet is permitted, developers may choose to make a payment to the City in-lieu of developing affordable units. For the purposes of the program, affordable housing is defined as housing affordable to a household hearing 80% of AMI or less. Areas where the program operates can be found at http://www.seattle.gov/dpd/vault/cs/groups/pan/@pan/documents/web_informational/s010105.pdf.

As of October of 2015, the program had generated approximately \$79 million in in-lieu fee payments for affordable housing and approximately 116 units through on-site performance.

D. Seattle Housing Authority (SHA)

SHA is a separate public corporation established in 1939 and is governed by a seven-member Board of Commissioners. Commissioners are appointed by the Mayor and confirmed by the City Council. Commissioners hire the Executive Director, who serves at their will.

SHA provides long-term, low-income rental housing and rental assistance to more than 29,000 people in the City of Seattle. Approximately 10,900 SHA residents are elderly or disabled and 9,300 are children. SHA owns and operates approximately 9,000 housing units at more than 400 sites throughout the city. SHA also administers more than 10,000 Housing Choice Vouchers (also known as Section 8 vouchers), enabling low-income residents to obtain housing in the private market or in non-profit owned buildings.

The majority of SHA's funding is provided by the federal government. SHA has experienced recent reductions in federal support and may face additional reductions due to federal sequestration. The City *does not* provide annual, ongoing funding to SHA but has provided project-specific funding over the years, as described below.

- *Seattle Senior Housing Program:* The City partnered with SHA on the development of housing for the Seattle Senior Housing Program (SSHP) in 1981. A cooperation agreement between the City and SHA guides implementation of this program. This program was funded by the first voter approved housing measure. Funds were used for the capital costs associated with the development of over 1000 units. The SSHP program was expected to generate the revenues needed to cover the annual operating costs of the program. This has not been the case, in part due to the income levels served by SSHP and the capital needs of this aging portfolio. This has required SHA to provide Housing Choice vouchers and public housing operating funding to support the operating costs of these units. The City has provided limited funding to assist with needed capital improvements to the aging SSHP buildings.
- *Public Housing Redevelopment Projects:* The City of Seattle has provided funding and zoning changes for SHA's large public housing redevelopment projects, including Holly Park, Rainier Vista, High Point and Yesler Terrace. The City's assistance, along with funding from the Federal government and other sources, has assisted (and is assisting)

in the development of revitalized mixed-income, mixed-use communities in Southeast Seattle, West Seattle and First Hill (See Table 5 for summary of City funding). City funds have contributed to: the capital costs of constructing new public housing units to replace the aging public housing units demolished as part of the redevelopment projects; infrastructure improvements (streets, utilities); and parks. In some instances, a Memorandum of Agreement (MOA) between the City and SHA governs the allocation and conditions tied to the City’s funding of such projects.

Table 5 Summary of City funding for SHA Redevelopment Projects

SHA Redevelopment Project	City Funding	Amount
NewHolly	Housing funds	\$ 5,571,671.00
	Infrastructure(roads & utilities)	\$ 7,936,014.00
	Home Ownership (down payment)	\$ 1,242,315.00
		<u>\$ 250,000.00</u>
	Total	\$ 15,000,000.00
High Point	Natural Drainage System	\$ 2,550,000.00
Yesler Terrace	Housing funds	\$ 7,920,000.00
	Infrastructure	\$ 3,500,000.00
	Parks	<u>\$ 3,000,000.00</u>
	Total	\$ 14,420,000.00

- *Housing Levy Support:* SHA has provided important support for the City’s development of extremely low-income housing by converting 945 tenant-based vouchers to project-based vouchers and contributing them to the 2002 and 2009 Housing Levies. The vouchers provide an important source of operating subsidy for rental units owned and operated by non-profit developers. These units serve households at or below 30% of AMI, and provide supportive services to residents who need assistance to maintain housing stability. SHA expended \$5 million in 2015 for vouchers in use in Levy funded units. The total estimated dollar value of the 945 vouchers contributed by SHA will equal \$372M over 40 years.

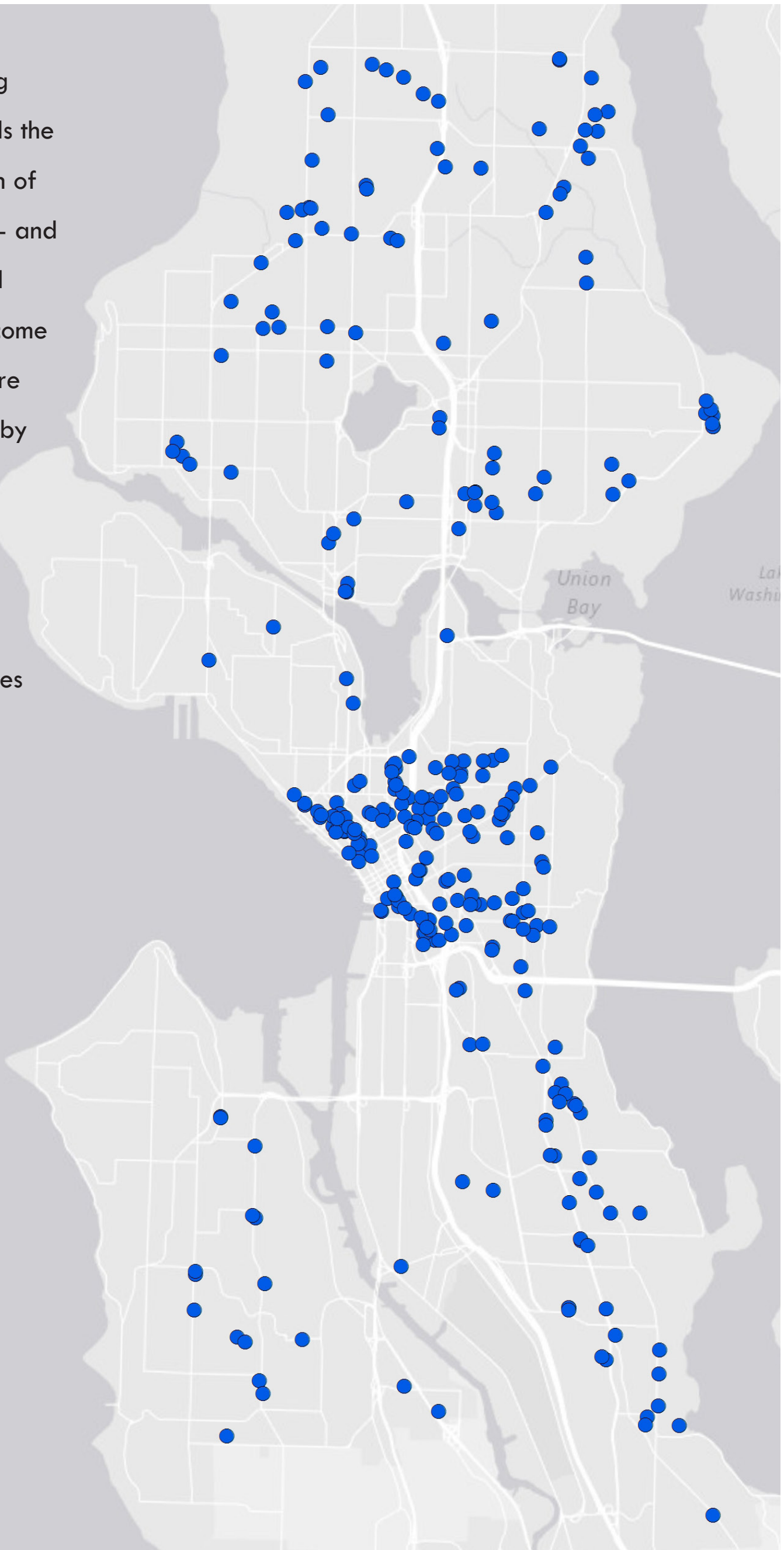


Seattle
Office of Housing

Rental Housing Program Affordable Apartments

The Seattle Office of Housing Rental Housing Program funds the construction and preservation of affordable housing. This rent- and income-restricted housing will remain affordable to low-income residents for 50 years or more and is owned and operated by community organizations.

Following a record year of funding in 2015, there are now 12,533 affordable homes supported by the City in 301 buildings.

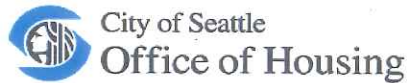


For more information:

206.684.0721 or housing@seattle.gov
www.seattle.gov/housing

*Information provided by the Seattle Office of Housing
March 8, 2016*

Appendix A



2015 Income and Rent Limits - Multifamily Rental Housing

Published by HUD on March 6, 2015

30% Income limits for 1-5 person is HUD published; 6-8 person is a calculation off the 50% AMI

Income Limits						
Family Size	Percent of Area Median Income					HUD 80%
	30%	40%	50%	60%	65%	
1 Person	\$18,850	\$25,120	\$31,400	\$37,680	\$40,820	\$46,100
2 Persons	\$21,550	\$28,680	\$35,850	\$43,020	\$46,605	\$52,650
3 Persons	\$24,250	\$32,280	\$40,350	\$48,420	\$52,455	\$59,250
4 Persons	\$26,900	\$35,840	\$44,800	\$53,760	\$58,240	\$65,800
5 Persons	\$29,100	\$38,720	\$48,400	\$58,080	\$62,920	\$71,100
6 Persons	\$31,200	\$41,600	\$52,000	\$62,400	\$67,600	\$76,350
7 Persons	\$33,360	\$44,480	\$55,600	\$66,720	\$72,280	\$81,600
8 Persons	\$35,490	\$47,320	\$59,150	\$70,980	\$76,895	\$86,900

Affordable Rents Including Utilities at 30% of household income						
Unit Size	Percent of Area Median Income					HUD 80%
	30%	40%	50%	60%	65%	
0 Bedrooms	\$471	\$628	\$785	\$942	\$1,020	\$1,152
1 Bedroom	\$505	\$672	\$840	\$1,008	\$1,092	\$1,234
2 Bedrooms	\$606	\$807	\$1,008	\$1,210	\$1,311	\$1,481
3 Bedrooms	\$700	\$932	\$1,165	\$1,398	\$1,514	\$1,711
4 Bedrooms	\$780	\$1,040	\$1,300	\$1,560	\$1,690	\$1,908
5 Bedrooms	\$860	\$1,147	\$1,434	\$1,721	\$1,864	\$2,106

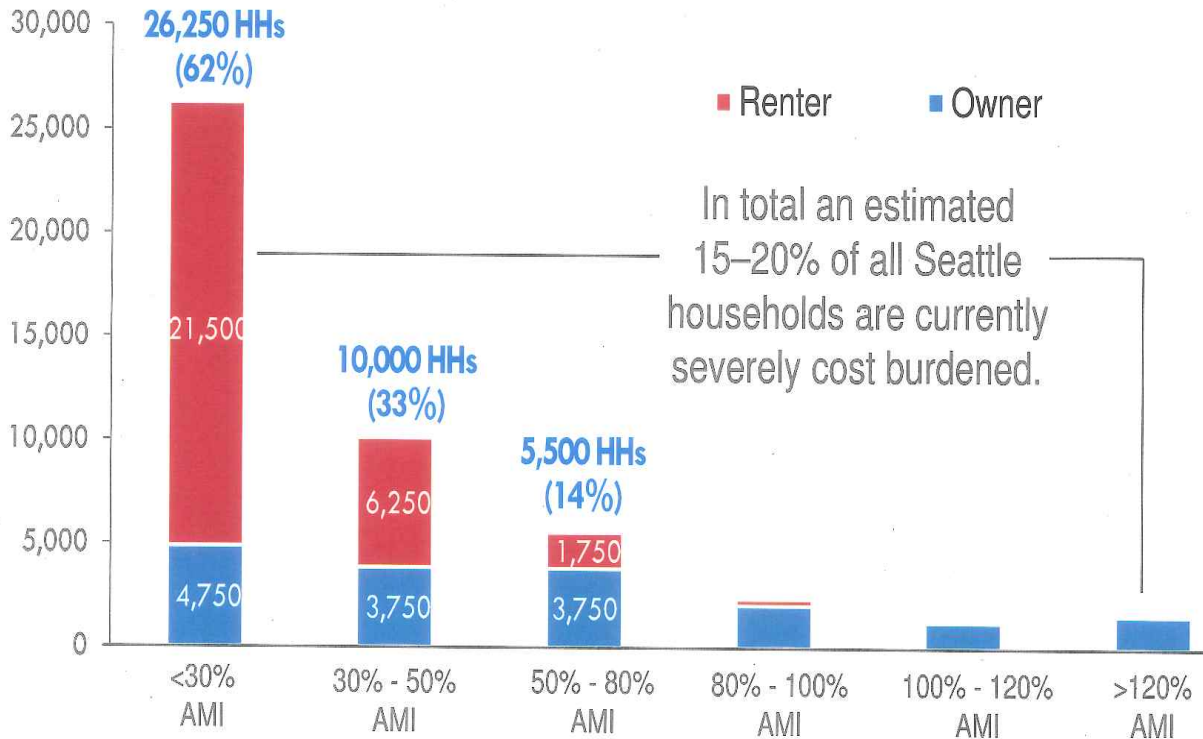
Affordable Rents Including Utilities at 35% of household income					
Unit Size	Percent of Area Median Income				
	30%	40%	50%	60%	HUD 80%
0 Bedrooms	\$549	\$732	\$915	\$1,099	\$1,344
1 Bedroom	\$589	\$784	\$980	\$1,176	\$1,440
2 Bedrooms	\$707	\$941	\$1,176	\$1,412	\$1,728
3 Bedrooms	\$816	\$1,087	\$1,359	\$1,631	\$1,996
4 Bedrooms	\$910	\$1,213	\$1,516	\$1,820	\$2,226
5 Bedrooms	\$1,004	\$1,338	\$1,673	\$2,008	\$2,457

HOME Program Rents, Including Utilities (effective June 1, 2015)		
2015		
Unit Size	Low HOME Rent	High HOME Rent
0 Bedrooms	\$785	\$972
1 Bedroom	\$840	\$1,119
2 Bedrooms	\$1,008	\$1,346
3 Bedrooms	\$1,165	\$1,546
4 Bedrooms	\$1,300	\$1,705
5 Bedrooms	\$1,434	\$1,862

Appendix B

Severely Cost Burdened Households

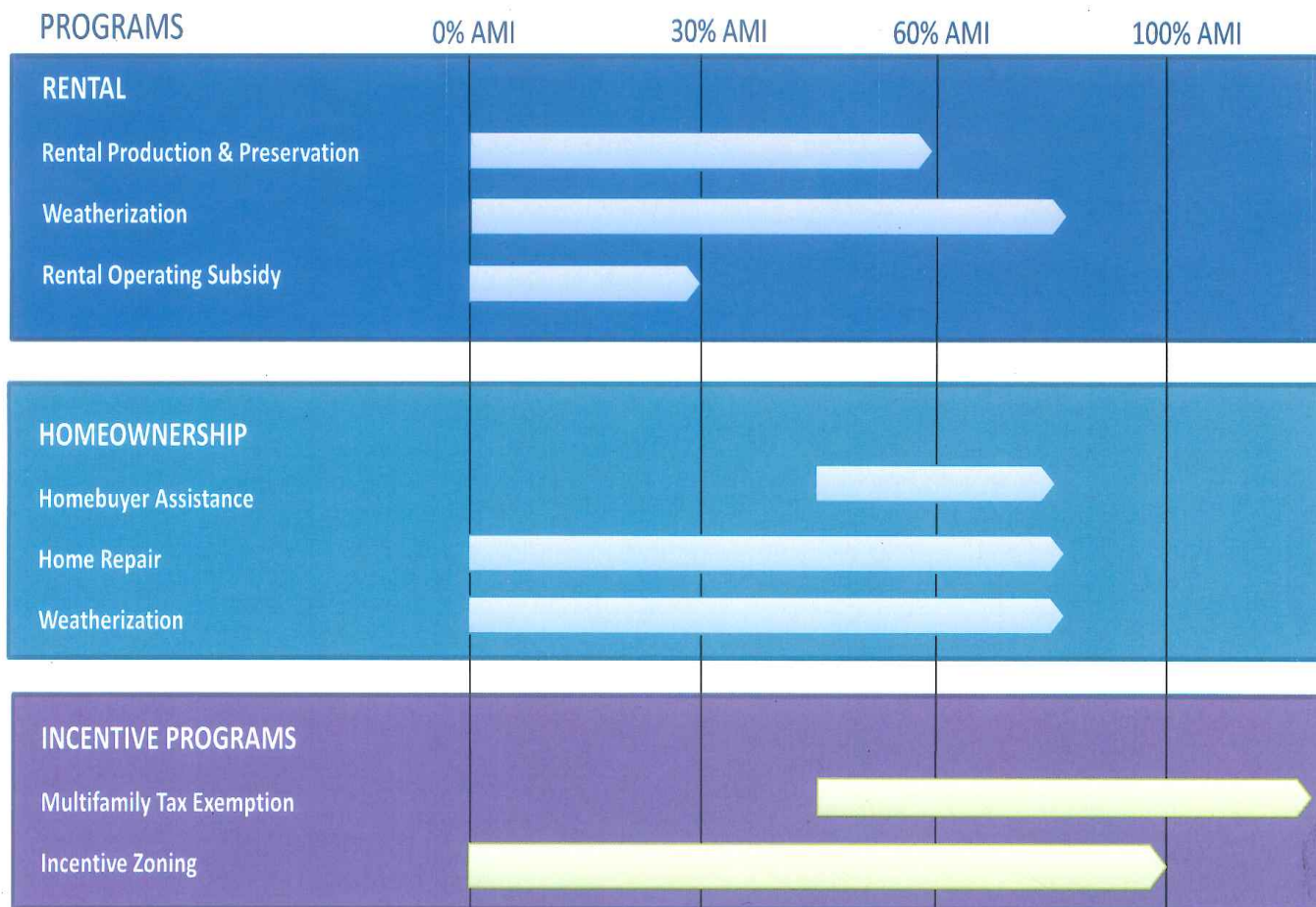
About 26,250 very low-income households (or 62% of the households in the 0-30% of AMI income bracket) spend more than half of their income on housing.



Source: U.S. Department of Housing & Urban Development, CHAS, 2006-2010 5-Year American Community Survey, Seattle city. Note: these are rough estimates.

Appendix C

Office of Housing Programs – Target Income Ranges



SECTION 6



Select Committee on the 2016 Housing Levy

Public Copy

Seattle Housing Affordability and Livability Agenda



Final Advisory Committee Recommendations
To Mayor Edward B. Murray and the Seattle City Council

July 13, 2015

Seattle seeks to be a diverse, prosperous, and equitable community where individuals and families can build good lives in vibrant neighborhoods. Housing costs rising faster than incomes threaten to make that aspiration unattainable.

— mission statement developed by the HALA Advisory Committee, 1/29/15

Executive Summary

Over multiple generations and through cycles of boom and bust, Seattle has continuously reinvented where and how it houses its residents and the ways it fosters the livability of distinctive, vibrant neighborhoods to promote quality of life, walkability, access to efficient public transit, parks and the cultural amenities that enrich urban life. Today's Seattle faces a new set of challenges, which demand that – once again – we rethink urban living and how we shape the environments that we call home.

As Seattle expands rapidly and experiences massive economic and population growth, we are confronted by the reality of more people chasing a limited supply of housing than ever before in our history. This, combined with a booming regional housing market, fewer and fewer federal and state funds dedicated to subsidized housing, and widening income inequalities locally, nationally and globally, have created – and will likely sustain – a housing affordability crisis unlike any Seattle has experienced since the Second World War. At the same time we are constrained by outdated policies and historical precedents that are no longer viable for the long-term health of our city. Some of the challenges are intrinsic to Seattle, for example tight limits on housing supply epitomized by the fact that at present almost two-thirds of our urban land is restricted to Single Family zoning.

An adequate, affordable supply of housing is the lifeblood of culturally rich, diverse, and livable urban centers. Without this, people who work here will be forced to move out of the city, with dire impacts not only on individual lives, but also on the region: more traffic congestion, increased environmental degradation, and fragmentation of communities. Housing affordability must remain a cornerstone of our city's commitment to an equity agenda that ensures a fundamental fairness for each individual and community that calls Seattle home. Without vigilance, we risk becoming a city accessible only to the affluent and privileged.

In our deliberations, the 28 members of the task force empaneled by the Mayor and City Council to address Seattle's Housing Affordability and Livability Agenda (the "HALA"), attempted to balance the needs of a fast-growing city with almost unimaginable new wealth and the acute needs of people who experience systemic inequities driven by issues of income, ethnicity, and race on a daily basis. We also acknowledged the reality of the cyclical nature of economic growth, and that the recommendations we crafted needed to anticipate periods of economic uncertainty and contraction – as hard as that is to imagine today.

The Mayor charged the HALA to create a plan that can generate a net increase of 50,000 units of housing – 20,000 units of affordable housing and 30,000 new units of market rate housing – over the

next decade. This is, by any measure, a significant stretch goal for a city that, in the best of times, has created about 800 new affordable units in a year.

As we dove into our work, the HALA Committee encountered one of the fundamental reasons the problem of housing affordability and livability is so daunting, and why previous similar efforts have failed: the politics of the issues appear to be almost intractable. The multiple interests gathered around the HALA table seem at times fundamentally opposed to each other – or at least in significant tension with each other – and each interest group is politically powerful enough to block any single-sided proposal. In short, the crisis of housing affordability in Seattle is a true Gordian Knot.

In this challenging context, the HALA spent the last 10 months seeking common ground. We have sought to cut the Gordian knot by presenting a comprehensive package of strategies. Our recommendations are not intended to be a fragmented array of 65 ideas; it was in a suite of concepts that the HALA found consensus. Considered separately, our recommendations may appear to have minimal relationship to each other. The HALA strongly discourages this approach; rather, this report presents an integrated fabric of ideas, each of which addresses a specific component of the city’s current housing and livability predicament. Taken together, we believe that the package of concepts offered in this report will increase housing affordability and livability across the spectrum of needs, from homeless housing with operating and service dollars to lower-wage workforce housing to market rate housing. The HALA recommendations are included in the body of the report that follows. The ideas we believe have the potential to effect the greatest changes are highlighted at the end of this Executive Summary.

The suggested investments in building and preserving affordable housing are an essential part of a larger shared goal – building vibrant, attractive and welcoming communities across all of Seattle. As neighborhoods accommodate more market rate and affordable housing, the City should continue to make strategic investments – taking advantage of the recent Transportation Benefits District to increase bus service, expanding transportation choices with investments in walking and biking, preserving and maintaining our open spaces with the new Metropolitan Parks District funding, and ensuring that every neighborhood is home to strong educational choices, thriving economic opportunities and rich arts and culture. Together, we believe these investments will ensure that each new home helps build a community of opportunity for all.

The HALA agreed to organize our work around four key areas of inquiry, all of which must be considered as part of the City’s unflagging commitment to a racial and social justice agenda that promotes equity for all of its residents. These four areas can be summarized as:

- **MORE RESOURCES FOR AFFORDABLE HOUSING** (more subsidy, through a range of revenue generating mechanisms)
- **MORE HOUSING** (maximizing opportunities in the market)
- **MORE SUPPORTS FOR COMMUNITIES** (strategic preservation of housing and protections for vulnerable tenants and homeowners)
- **MORE INNOVATION** (the streamlining of systems and related reforms to cut the costs of housing)

MORE RESOURCES FOR AFFORDABLE HOUSING: We need significant, new resources to create more affordable housing for individuals and for families – both large and small. Everyone who is lucky enough to benefit from the enormous real-estate boom of recent years – the surging equity of individual homeowners, the run-up in land values for the land owners and developers, and everyone serendipitously enriched by upzoning – must do their part to share some of that wealth with the members of our community who have found themselves excluded from these opportunities. No one in Seattle should have to face homelessness, and our housing resources must be part of the solutions that make homelessness rare, brief and one-time. This means a much higher Housing Levy. A mandate that developers provide a share of the apartments in their new buildings to people who cannot compete in the market, i.e., people with annual incomes at 60% of the area median income or less. An Urban Growth fund. A healthy Real Estate Excise Tax specifically for affordable housing. New sources of housing-related operating and service subsidies for individuals and families recovering from homelessness. Finally, we must also redouble our efforts to engage our state and federal partners, particularly in areas in which affordable housing options have been losing significant ground over several decades (such as federal Housing Choice Vouchers).

Getting to these results will ensure that schoolteachers and firefighters, baristas and dishwashers, art students, the members of the cleaning crews in glass-and-steel office towers – as well as those who continue to struggle with homelessness – can live in the dense, walkable, transit-oriented urban centers on which Seattle has pinned its post-carbon future.

MORE HOUSING: While funds for affordable housing are key, we also need to relieve market pressures by increasing housing of all types. The inescapable reality is that everyone in the city of Seattle needs to make room both for newcomers, as well as those that historically have been excluded from the housing market altogether, including individuals and families who are homeless. We all have to make room at the tables of our many communities. In a land constrained city, increased housing density is the necessary companion to urban growth. That means more cottages, in-law apartments, flats, duplexes and triplexes in the two-thirds of Seattle currently zoned exclusively (and, historically, through racial restrictive covenants, for purposes of exclusion¹) for single family homes. It means dedicating more land for multifamily housing in and around Urban Villages and more multifamily housing of all types and sizes inside Urban Villages or very close to desirable urban amenities. An increasingly dense city also must have access to an efficient transportation system, one that gets people out of their cars and using public options to move to and from work, school, and community activities.

In short, this means that our city will not look like what we're used to. But that's been the story of Seattle from its birth. Our city's physical form will change so that our character and values can stay the same: we can only hold onto our commitment to inclusion, opportunity for all, and affordability if we let our city fill in with more housing.

MORE SUPPORTS FOR COMMUNITIES: The current Seattle housing market is particularly cruel to renters with low incomes. It's nearly impossible for lower-income families to own their own homes; and those who do, struggle to maintain their ownership as family expenses increase faster than incomes. As rents and prices rise, individuals and families are too frequently displaced from their homes and

¹See discussion of racial restrictive covenants in Seattle. http://depts.washington.edu/civilr/covenants_report.htm

communities or pushed out of Seattle altogether. As we grow, we must ensure more supports are provided to vulnerable tenants and marginalized communities, through strategic, targeted preservation efforts, as well as longer timelines for eviction and more adequate funds for relocation expenses. We must ensure that people with barriers, such as diverse income sources and past criminal records, are able to access housing. We must make sure that struggling homeowners remain stably housed.

MORE INNOVATION: Seattle has, from its inception, relied on the ingenuity, acumen, compassion, strong business sense and civic pride of its citizens. It's essential that we now turn these skills towards the challenges of innovation that can support the affordability and livability of our city. This means creating more streamlined approaches to the rules and processes that could allow housing development to occur more efficiently; fostering new partnerships for subsidized housing development; innovation in housing types allowed in lower density zones; the creation of Medicaid-based housing supports; and ensuring access to Sharia-compliant loan products that promote increased homeownership.

Most importantly, perhaps, innovation is required to ensure that the rich cultural fabric and heritage of the city – and the families and communities that embody this diversity – will continue to be able to make Seattle their home.

The ideas we generate will only be limited by our potential to imagine them.

We now invite you to dive into the body of this report and consider the many recommendations we have offered. The pages that follow represent the extraordinarily hard work of the HALA members, and many, many hours of conversation that pushed into the night and stretched our capacities to listen, understand, and plan together. It is far from a perfect product, but it represents the aspirations of a diverse group of caring Seattle stakeholders, and our belief that we can, working collectively, ensure a future for Seattle that is vibrant, flourishing, equitable and accessible to everyone who seeks to call this beautiful place their home.

Highest Impact Recommendations

Of the many recommendations presented in the report, the boldest and most promising ideas with the greatest potential to impact housing affordability in Seattle are the following:

- 1. More Resources and More Housing: Build Affordability as We Grow**
 - **Strategy R.1** - Mandate that affordable units be included in new housing developments and that commercial developments contribute fees towards affordable housing, and provide an associated upzone or floor area ratio (FAR) increase

- 2. More Housing: Increase Opportunities for Multifamily Housing**
 - **Strategy MF.1** - Devote more land to multifamily housing particularly in areas near transit, services and amenities
 - **Strategies MF.2 and MF.3** - Further the Urban Village growth strategy by expanding the boundaries of Urban Villages to reflect walking proximity to transit, services and amenities and by converting Single Family zoned land within Urban Villages to a more intensive use.
 - **Strategy MF.5** - Increase height limits and modify building and fire codes to maximize economical wood frame construction

- 3. More Supports for Communities: Launch a Proactive Preservation Strategy**
 - **Strategy P.1** - Task the City's Office of Housing with leading an expansive preservation effort to strategically acquire existing affordable multifamily housing and provide funding for that strategy
 - **Strategy P.2** - Make strategic investments to lessen impacts of growth on and minimize displacement of marginalized populations
 - **Strategy P.3** - Seek state authority to enact a property tax exemption for private landlords who commit to income and rent restrictions in existing buildings
 - **Strategy T.1** - Combat displacement by funding rental and operating subsidies for extremely low-income households

- 4. More Resources: Call on the State and City to Create Additional Resources for Affordable Housing**
 - **Strategy R.2** - Create a stable source of funding by enacting a Real Estate Excise Tax (REET) dedicated to affordable housing
 - **Strategy R.6** - Expand the size of the critically important State Housing Trust Fund
 - **Strategy L.1** - Prioritize use of surplus and underutilized public property for affordable housing and promote co-development in conjunction with public buildings
 - **Strategy R.7** - Dedicate property taxes derived from new construction to affordable housing by reinstating the City Growth Fund

5. More Resources: Recommit to and Expand Effective Existing Tools

- **Strategy R.3** - Renew and increase the critically important Seattle Housing Levy which is a cornerstone of the City's funding for affordable housing, and has historically supported vulnerable individuals and families struggling with housing instability and homelessness
- **Strategy R.4** - Renew and expand the City's successful multifamily property tax exemption program which enlists private developers in providing income and rent restricted units in newly constructed buildings (see also item 3b above)

6. More Supports for Communities: Support Vulnerable Tenants and Increase Access to Housing

- **Strategy T.1** - Increase fair access to rental housing for people with past criminal records through local legislation, education and technical assistance
- **Strategy T.3** - Provide funding for tenant counseling and landlord education to combat displacement and increase access to housing

7. More Housing: Increase Access, Diversity and Inclusion within Single Family Areas

- **Strategy SF.1a** - Boost production of accessory dwelling units and detached accessory dwelling units by removing specific code barriers that make it difficult to build ADUs and DADUs
- **Strategy SF.2** - Allow for more variety of housing types, such as small lot dwellings, cottages, courtyard housing, duplexes and triplexes, in Single Family zones

8. More Innovation: Create Efficiencies in Housing Production

- **Strategy RP.1** - Improve predictability and timeliness and thus reduce construction costs by reforming City design review and historic review processes
- **Strategy Rp.2** - Reduce the number of projects required to undergo SEPA review by raising SEPA thresholds

Housing Affordability and Livability Agenda (HALA) An Illustration of Top Priority Strategies at Work

More land is devoted to multi-family housing near transit and services (MF.1), allowing new public-private partnership for multi-family housing on an underused publicly-owned site not previously used for housing (L.1). Part of an extra story (red) in the new building is dedicated to affordable housing through the new Mandatory Inclusionary Housing Program (R.1).

A 70 year old duplex is replaced by a new privately developed 40 unit apartment building. Part of an extra story (red) is dedicated to affordable housing through the new Mandatory Inclusionary Housing Program (R.1). The builder participates in the expanded Multi-Family Tax Exemption program (R.4) adding even more affordable units in the new building.

Tenant Counselling is provided to renters of the former duplex, helping them access an enhanced Tenant Relocation program so they could find another apartment in the neighborhood. (T.3)

As part of a new comprehensive Preservation Strategy (P.1) a building owner uses a new low cost rehabilitation financing tool to make needed repairs to an aging multi-family building in exchange for an affordability covenant. Affordability of existing units is preserved.

Affordable rental units in an older 4-plex building are preserved, because the owner participates in a new Property Tax Exemption program for preservation (P.3).

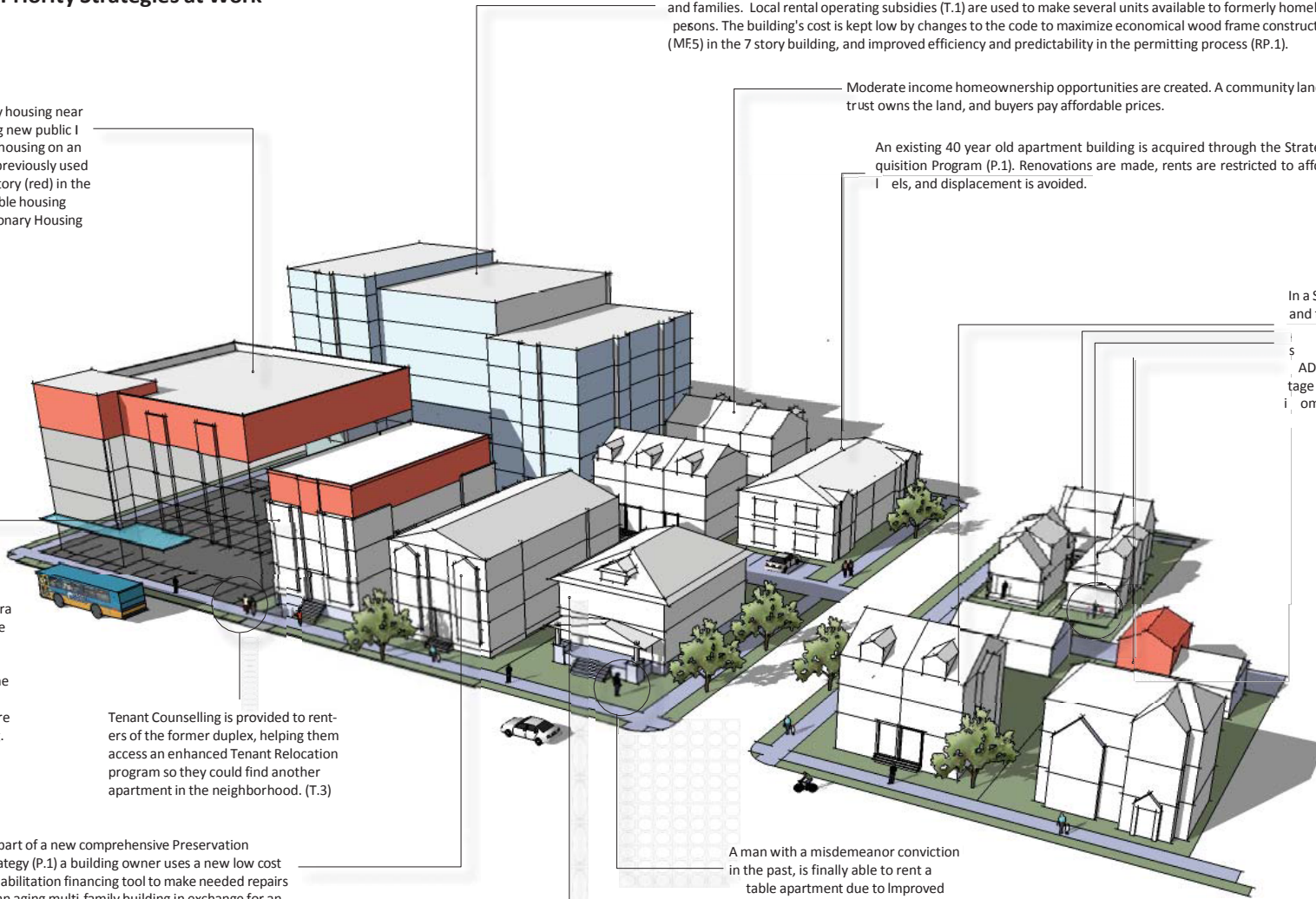
Using funds from an expanded housing levy (R.3), and a new Real Estate Excise Tax (R.2) Seattle's Office of Housing funds a non-profit developer to build a new 120 unit affordable housing building for low income individuals and families. Local rental operating subsidies (T.1) are used to make several units available to formerly homeless persons. The building's cost is kept low by changes to the code to maximize economical wood frame construction (MF5) in the 7 story building, and improved efficiency and predictability in the permitting process (RP.1).

Moderate income homeownership opportunities are created. A community land trust owns the land, and buyers pay affordable prices.

An existing 40 year old apartment building is acquired through the Strategic Acquisition Program (P.1). Renovations are made, rents are restricted to affordable levels, and displacement is avoided.

In a Single Family area, more variety and flexibility of types of housing are added within the scale of a traditional single family neighborhood, including ADUs (red), small duplexes and cottage housing. (SF.1a, SF.2). A moderate income family is able to buy a cottage at a price they can afford.

A man with a misdemeanor conviction in the past, is finally able to rent a stable apartment due to Improved Access to Housing for People With Criminal Records (T.1).





SEATTLE CITY COUNCIL

Legislative Summary

Res 31622

Record No.: Res 31622

Type: Resolution (Res)

Status: Adopted

Version: 1

In Control: City Clerk

File Created: 09/30/2015

Final Action: 10/16/2015

Title: A RESOLUTION declaring the City Council's intent to consider strategies to increase the availability of affordable housing in The City of Seattle; requesting the State Legislature to adopt new policies or modify existing policies in order to provide additional opportunities for cities and counties to increase the availability of affordable housing; and repealing Resolution 31609.

Notes:	<u>Date</u>
	Filed with City Clerk: 10/16/2015
	Mayor's Signature: 10/16/2015
Sponsors: O'Brien	Vetoed by Mayor:
	Veto Overridden:
	Veto Sustained:

Attachments: Att A - Council Work Plan for HALA Recommendations

Drafter: Emilia.Sanchez@seattle.gov

Filing Requirements/Dept Action:

History of Legislative File

Legal Notice Published: Yes No

Version:	Acting Body:	Date:	Action:	Sent To:	Due Date:	Return Date:	Result:
1	City Clerk	10/01/2015	sent for review	Council President's Office			
	Action Text:	The Resolution (Res) was sent for review. to the Council President's Office					
	Notes:						
1	Council President's Office	10/01/2015	sent for review	Full Council			
	Action Text:	The Resolution (Res) was sent for review. to the Full Council					
	Notes:						
1	Full Council	10/05/2015	referred	Full Council			
	Action Text:	The Resolution (Res) was referred. to the Full Council					
	Notes:						
1	Full Council	10/05/2015	adopted				Pass
	Action Text:	The Motion carried, the Resolution (Res) was adopted by the following vote, and the President signed the Resolution:					
	Notes:						

Motion was made and duly seconded to to adopt Resolution 31622.

In Favor: 9 Councilmember Bagshaw, Council President Burgess, Councilmember Godden, Councilmember Harrell, Councilmember Licata, Councilmember O'Brien, Councilmember Okamoto, Councilmember Rasmussen, Councilmember Sawant

Opposed: 0

- 1 City Clerk 10/06/2015 submitted for Mayor
Mayor's signature
Action Text: The Resolution (Res) was submitted for Mayor's signature. to the Mayor
Notes:

 - 1 Mayor 10/16/2015 Signed
Action Text: The Resolution (Res) was Signed.
Notes:

 - 1 Mayor 10/16/2015 returned City Clerk
Action Text: The Resolution (Res) was returned. to the City Clerk
Notes:

 - 1 City Clerk 10/16/2015 attested by City Clerk
Action Text: The Resolution (Res) was attested by City Clerk.
Notes:
-

CITY OF SEATTLE
RESOLUTION 31622

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4
5 A RESOLUTION declaring the City Council's intent to consider strategies to increase the
6 availability of affordable housing in The City of Seattle; requesting the State Legislature to adopt
7 new policies or modify existing policies in order to provide additional opportunities for cities and
8 counties to increase the availability of affordable housing; and repealing Resolution 31609.
9

10
11 WHEREAS, from 2011 to 2015 rental rates for existing units open more than a year in Seattle
12 increased by 25 percent according to Dupree + Scott Apartment Advisors Annual
13 Apartment Reports; and

14 WHEREAS, in Seattle, 27,750 households at 0-50 percent of Area Median Income (AMI) and an
15 additional 1,750 households at 50-80 percent of AMI spend more than half their income
16 on housing, according to the *2006-2010 Five Year American Community Survey Data*;
17 and high rental housing costs make it more difficult for lower-income households to
18 remain in the city; and

19 WHEREAS, there is an estimated need for an additional 70,000 housing units over the next 20
20 years, with approximately 18,000 of those units needed for households at 0-50 percent of
21 AMI and 9,500 units needed for households at 50-80 percent of AMI according to *Seattle*
22 *2035: Updating Seattle's Comprehensive Plan Background Report, February 2014*; and

23 WHEREAS, in recognition of the growing housing affordability challenge in the city, the
24 Council has taken numerous actions over the last several years to develop strategies for
25 addressing this problem; and

26 WHEREAS, in May 2013, the Council adopted Resolution 31444, calling for a thorough review
27 and update of Seattle's incentive zoning and affordable housing programs and policies
28 focused on creating affordable workforce housing; and

1 WHEREAS, in response to the completed review and update of the incentive zoning program,
2 the Council adopted Resolution 31551 in October 2014 stating the City's intent to
3 implement an affordable housing linkage fee program, establishing policy parameters for
4 such a program, and directing the Department of Planning and Development and the
5 Office of Housing to develop regulations implementing an affordable housing linkage fee
6 program; and

7 WHEREAS, in response to the recommendations included in the report on affordable housing
8 programs and policies operating nationwide, the Council adopted Resolution 31547 in
9 September 2014 stating its intent to authorize \$1 million in funding for the Central Puget
10 Sound Regional Equitable Development Initiative Fund (REDI) to finance the acquisition
11 of land for the development of affordable housing along transit lines and requesting the
12 Department of Planning and Development to explore the expansion of the development
13 of accessory dwelling units and detached accessory dwelling units; and

14 WHEREAS, the Council authorized \$1 million in funding for the REDI Fund as part of the
15 City's 2015 Adopted Budget; and

16 WHEREAS, recognizing the legal complexity of policies and practices designed to create more
17 affordable housing, including state and federal constitutional questions, the Council urged
18 the City Attorney in December 2014 to create a senior legal team composed of Assistant
19 City Attorneys and outside legal experts to review potential policies and practices and
20 advise city government; and

21 WHEREAS, in recognition that further strategies were needed to address the affordable housing
22 challenge, in September 2014, the Council adopted Resolution 31546, establishing the
23 Housing Affordability and Livability Agenda (HALA) Advisory Committee to evaluate

1 potential strategies to support the development and preservation of a diversity of housing
2 types and rents/prices for the residents of the City over the next ten years; and

3 WHEREAS, the HALA Advisory Committee examined an array of potential strategies the City
4 can implement on its own, and some that will require state action in order to implement,
5 and has issued a report with recommendations to the Council and Mayor; and

6 WHEREAS, the Mayor has submitted a set of recommendations based on the HALA's report
7 that attempts to meet the goal of building or preserving 20,000 rent- and income-
8 restricted units affordable to households from 0 – 80 percent of AMI and 30,000 units of
9 market rate housing affordable to households above 80 percent of AMI over the next 10
10 years;

11 WHEREAS, the City Council adopted Resolution 31609 on September 28, 2015; and

12 WHEREAS, Attachment A to Resolution 31609 was not presented with the Select Committee on
13 Housing Affordability recommendation at the time the Full Council unanimously adopted
14 the Resolution;

15 WHEREAS, this resolution accurately reflects the Select Committee on Housing Affordability
16 recommendation; NOW, THEREFORE,

17 **BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SEATTLE, THE**
18 **MAYOR CONCURRING, THAT:**

19 Section 1. The City Council is ready to expeditiously consider strategies recommended
20 by the Housing Affordability and Livability Agenda (HALA) Advisory Committee and the
21 Mayor that will accomplish the following objectives:

1 A. Increase the number of rent and income restricted units for households at or below
2 60 percent of AMI and explore changes to development regulations to increase the supply and
3 variety of housing types.

4 B. Implement programs and policies to preserve existing affordable housing,
5 particularly in neighborhoods where low-income families are at risk of displacement.

6 C. Adopt programs or policies that reduce barriers for tenants seeking housing who
7 have insufficient incomes, involvement with the criminal justice system, or unconventional
8 sources of income.

9 D. Explore programs to assist existing homeowners to remain in their homes or to
10 provide homebuyer programs to meet the need of those unable to access conventional mortgage
11 programs.

12 E. Streamline existing project review programs and permitting activities.

13 Attached as Attachment A to this resolution is the Council Work Plan for HALA
14 Recommendations, which includes the specific strategies the Council intends to pursue and
15 includes the draft work plan, deliverables, and estimated timeline for action on each of these
16 strategies.

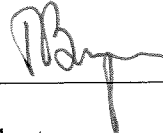
17 Section 2. The City implores the Washington State Legislature to adopt new policies or
18 modify existing programs that could assist the City to significantly increase the availability of
19 rental housing, particularly rent- and income-restricted units for those earning 60 percent of
20 median income or below, including the following: authorize a 0.25 percent increase in the Real
21 Estate Excise Tax to fund affordable housing; authorize an increase in the Housing Trust Fund;
22 and authorize a new housing preservation tax exemption to create rent- and income-restricted
23 affordable homes in existing buildings. The City Council requests the Mayor and the Office of

1 Intergovernmental Relations to coordinate discussions and planning to advance the measures in
2 this resolution during the next session of the Washington State Legislature and to incorporate
3 these in the City's 2016 State Legislative Agenda.

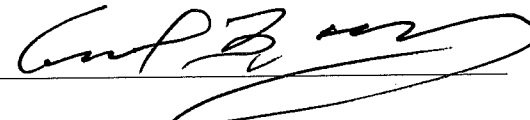
4 Section 3. The City Council concurs in the goal of producing 20,000 net new rent- and
5 income-restricted housing units and 30,000 net new market rate housing units by December
6 2025, and requests that in implementing specific strategies the City aim to ensure at least 75
7 percent of rent- and income-restricted units are affordable to households earning 0-60 percent of
8 median income. The City Council requests that the Mayor establish a method for annually
9 tracking and reporting on progress towards producing rent- and income-restricted and market
10 rate units.

11 Section 4. Resolution 31609 is repealed.
12

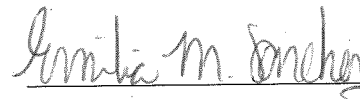
1 Adopted by the City Council the 5th day of OCTOBER, 2015, and
2 signed by me in open session in authentication of its adoption this 5th day
3 of OCTOBER, 2015.

4 
5 _____
6 President _____ of the City Council

7 The Mayor concurred the 16th day of October, 2015.

8 
9 _____
10 Edward B. Murray, Mayor

11
12 Filed by me this 16th day of OCTOBER, 2015.

13 
14 _____
15 for Monica Martinez Simmons, City Clerk

16
17 (Seal)

18 Attachment A: Council Work Plan for HALA Recommendations

ATTACHMENT A

Council Work Plan for
HALA Recommendations

Strategy	Deliverable	Timeline for Council Action	Comment
<i>Increase the number of rent and income restricted units for households at or below 60 percent of AMI and explore changes to regulations to increase the supply and variety of housing options</i>			
a) Implement a Mandatory Housing Affordability Program (Commercial)	<ul style="list-style-type: none"> ▪ Framework legislation ▪ Implementing upzones or changes in development standards 	<ul style="list-style-type: none"> ▪ 4th quarter 2015 ▪ 2017 	
b) Adopt a Mandatory Housing Affordability Program (Residential)	<ul style="list-style-type: none"> ▪ Policy resolution ▪ Implementing upzones or changes in development standards 	<ul style="list-style-type: none"> ▪ 3rd quarter 2015 ▪ 2017 	
c) Renew and consider modifications to the City's Multifamily Property Tax Exemption Program (MFTE)	<ul style="list-style-type: none"> ▪ Legislation 	<ul style="list-style-type: none"> ▪ 3rd quarter 2015 	
d) Significantly increase the voter approved Housing Levy	<ul style="list-style-type: none"> ▪ Legislation authorizing placement on ballot in 2016 	<ul style="list-style-type: none"> ▪ 2nd quarter 2016 	
e) Develop credit enhancement program for the development of replacement housing units by the Seattle Housing Authority at Yesler Terrace	<ul style="list-style-type: none"> ▪ Legislation authorizing credit enhancement program 	<ul style="list-style-type: none"> ▪ 1st quarter 2016 	

f) Use publicly owned properties for development of affordable housing	<ul style="list-style-type: none"> ▪ Legislation authorizing transfer of specific city owned property for development of housing 	<ul style="list-style-type: none"> ▪ Ongoing 	The Finance and Administrative Services Department and the Office of Housing (OH) will explore whether Resolution 29799, which governs disposition of surplus property, should be revised to prioritize affordable housing development.
g) Explore development of a local employers fund for affordable housing.	<ul style="list-style-type: none"> ▪ Report to Council 	<ul style="list-style-type: none"> ▪ 3rd quarter 2016 	
h) Remove barriers to development of detached and attached accessory dwelling units and explore regulation of the market for short term rentals.	<ul style="list-style-type: none"> ▪ Report to the Council on options for short term rental regulation ▪ Legislation amending development standards to facilitate production of attached and detached accessory dwelling units and ▪ Legislation establishing regulations for the short term rental market 	<ul style="list-style-type: none"> ▪ 1st quarter 2016 ▪ 3rd quarter 2016 ▪ 4th quarter 2016 	Changes Council will consider include eliminating or allowing waiver of parking requirements, eliminating owner-occupancy requirements, allowing multiple accessory dwelling units on one lot, and increasing the number of unrelated persons that can collectively reside in principal and accessory dwelling units on one lot.
i) Adaptation of Single Family Homes	<ul style="list-style-type: none"> ▪ Report to Council reflecting policy options. ▪ Legislation amending development standards to allow more flexible use of homes in existence prior to January 1, 2016 that are located in single family zones. 	<ul style="list-style-type: none"> ▪ 3rd quarter 2016 ▪ 2017 	The Council will consider changes to allow existing houses to be converted into multiple housing units. Development standards for Single Family zoning including height, bulk and lot coverage ratios continue to apply.
j) Explore reducing or removing minimum parking requirements for residential development in urban centers,	<ul style="list-style-type: none"> ▪ Legislation 	<ul style="list-style-type: none"> ▪ 2017 	

urban villages, and areas served by frequent transit.			
k) Participate in the transit oriented development (TOD) Regional Equitable Development Initiative (REDI) revolving loan fund to support land acquisition.	<ul style="list-style-type: none"> ▪ Legislation adopting governing MOU with regional partners 	<ul style="list-style-type: none"> ▪ 4th quarter 2015 	
<i>Implement programs and policies to preserve existing affordable housing, particularly in neighborhoods where low income families are at risk of displacement.</i>			
l) Develop an Affordable Housing Preservation Program	<ul style="list-style-type: none"> ▪ Report to Council; legislation may be required 	<ul style="list-style-type: none"> ▪ 3rd quarter 2016 	OH will explore options including: opportunities to acquire existing affordable multifamily housing; development of a low-cost rehab loan program to assist private owners in maintaining existing, affordable housing and implementation of an affordable housing tax exemption program.
m) Make strategic investments in housing, economic development, transit and education in areas at high risk for displacement	<ul style="list-style-type: none"> ▪ Report to Council 	<ul style="list-style-type: none"> ▪ Ongoing, report in 3rd quarter 2016 	
<i>Adopt programs or policies that reduce barriers for tenants seeking housing who have insufficient incomes, involvement with the criminal justice system, or unconventional sources of income.</i>			
n) Remove barriers and increase access to housing for people with criminal histories	<ul style="list-style-type: none"> ▪ Legislation 	<ul style="list-style-type: none"> ▪ 1st – 2nd quarter 2016 	
o) Protect renters from discrimination based on source	<ul style="list-style-type: none"> ▪ Legislation 	<ul style="list-style-type: none"> ▪ 2nd - 3rd quarter 2016 	

of income			
p) Strengthen the Tenant Relocation Assistance Ordinance (TRAO)	<ul style="list-style-type: none"> ▪ Legislation or Report 	<ul style="list-style-type: none"> ▪ 1st or 2nd quarter 2016 	DPD will explore options including: providing assistance to tenants with language barriers or those with disabilities; revising definition of “tenant household” and payment under TRAO
q) Explore the expansion of rental/operating subsidies to assist the lowest income households	<ul style="list-style-type: none"> ▪ Report 	<ul style="list-style-type: none"> ▪ 3rd quarter 2016 	This action is contingent on identification of a funding source. Potential sources could include an affordable housing levy renewal or changes to state law authorizing a real estate excise tax increase.
<i>Explore programs to assist existing homeowners to remain in their homes or to provide homebuyer programs to meet the need of those unable to access conventional mortgage programs.</i>			
r) Consider options for increasing access to Sharia-compliant loan products	<ul style="list-style-type: none"> ▪ Report 	<ul style="list-style-type: none"> ▪ Ongoing 	
s) Consider programs to prevent displacement of low-income homeowners with financial hardships	<ul style="list-style-type: none"> ▪ Report 	<ul style="list-style-type: none"> ▪ 3rd quarter 2016 	Contingent on identification of a funding source.
<i>Streamline existing project review programs and permitting activities.</i>			
t) Consider changes to the Design Review program	<ul style="list-style-type: none"> ▪ Legislation 	<ul style="list-style-type: none"> ▪ 2nd quarter 2016 	
u) Consider changes to the historic preservation review program	<ul style="list-style-type: none"> ▪ Legislation 	<ul style="list-style-type: none"> ▪ 2017 	
v) Improve coordination of permitting activities between city departments	<ul style="list-style-type: none"> ▪ Report 	<ul style="list-style-type: none"> ▪ Ongoing 	

SECTION 7

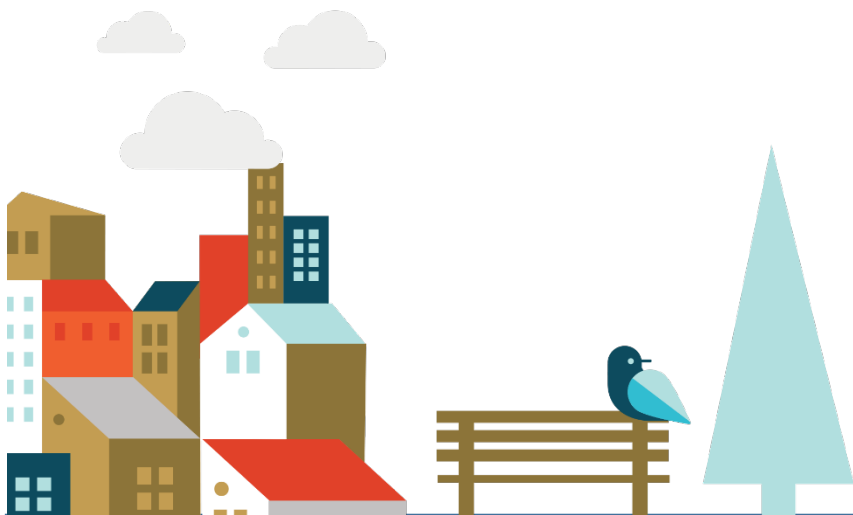


Select Committee on the 2016 Housing Levy

Public Copy

2009 **Seattle Housing Levy**

2015 Report of Accomplishments



Edward B. Murray, Mayor
City of Seattle

Tim Burgess, Chair
Housing Affordability, Neighborhoods, and
Finance Committee, Seattle City Council

Steve Walker, Director
Seattle Office of Housing

www.seattle.gov/housing/levy

HOUSING LEVY OVERSIGHT COMMITTEE

Maiko Winkler-Chin, Chair, Seattle Chinatown International District
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Kelly Rider, Housing Development Consortium of Seattle/King County

Alice Shobe, Alice Shobe Consulting Inc.

Doug Vann, Tashiro Kaplan Lofts

Keri Williams, Enterprise Community Partners



City of Seattle

Housing Levy Oversight Committee

We are pleased to present this 2015 Report of Accomplishments for the Seattle Housing Levy.

Seattle's Housing Levy is a unique resource and one that we are very proud of. It is the foundation of our City's efforts to address the housing needs of our lowest income and most vulnerable residents. As Seattle continues its rapid growth, the Levy gives us a major tool to work towards an equitable city.

One reason the Housing Levy is a significant resource is because it enables our community to attract and leverage other public, private and philanthropic resources: each City dollar in rental housing development leverages \$3 from other sources. The Levy also provides housing operating funds that, along with vouchers from the Seattle Housing Authority, ensure that we can serve formerly homeless residents and others who need supportive housing. The Levy operating funds enable our community to secure significant federal homelessness funding, so residents can pay rents they can afford and buildings can operate successfully.

At the completion of its sixth year, the Housing Levy is clearly keeping its promise to Seattle voters. Each Levy program has already exceeded, or is on track to meet, its performance goal by the end of this year. More importantly, Housing Levy investments are changing the lives of thousands of Seattle families and individuals for the better. By the end of 2015:

- 2,184 apartments have been produced or preserved, and will serve families with children, seniors, people with disabilities, and formerly homeless people for 50 years or more. In addition, five previously-funded buildings were upgraded, extending their years of service as affordable housing.
- 2,442 families and individuals received emergency rent assistance and services. Rent assistance averaging just \$1,776 per household helped families maintain stable housing, preventing eviction and potential homelessness.
- 144 low-income households received a loan to purchase their first home; another 43 loans are projected as Levy funds are used for home purchases.

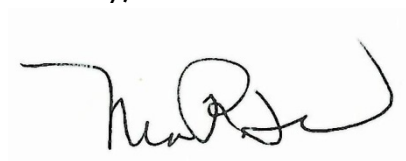
In 2015, Levy funds were awarded for 269 affordable apartments that will serve low-wage workers and their families, homeless families and veterans, and chronically homeless people with disabilities. In addition, the City's overall funding of affordable rental housing was boosted by revenues from City incentive programs. The Office of Housing received substantial payments from commercial and residential developers taking advantage of City land use codes that allow increased development in exchange for affordable housing contributions. The unusually high level of incentive zoning (or Bonus) funding in 2015 supported larger Levy-funded projects, as well as three additional developments that

did not receive Levy funding, for a total of 898 new units. Levy investment reduced rents in a portion of the units to 30% of median income. However, due to the financing used for these projects, most of the additional housing units are affordable at 50% and 60% of area median income.

The 2015 funding round illustrates the challenge of producing housing for the lowest income Seattle residents. The lack of capital, operating and services funding needed to house extremely low income and formerly homeless residents limits our efforts to serve those with the greatest need.

We offer these observations both in support of increasing the size of the Housing Levy and to encourage the City and broader community to advocate strongly for other capital, operating and services funding. While the Housing Levy is meeting its goals, current resources are clearly not enough to meet housing needs of low-income people in this increasingly expensive city. This is the time to increase our efforts to create an affordable and equitable city.

Sincerely,

A handwritten signature in black ink, appearing to read "Maiko Winkler-Chin". The signature is fluid and cursive, with a large loop at the end.

Maiko Winkler-Chin
Chair

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REPORT SUMMARY

2009 Seattle Housing Levy Funding and Production – 2010 to 2015

At the end of year six of this seven-year Housing Levy, each program is on track to meet or exceed performance goals by the end of this year.

The largest Levy program, Rental Production & Preservation, has now invested over \$88.5 million in 34 rental housing projects. These developments – both new construction and acquisition and rehabilitation of existing buildings – provide 2,184 affordable apartments for low-income Seattle residents for a minimum of 50 years, exceeding the Levy goal of 1,670 units. The program also funded improvements to five buildings with 410 units that had previously received City funding. These critical upgrades extend the useful life of the building and provide additional years of affordable housing for low-income residents.

The Homebuyer Assistance Program has exceeded its goal with 187 home purchases projected using funds already allocated. The Rental Assistance Program's funding and performance reflects four years of operation, with thousands of families and individuals receiving emergency assistance to prevent homelessness; its program goal will be met this year. Acquisition & Opportunity loans provided short-term loan financing to acquire development sites in the slow economy of 2010-2012. The A & O loans are all now repaid; owners secured sites for 234 rental and ownership units and the projects are completed or under development.

Levy Program	Funding		Housing Produced		Status: Exceeding goal, On track
	Total Levy Funding 2010-2016	Funding Committed 2010-2015	Levy Goals 2010-2016	Housing Outcomes 2010-2015	
Rental Production & Preservation	\$104 M	\$88.5 M	1,670 rental units	2,184 units added	✓ +
			no goal for reinvestment	410 reinvestment units	✓ +
Acquisition & Opportunity Loans¹	\$6.5 M	\$7.9 M	175 housing units	234	✓ +
Operating & Maintenance	\$14.4 M	\$12 M	220 rental units	207	✓
Rental Assistance/ Homelessness Prevention	\$4.25 M	\$3.4 M	3,025 households (2012-2016)	2,442 (2012-2015)	✓
Homebuyer Assistance	\$9.1 M	\$5.8 M	180 home purchases	144 closed loans 43 projected	✓ +

¹ Acquisition & Opportunity Loans are short-term loans made with other Levy program funds that are not yet expended. The program stopped making new loans at the end of 2012. In this table, if Levy funds were used for permanent financing, the units are shown as production for both the A & O Loan and the Rental or Homebuyer program.

Housing Levy Funding in 2015

In 2015, the sixth year of the current Housing Levy, three programs awarded funding:

- **Rental Housing Program** funds new construction or acquisition/rehabilitation projects; the housing serves eligible residents for a minimum of 50 years. The Program awarded \$14.6 million in Levy funding to four housing projects with 485 affordable apartments, 269 of these are Levy-funded units. These four projects also received \$21.6 million in other City housing funds. One additional project received supplemental Levy funding of \$600,000 to fill an unanticipated funding gap.
- **Rental Assistance/Homelessness Prevention Program** provides short term assistance to families and individuals who are at risk of eviction and homelessness. The Program funded seven community-based organizations that assisted 560 households to prevent eviction or transition from homelessness to housing. This short term assistance provides lasting results: 83% of households were in stable housing six months after assistance ended.
- **Homebuyer Program** creates affordable homeownership opportunities through low-interest deferred loans to first-time homebuyers and loans to nonprofits for affordable developments. The Program committed \$575,000 million in Levy funding to two lending programs that will assist approximately 15 first-time home buyers over the next 12 to 18 months. City funds will be used both for purchase of permanently affordable homes and for deferred loans that will be repaid and made available for future homebuyers.

Two Levy programs did not award funds in 2015:

- **Operating & Maintenance Program** provides annual subsidies for buildings that serve extremely low-income residents who pay very low rents that are insufficient to support building operations. O&M funding awards are made when the Levy-funded building is under development and will be occupied within the next year and have traditionally provided been used to match federal operating and service funding. Because no federal resources were available for City-funded projects in 2015, no O&M funds were awarded this year. Funding remains available for one more project in the final year of the Levy.
- **Acquisition & Opportunity Loans** were offered in the first three years of the 2009 Housing Levy to take advantage of strategic site acquisitions during the economic downturn. The Program exceeded its production goal, and all projects are now complete or under construction. Acquisition loans continue to be available on a limited basis through the Rental Housing and Homebuyer programs.

ABOUT THE 2009 SEATTLE HOUSING LEVY

An opportunity to live in a safe, affordable home

In November 2009, Seattle voters passed a \$145 million property tax levy to provide affordable housing opportunities for low-income Seattle residents. The levy provides funding for seven years, 2010 to 2016.

Housing Levy funding directly assists some of the most vulnerable people in our community – homeless families and individuals, seniors and people with disabilities living on fixed incomes – as well as people working for low wages who struggle to make ends meet. Levy programs create and preserve affordable rental housing, provide loans to low-income first-time homebuyers to purchase a home, and provide emergency rent assistance to people facing eviction and homelessness. Seattle voters approved the first housing bond for senior housing in 1981 as well as four subsequent housing levies to renew and grow these critical programs. There are now over 12,500 City-funded homes for lower-income Seattle residents. In addition, over 800 homebuyers purchased their first home with affordable City-funded loans.

Affordable Rental Housing

More than half the Levy's Rental Production & Preservation Program funding is dedicated to serving households earning below 30% of the median income, up to \$18,850 for a single person or \$24,250 for a three-person family. This housing serves our neighbors with the fewest resources – seniors and people with disabilities who live on social security alone, people supporting dependents with low wage jobs, and those unable to find full-time work. This housing also assists people experiencing the crisis of homelessness – families facing economic hardship or domestic violence, and people with physical and mental disabilities. The Levy Operating & Maintenance Program, and Section 8 vouchers from the Seattle Housing Authority, help ensure this housing is financially feasible and well maintained.

The rest of the Rental Production & Preservation funding provides affordable housing for people earning up to 60% of median income, about \$37,680 for a single person or \$48,420 for a family of three. People in this income bracket provide valuable everyday services to Seattle residents and visitors – food service workers, retail sales persons, social services providers, and office support staff. Still, they have difficulty finding affordable rents near their jobs.

Preventing Homelessness

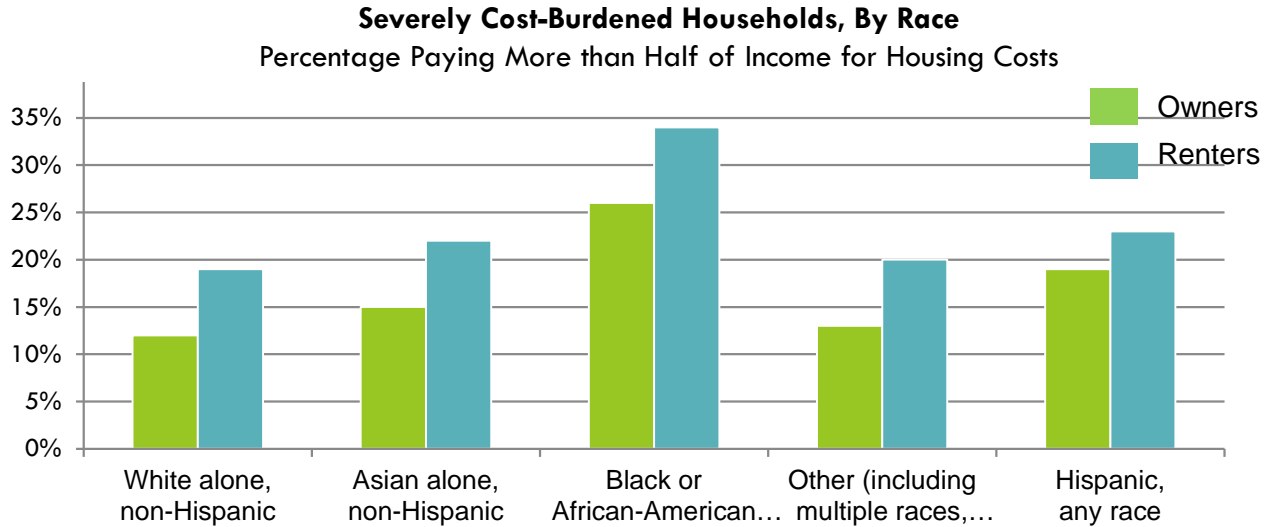
Levy funding provides rental assistance to help individuals and families manage short-term economic crises to prevent homelessness. For those who have become homeless, rental assistance helps them to rapidly regain stable housing. Households with incomes up to 50% of median income are eligible for assistance; the vast majority of assisted residents are below 30% of median incomes. The vast majority of households are in stable housing at program exit and six month after rent assistance ends, demonstrating that a small amount of financial help can make a huge impact.

Homeownership Opportunities

The Homebuyer Program provides affordable loans to first-time buyers earning up to 80% of area median income, up to \$46,100 for a single person and \$59,250 for a three-person family, giving them an opportunity to live close to where they work. These families include a variety of moderate-income workers, such as hotel, office and retail workers, teacher's aides and other school employees, people working in health care, and people providing technology support.

Meeting the Needs of a Diverse City

The Housing Levy is one of the City’s most important tools to address economic and racial disparities in housing and make Seattle a more equitable city. One important measure of disparity is severe cost burden. Among Seattle residents, extremely low income households, people of color, and seniors are all more likely to pay more than half their income for rent. Racial disparities for renter and owner households are illustrated in the following table. All Levy programs collect demographic data about the households served to ensure that programs are serving those most in need. Demographic data for rental housing is shown below. Demographic data for households receiving rental assistance is on page 14, and for homebuyers on page 16.



U.S. Census Bureau 2006-2010 American Community Survey 5-Year Average, Seattle

Rental Production & Preservation Program

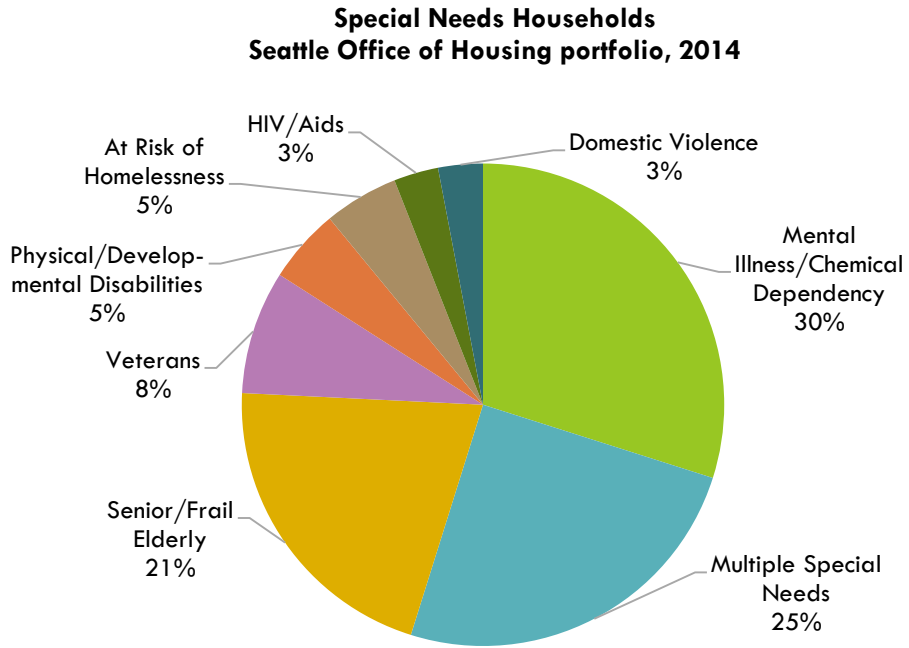
Demographic data is collected for all properties that have been in operation for a year or more, and include all households who reside in the housing over the course of the year. In 2014, the most recent available data, 13,870 households were served in 11,707 housing units.

Race/Ethnicity: City-funded housing serves a higher proportion of people of color, 66%, than is represented in Seattle’s lower-income renter population as a whole. The table shows resident race and ethnicity compared to Seattle renter households below 80% of median income. Black/African American households make up 29% of residents in City-funded housing, compared to 12% of low-income Seattle renters.

Demographics – Race	Rental Housing Program*	Seattle Renters, <80%AMI**
White	44%	61%
Black/African American	29%	12%
Asian/Pacific Islander	12%	15%
Hispanic	5%	8%
Multi-Racial	6%	4%
American Indian, Alaska Native	3%	1%

*Seattle Office of Housing, 2014 occupancy data
** U.S. Census Bureau 2006-2010 ACS 5-Year Average, Seattle

Special Needs Residents: Just over half of households residing in City-funded housing in 2014 were identified as having special needs. The largest categories were seniors/frail elderly, mental illness/chemical dependency, and multiple special needs. Some residents, but not all, resided in housing where on-site services were provided for the particular special needs population. Others occupied affordable apartments available to any income-eligible household.



RENTAL PRODUCTION & PRESERVATION PROGRAM

The largest Levy program provides approximately \$14.7 million annually in capital funds to support development of affordable rental housing. Levy funds serve vulnerable people in communities throughout the city, and leverage other public and private investment for housing development and operations.

- The program funds new construction or acquisition/rehabilitation to preserve housing, and the housing serves eligible residents for a minimum of 50 years. A large proportion of housing provides supportive services for residents with special needs.
- Physical inspections and annual compliance reporting ensures that the housing is well maintained, serves the intended resident population, and is financially viable.

2015 Funding Summary

The Rental Housing Program awarded \$15.2 million in Housing Levy funds and \$21.6 million in other City-administered funds to four new Levy projects and one previously funded project. The four new projects contain 485 City-funded affordable apartments, of which 269 are Levy-funded. Taken together with prior-year funding, these 269 units bring cumulative Levy production to 2,184 units.

The four new Levy projects address several Rental Housing priorities:

- Housing for the homeless and people with disabilities: Projects will provide 91 units of supportive housing for homeless single adults with disabling conditions, 40 units of housing and services for homeless families and individuals, and 10 units for homeless veterans.
- Housing for low-wage workers and their families: Three projects provide housing for low-wage households at 30%, 50% and 60% of area median income. The projects include family-sized housing, including 108 two-bedroom and 29 three-bedroom apartments.
- Housing near transit: One project is within walking distance of the new University District light rail station. All project locations have regular transit service.

In 2015 OH awarded a record amount of funding: over \$68 million in City-administered funds. Collectively these funds will support development of seven projects comprising 898 units, as well as reinvestment to rehabilitate two small buildings serving homeless youth and young adults. The exceptional volume of funding derives primarily from payments made to OH under the City's incentive zoning (or "bonus") program. The Office of Housing received substantial payments from commercial and residential developers taking advantage of City land use codes that allow increased development in exchange for affordable housing contributions. Three projects (406 affordable units) and the one reinvestment project (26 units) were supported wholly from non-Levy sources. Even within the four Levy-funded projects, Levy proceeds were heavily leveraged with other City-administered fund sources; this mix of funding supported larger developments than typically funded. For this reason this report distinguishes between individual units attributed to Levy funds as opposed to those units financed with other City resources. Information about all of these housing projects can be found at Seattle.gov/housing.

The following table details each of the four Levy-funded projects from the 2015 funding round. A total of 269 units are attributed to the Levy out of the four projects' 485 total units. The total Levy investment in these projects is \$14.6 million. An additional \$600,000 in Levy funding was awarded to a project initially funded in 2014; the additional funding will help address an unanticipated gap in development financing.

Project Sponsor <i>Project Name</i> <i>Location</i>	Project Description	Total Funded Units	Levy Units	Capital Funding	
				Levy \$	Other City \$
Bellwether Housing <i>University District Apartments</i> 4738 15 th Ave NE	Construction of a mixed-income affordable building close to the planned University District light rail station. Provides a mix of unit sizes, including 33 2-bedroom and 20 3-bedroom. Apartments are primarily affordable at 60% AMI, with 13 units at 50% AMI, and 40 units dedicated to homeless individuals and families at 30% AMI. Compass Housing Alliance will provide services to residents transitioning from homelessness.	132	70	\$1.44 M	\$5.67 M
Capitol Hill Housing <i>Liberty Bank Building</i> 2320 E Union St	Construction of affordable housing, with a mix of studio, one-bedroom and two bedroom apartments, in the Union-Jackson area at the site of the historic Liberty Bank. Affordability is primarily at 60% AMI, with 10 units at 50% AMI. Eighteen units will be affordable at 30% AMI, with 10 of these dedicated to homeless veterans.	114	40	\$4.3 M	\$7.9 M
Downtown Emergency Service Center <i>Estelle Supportive Housing</i> 3501 Rainier Ave S	Construction of supportive housing, providing studio apartment and on-site services for chronically homeless single adults with chemical dependency and mental illness. Located close to transit, including light rail. The building will have 24-hour staff, kitchen and dining area with meals provided, and indoor and outdoor common space.	91	91	\$3.28 M	\$1.51 M
Mercy Housing Northwest <i>Building 9</i> 7101 62 nd Ave NE	Conversion and renovation of the former Sand Point Naval Base barracks. A \$9.7 million State grant will support historic preservation of the deteriorated structure, vacant for nearly 20 years. Apartments are primarily affordable at 60% AMI, with a mix of units sizes include 2-bedroom and 3-bedroom units for families. 20 units at 50% AMI and 20 at 30% AMI will serve workers with low wages. Includes on-site daycare, indoor exercise space, community room and computer lab and access to the amenities of Magnuson Park.	148	68	\$5.54 M	\$6.45 M
Total - New Development		485	269	\$14.55 M	\$21.55 M
Funding Amendment – Project previously received funding, not yet constructed					
Plymouth Housing Group <i>7th & Cherry Supportive Housing</i> 710 Cherry St	Construction of supportive housing for chronically homeless individuals, with substance abuse and mental health services provided on site. Location near First Hill medical centers provides health care access for medically frail residents.	77	77	\$600,000 amendment + \$5.35 M 2014 award	\$2.1 M 2014 award

Housing Affordability

Of the housing funded in 2015, 169 of the 269 Levy-funded apartments will serve extremely low-income households with incomes up to 30% of area median income (AMI). The balance will serve individuals and families up to 50% and 60% AMI. The allowable incomes and rents are indexed by household size and adjusted annually.

Over the first six years of the current seven-year Levy, 60% of the total Levy-funded units are restricted to households with incomes below 30% AMI.

The Levy’s affordability policy focuses on dollars spent rather than units produced. It requires that at least 60% of program funding must support housing that will serve extremely low-income households at or below 30% AMI. No more than 10% of funding may serve households at 60% to 80% AMI. The remaining funding must support housing serving households at 30% to 60% AMI.

Inclusive of the 2015 funding round, 61% of Levy funding has been committed to housing for extremely low income households, consistent with the affordability policy described above. Significantly, the requirement is now resulting in higher levels of Levy investment to create deeper affordability (below 30% AMI) in units that would otherwise have served households in the 50% and 60% AMI range. The use of Levy dollars to include 30% AMI units in debt-financed projects that would traditionally serve higher income levels is a trend that will likely continue into the future.

The following table summarizes the Levy expenditures at various affordability levels for the years 2010 through 2015.

Affordability Level	Affordability Policy % of Funds	Funds Awarded 2010-2015	Percent of Funds Awarded
0 - 30% AMI	At least 60%	\$54.1 million	61%
31 - 60% AMI	Up to 40%	\$ 34.4 million	39%
61 - 80% AMI	Up to 10%		0%

Selected Income Levels for 2015

30% AMI

\$18,850 for a single person,
\$24,250 for a three-person family

50% AMI

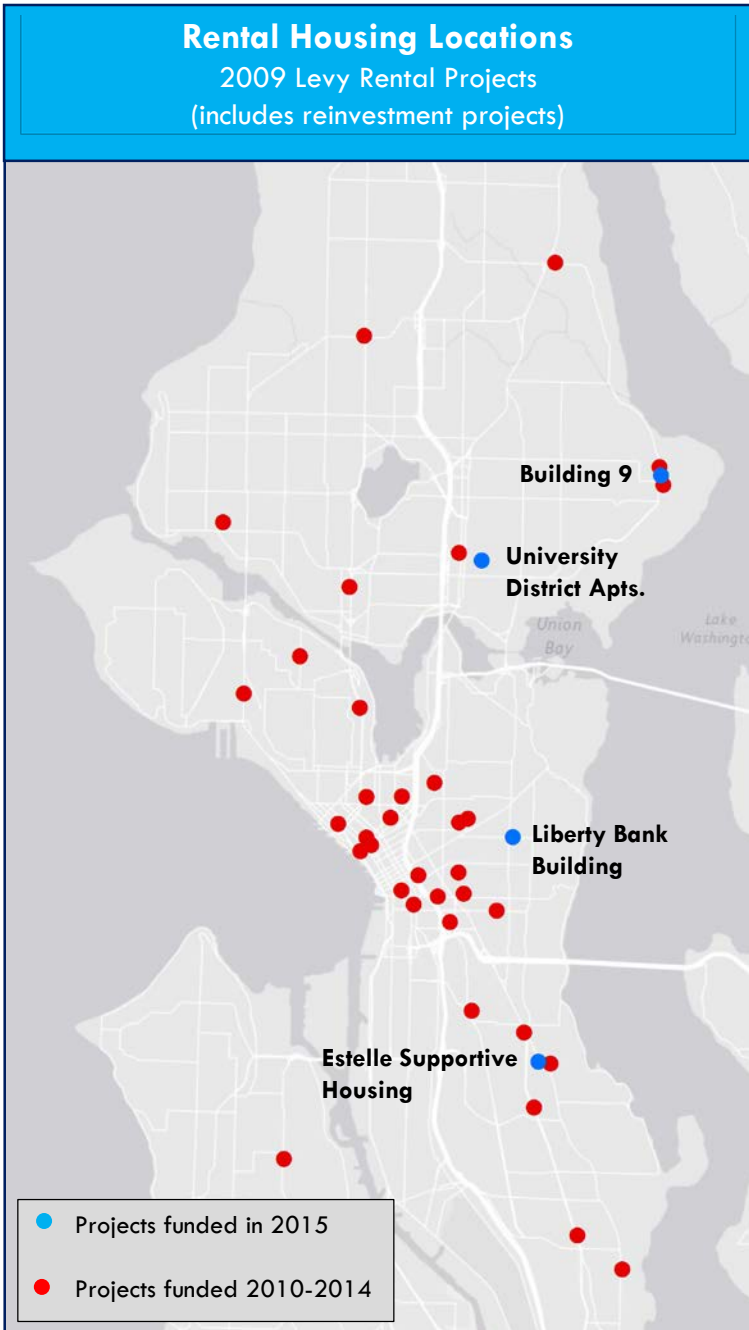
\$31,400 for a single person,
\$40,350 for a three-person family

60% AMI

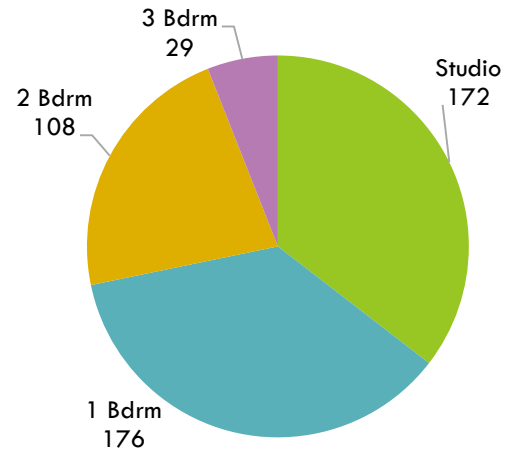
\$37,680 for a single person,
\$48,420 for a three-person family

Housing Project Location, Size and Unit Mix

The new housing developments funded this year include two Northeast Seattle sites, one Central Area site and one in Southeast Seattle. The Estelle Supportive Housing project serving homeless residents is entirely studio apartments; the other three developments have a combination of studios and one-, two-, and three-bedroom apartments for individuals and families. Twenty-eight percent of units are family-sized (2+ bedrooms) compared with 24% family-sized units in OH's portfolio of funded projects.



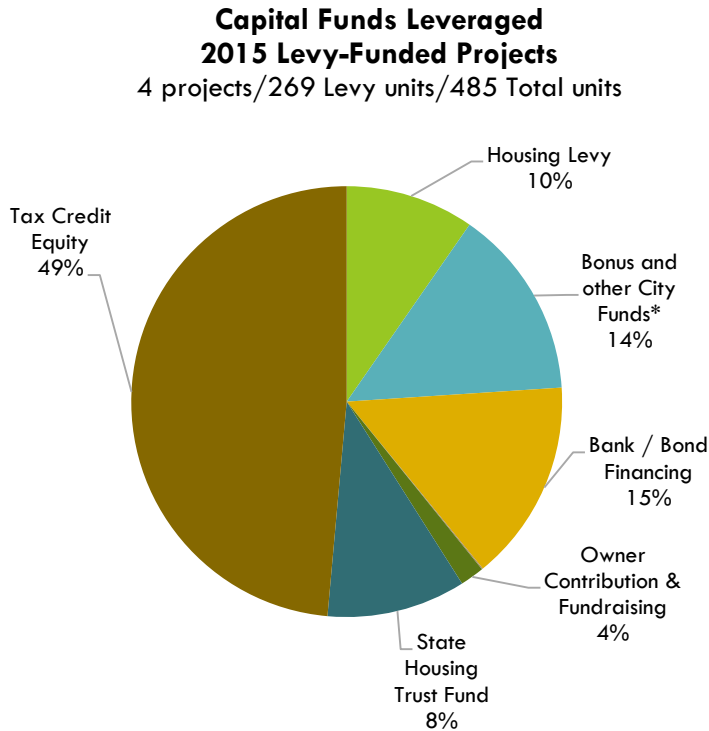
Unit Types
2015 Levy-Funded Projects
4 projects/269 Levy units/485 Total units



Capital Funds Leveraged

The success of the Rental Housing Program depends on leverage of other public and private funds. Securing other capital sources is challenging as always, and City staff works closely with the State, County, Housing Finance Commission and other funding partners to align funding priorities whenever possible.

The following chart show the major sources of capital funds invested in 2015’s four Levy projects. The \$36.1 million in City funding awarded to the four housing developments will secure an estimated \$114.6 million in non-City capital sources – resulting in over \$150 million in total capital investment in low-income housing construction and rehabilitation. Tax credit equity investment by private sector investors continues to be the largest source of funding by far, and is particularly critical to housing serving extremely low income residents. In addition, private sector lending is a significant source for housing developments that are able to support mortgage debt. The State Housing Trust Fund had limited funds available, however the Legislature’s allocation of \$9.7 million for renovation and historic preservation of Building 9 at Sand Point boosted the Housing Trust Fund amount.



2015 Highlights

- City funds continued to leverage \$3 for each City dollar invested
- Private equity through federal tax credits most significant source
- City Bonus funds – fees paid by developers using land use incentives – at highest level
- Higher percentage of bank/bond debt than prior years

*City Incentive Zoning/Bonus funds and Federal HOME and CDBG funds administered by the Office of Housing

The total capital investment produces significant economic returns. It creates construction jobs and ongoing employment, and generates State and local revenue. Based on economic modeling by the National Association of Home Builders, the four new construction projects will result in \$56.9 million in income for construction workers and local businesses, \$10.8 million in local government revenue, and 784 jobs. The recurring economic impacts are \$12.9 million in business and employment income annually, \$2.5 million in local government revenue annually, and 214 ongoing jobs.

ACQUISITION & OPPORTUNITY LOANS

Acquisition & Opportunity (A & O) Loans were designed to respond to opportunities in a slower economic environment in the first years of the levy. They provided short-term financing for strategic acquisition of sites for low-income rental or homeownership housing development. The loans are repaid with permanent project financing, using City and non-City sources, producing housing with long-term affordability.

- Funding was prioritized for projects with a low acquisition cost and/or projects expected to leverage significant capital, operating or services funding. Acquisition financing was critical to achieving cost savings or leverage.
- Preference was given to development in high-capacity transit station areas and acquisition/rehabilitation of existing buildings.

Available Funding

The Levy authorized up to \$6.5 million at any one time for A & O Loans, using funds from other levy programs not yet needed for planned projects. In addition, the City Council authorized up to \$5 million in short-term lending using the fund balance of the Operating & Maintenance (O & M) Program from prior housing levies. Loans were made throughout the year to enable sponsors to acquire properties when they became available.

Program Completion in 2012

The A & O Loan program stopped making new loans in 2012.

Over three years, the A & O Loan program provided short-term acquisition loans for nine projects -- seven rental housing developments and two homeownership projects. By 2012, the A & O Loans program had achieved its goals and OH recommended that funds revolve back to Levy programs to be used for permanent financing. City Council authorized the Rental Housing and Homebuyer programs to continue provide short-term acquisition loans on a limited basis using Levy O & M Program funds.

All of the nine A & O Loans have been repaid and the projects are completed or under development.

Summary of Levy A & O and Bridge Lending 2010 - 2012

Year	Projects/Units	A&O Loans (2009 Levy)	Bridge Loans (Levy O&M)
2010	4 projects/212 units	\$2.3 million	\$1.6 million
2011	1 project/66 units		\$800,000
2012	4 projects/172 units	\$5.6 million	
Total		\$7.9 million	\$2.4 million

OPERATING & MAINTENANCE PROGRAM

The Operating & Maintenance (O & M) Program provides annual subsidies for buildings that serve extremely low-income and formerly homeless residents. Levy funds provide critical operating subsidy so housing can serve residents who pay very low rents that are insufficient to support building operations. Levy and other operating sources help ensure that the housing is well maintained and financially viable.

- Funds are awarded to housing that has received Levy capital funds and will serve residents below 30% of median income. Funding is typically provided one or two years after capital funding, matched with other funding for building operations and resident services.
- Projects receive a 20-year operating support commitment. Funds are allocated each year to fill the gap between project income and expenses, up to a maximum of \$2,500 per unit per year, with adjustments for inflation.
- Projects are reviewed in coordination with other funders through the King County Operating, Rent Assistance and Services (ORS) funding round, which allows strategic allocation of federal and local sources as projects come on-line.

Operating Support Using Seattle Housing Authority Section 8 Vouchers

The largest source of operating funds is 500 vouchers committed by Seattle Housing Authority over the seven-year Levy. Projects that receive Levy capital funding may apply for project-based Section 8 vouchers when the project will be ready for occupancy within a year. Section 8 vouchers must serve households with incomes below 30% of median income. Voucher awards are subject to the approval of the Seattle Housing Authority Director and availability of federal funds. To date, 323 of the 500 Section 8 vouchers committed to current Housing Levy have been awarded vouchers. The remaining vouchers are available for Levy-funded projects as they come on line. SHA is allocating additional vouchers to Levy-funded replacement housing at Yesler Terrace.

Levy Funding Commitments

Levy O&M funds have been awarded to three projects with a total of 207 O&M supported units. O&M funds were not awarded in 2015, and \$2.4 million remains to support one additional project in the current housing Levy. The following table shows the major sources of operating subsidy leveraged by Levy capital and O&M investment.

Project	Units	O&M funding	Other operating sources*
Cottage Grove Supportive Housing Downtown Emergency Service Center	66	\$70,000 in first year \$2m 20-year est.	McKinney (\$500,000/year) King County MIDD United Way
Caroline W Apartments Community House Mental Health	44	\$110,000 in first year \$3.3m 20-year est.	King County mental health (\$264,240/year) State O&M
Interbay Supportive Housing Downtown Emergency Service Center	97	\$215,820 in first year \$6.7m 20-year est.	McKinney (\$940,000/year)

*First year funding estimate

RENTAL ASSISTANCE PROGRAM

The Rental Assistance Program funding supports homeless prevention and housing stabilization programs administered by the Seattle Human Services Department (HSD). The program serves families and individuals who are at risk of homelessness or experiencing homelessness. Beginning in 2012, approximately \$849,000 is available annually. The program goal is to assist 605 households annually and evaluate their housing stability six months after rental assistance ends.

- The program provides short-term (one to three months) or medium-term (up to six months) rental assistance for households with incomes up to 50% area median income (AMI) who are at imminent risk of eviction and homelessness.
- Levy funding is used for rent assistance, security and/or utility deposits, move in costs, and rental and utility arrears.
- Program activity and performance are monitored with the region's Homelessness Management Information System, Safe Harbors.

Participating Agencies Referrals through 2-1-1

- Interim Community Development Association
- Muslim Housing Services
- Neighborhood House
- Solid Ground
- Wellspring Family Services
- YMCA of Greater Seattle
- YWCA Seattle-King-Snohomish Counties

2015 Funding Summary

Levy funds totaling \$994,555 were expended by seven community-based nonprofit agencies to provide rental assistance through eight unique programs. The homelessness prevention and rapid rehousing provider agencies offer rich culturally and linguistically relevant services, target services to underserved communities and communities with emerging needs, and provide specialized programs for a range of household types, including young adults, families with children, and single adults. The agency staff came together for quarterly provider meetings to exchange ideas, information and best practices.

In 2015, the programs achieved these milestones:

- 560 households received at least one form of financial assistance, including 310 households with children. Financial assistance included emergency rent and utility assistance needed to prevent evictions as well as security deposit and credit check fees to help homeless families transition into housing. Levy-funded assistance averaged \$1,776 per household.
- 499 households received eviction prevention assistance, and 61 homeless households received rapid rehousing assistance to move into housing after living in their car or on the street.¹
- Of the households eligible for a six-months stability follow-up, 83% were in stable housing six months after rent assistance ended.²
- The programs served significantly more large families. Average household size increased from 2.4 household members to 3.6 household members from 2014 to 2015.

¹ Fourteen households were in other situations or data was missing.

² Based on 730 households eligible for the six-month housing stability follow up during 2014. Agencies were able to contact and confirm housing stability of 611 households.

Households Receiving Financial Assistance to Prevent Eviction or Enter Housing, 2015

560 Households with 2,008 Individuals

Client Characteristics	Percent of Total
Extremely low-income household (below 30% of median)	82%
All households with children 0-17 years	55%
Single parent households with children 0-17 years	35%
People of color/ethnic minority individuals ¹	88%
Disabled individuals ²	14%
Refugee/immigrant individuals ³	27%

¹ Race/ethnicity data were available for 614 unduplicated individuals.

² Disability data were available for 650 unduplicated individuals.

³ Data were available on immigrant/refugee status for 677 unduplicated individuals.

Source: Safe Harbors HMIS

HOMEBUYER PROGRAM

The Homebuyer Program creates affordable homeownership opportunities through low-interest deferred loans to first-time homebuyers and loans to nonprofits. Eligible homebuyers may purchase a single family home, townhome or condominium anywhere in Seattle. Approximately \$1.3 million in new funding is available annually, plus any loan repayments from the current or prior housing levies.

- Homebuyers with income up to 80% of median income may apply for assistance through nonprofit housing agencies, participating lenders, and housing developers that have received City funds.
- The program provides deferred loans up to \$55,000, depending on each borrower's need. Borrowers may receive larger loans, up to \$70,000, if City funds are pooled with other subsidies and the average City subsidy is no greater than \$45,000 per buyer.
- Loans are repaid upon resale or refinancing, providing revolving funds for additional homebuyer loans, or are invested in homes that will remain affordable in perpetuity.

2015 Funding Commitments

The Office of Housing awarded \$575,000 in Levy funds to two lending programs in 2015. The two lending programs will assist approximately 15 homebuyers over the next 12 to 18 months.

- **Washington State Housing Finance Commission:** \$300,000. The Commission will assist up to 10 homebuyers, providing up to \$15,000 per buyer of the Commission's House Key Plus Seattle down payment assistance to match City funds.
- **Homestead Community Land Trust:** \$275,000. HCLT will sell five homes to low-income first time homebuyers. All homes will be permanently affordable, so that upon resale future low-income homeowners will have an opportunity to acquire them at an affordable price.

With 2015 funding awards, a total of \$5.8 million has been awarded to lending programs. These programs assisted 144 households to date to purchase a home, and an estimated 43 additional purchasers will be assisted with Levy funds awarded to programs. Combined, these home purchases exceed the Levy goal of 180 home purchases.

Approximately \$3.48 million remains available to commit to lending programs. This amount includes the balance of the original \$9.1 million allocated to the Homebuyer Assistance Program in the 2009 Levy as well as funds from Levy loans that were repaid due to sale or refinance of the home (known as program income). Program income grew in recent years, due primarily to home owners refinancing in a low-interest rate market. The Homebuyer Program received approximately \$2.9 million in loan repayments from 2010 to 2015 from loans made with Levy and other local sources. Additional program income from loan repayments is anticipated in coming years, but not at the same rate. As a result of this additional available funding, OH anticipates at least \$2.25 million unallocated funding at the end of the year, which can be carried forward for home purchase loans or other Levy programs as approved by City Council.

2015 Home Purchases

In 2015, 12 buyers purchased their first home using Levy funds awarded in 2014 or prior years, including Levy program income from prior loan repayments. The average Levy loan amount was \$41,646. Two of the buyers had household incomes below 50% of AMI, one buyer’s income was in the range of 51-60% of AMI, and the remaining nine buyers had incomes in the 61-80% of AMI range. The pace of closings has slowed (12 buyers in 2015 versus 23 buyers in 2014) as rising home prices have made it difficult for low-income buyers to find an affordable house even with a deferred down payment assistance loan.

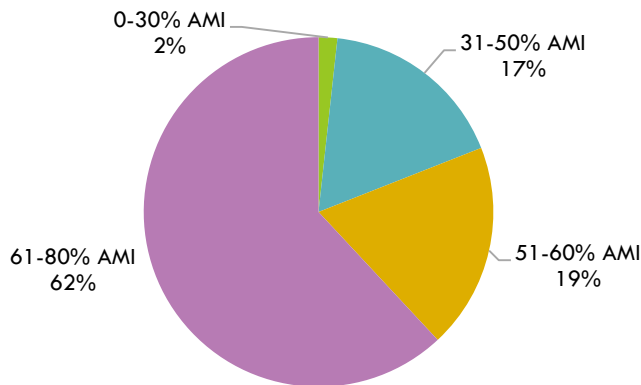
Demographics of Homebuyers, 2010 - 2015

As with other Levy programs, the Homebuyer Assistance Program provides resources that help address economic and racial disparities in housing. The program requires homebuyers to participate in homeownership education that helps to understand the home buying process and plan for long-term success. Outreach and counseling assist renter households to learn about the program and how to access the funding.

Since 2010, the Homebuyer Program assisted almost 300 buyers to purchase their first home using Housing Levy funds and other City-administered sources. In addition to providing ownership opportunity to lower-income households, the program served a higher proportion of people of color than homeowner households in Seattle.

Demographics - Race	Homeownership Program*	Seattle Homeowners**
White	55%	80%
Black/African American	21%	3%
Asian/Pacific Islander	20%	12%
Hispanic	3%	3%
Multi-Racial	1%	2%
American Indian, Alaska Native	<1%	<1%
*2010-2015 Homebuyer loans, Seattle Office of Housing ** U.S. Census Bureau ACS 2014 1-Year data		

**Households Receiving Homebuyer Loans, 2010 - 2015
By Income (all City fund sources)**



LEVY FUNDING POLICIES

Administrative & Financial Plan

Housing Levy programs are guided by policies in the Levy Administrative & Financial Plan adopted by the City Council every two years. The plan is prepared by the Seattle Office of Housing, with the participation of the Seattle Department of Human Services, the Housing Levy Oversight Committee, and the involvement of community members and stakeholders for each of the Levy programs.

Allocation of Levy Funds

All Levy programs award funds through a competitive application process. The Rental Production & Preservation funds are made available via a Notice of Fund Availability (NOFA) along with other housing funds administered by the Office of Housing, in coordination with other local and statewide funders. Applicants are typically nonprofit housing developers, sometimes in partnership with agencies that provide supportive services. Organizations that receive Levy funds commit to provide below-market-rate housing to low-income households for at least 50 years.

Acquisition & Opportunity Loans were available in 2010 through 2012. Unlike other Levy programs, applicants submitted project proposals on a rolling basis rather than a set deadline, enabling project sponsors to take advantage of market opportunities. This highly competitive program required that applicants and projects meet additional selection criteria. As these short term loans were repaid, funds were made available as permanent financing via the other Levy programs. Short-term acquisition funding continues to be available through the Rental Housing and Homebuyer programs on a limited basis.

Levy Operating & Maintenance Funds are made available in a combined NOFA with other sources that support building operations, rental assistance, housing-based services and other housing assistance. This coordinated funding approach helps to maximize the operating and services funding that can be secured, enabling Levy-funded housing to serve extremely low-income and homeless people.

Rental Assistance funds are administered by the Seattle Human Services Department, which selects service providers via a Request for Investment process. These agencies assist eligible households by providing housing stability services and making rent assistance payments directly to the housing owners.

Levy Homebuyer funds are awarded through a competitive process to housing development projects and/or mortgage lending programs. First-time homebuyers apply for purchase assistance loans through the selected lenders and nonprofit partners.

Housing Levy Oversight Committee

A Housing Levy Oversight Committee is appointed by the Mayor and City Council to monitor the progress of Levy programs. The Oversight Committee reports to the Mayor and Council on program accomplishments and makes recommendations for policy changes in the Administrative & Financial Plan. The Oversight Committee typically meets quarterly and is staffed by the Office of Housing.

MORE INFORMATION

For more information about the Seattle Housing Levy, contact the City of Seattle Office of Housing or visit www.seattle.gov/housing/levy.

Office: Seattle Municipal Tower
700 Fifth Avenue, Suite 5700
Seattle, WA 98104

Mail: City of Seattle Office of Housing
PO Box 94725
Seattle, WA 98124-4725

Phone: 206.684.0721

Email: housing@seattle.gov

SECTION 8



Select Committee on the 2016 Housing Levy

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Program Funding for 1995, 2002, 2009, and Mayor's Proposed 2016 Housing Levy Measures

Levy Programs	1995 Housing Levy		2002 Housing Levy		2009 Housing Levy		Mayor's Proposed 2016	
	\$	%	\$	%	\$	%	\$	%
Rental Production & Preservation	\$ 42,715,353	68.4%	\$ 56,110,000	65.2%	\$ 104,165,000	71.8%	\$ 201,000,000*	69.3%
Operating & Maintenance	\$ 7,672,098	12.3%	\$ 7,765,000	9.0%	\$ 14,400,000	9.9%	\$ 42,000,000**	14.4%
Neighborhood Opportunity Program	N/A	N/A	\$ 7,214,000	8.4%	N/A	N/A	N/A	N/A
Acquisition and Opportunity Loan Fund	N/A	N/A	N/A	N/A	\$6,500,000***	N/A	N/A	N/A
Rental Assistance	N/A	N/A	\$ 2,842,000	3.3%	\$ 4,248,000	2.9%	\$ 11,500,000	4.0%
Homebuyer Assistance (HBA Program)	\$ 2,826,482	4.5%	\$ 7,811,000	9.1%	\$ 9,090,000	6.2%	\$ 9,500,000	3.3%
Homeowner Rehabilitation	\$ 3,320,871	5.3%	N/A	N/A	N/A	N/A	included in HBA	
Administration	\$ 3,234,859	5.2%	\$ 4,258,000	5.0%	\$ 13,097,000	9.0%	\$ 26,000,000	9.0%
Total Voter Approved Funds:	\$ 59,200,000	100%	\$ 86,000,000	100%	\$ 145,000,000	100%	\$ 290,000,000	100%

*includes \$10 million for capital reinvestment for existing City funded projects

** includes \$1 million for O & M subsidy extension for existing City funded projects

***no separate allocation provided for this program, loans made from other Levy program funds.

3/9/2016

SECTION 9



Select Committee on the 2016 Housing Levy

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SECTION 10



Select Committee on the 2016 Housing Levy

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SECTION 11



Select Committee on the 2016 Housing Levy

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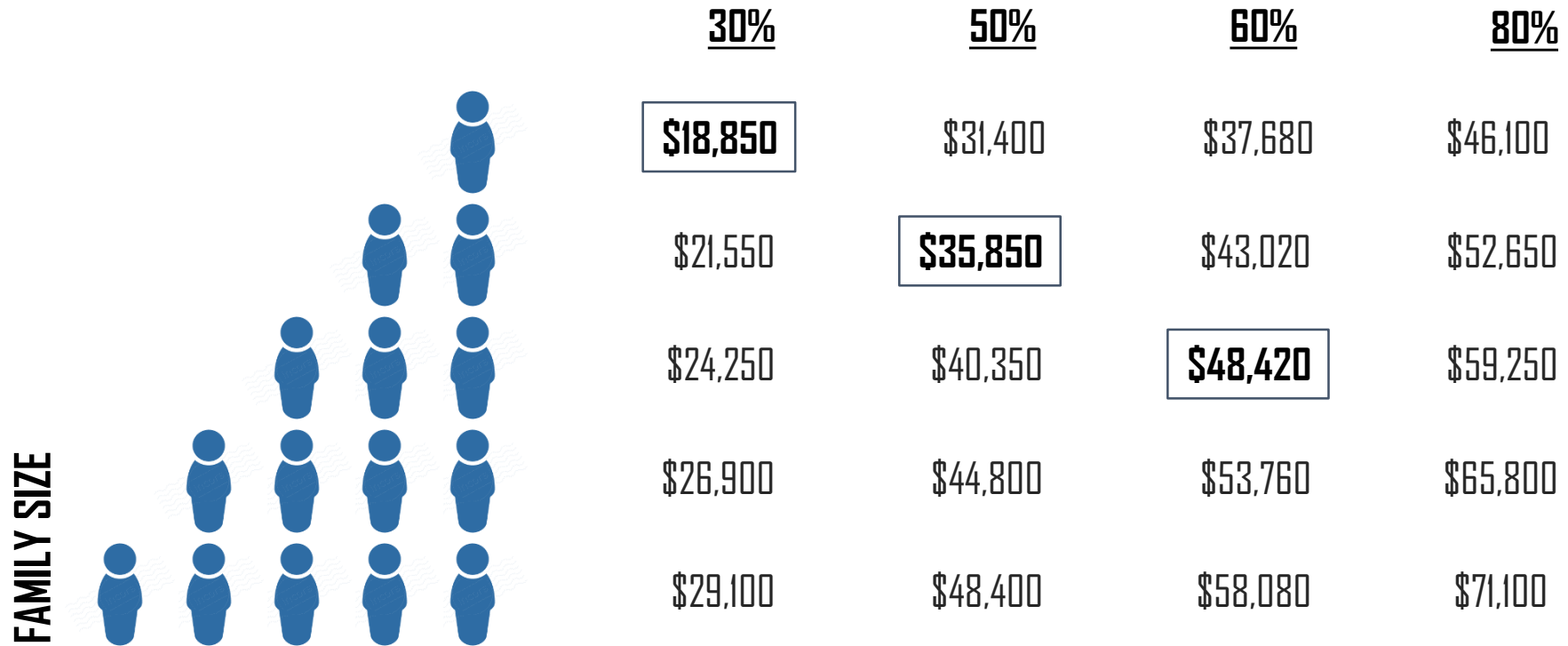
HOUSING NEED IN SEATTLE

Traci Ratzliff & Brian Goodnight, Council Central Staff
March 10, 2016

BACKGROUND INFORMATION

Definition of Low Income

Percent of Area Median Income (AMI), Annual

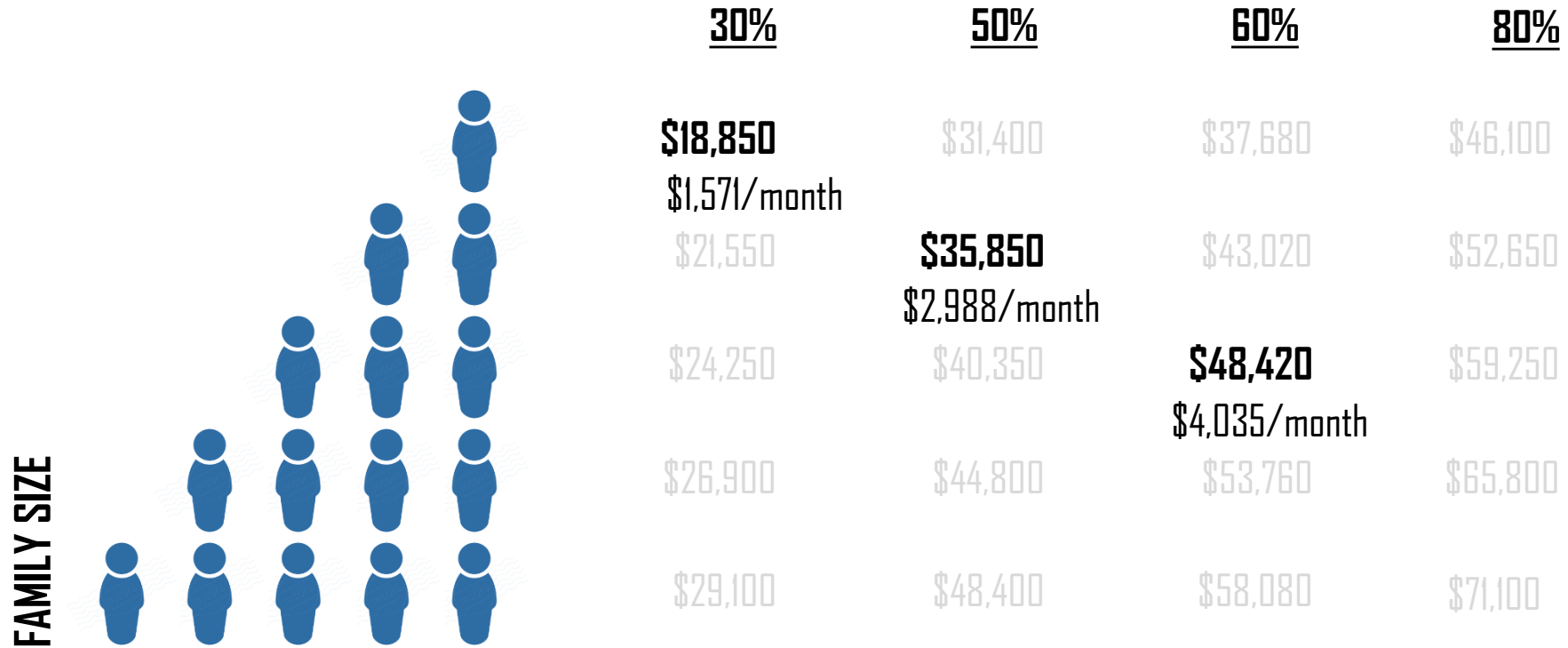


Source: Department of Housing and Urban Development March 6, 2015
For the Seattle-Bellevue, WA HUD Metro Fair Market Rent Area

BACKGROUND INFORMATION

Definition of Low Income

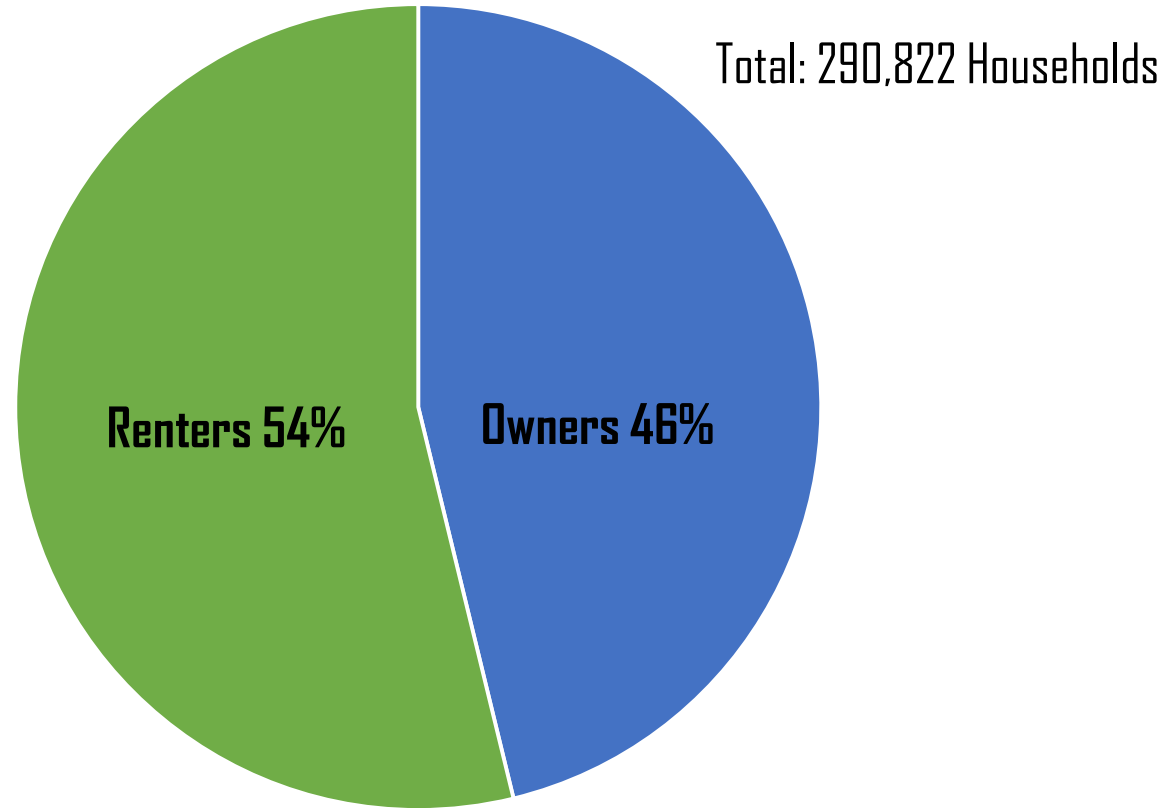
Percent of Area Median Income, Monthly



Source: Department of Housing and Urban Development March 6, 2015
For the Seattle-Bellevue, WA HUD Metro Fair Market Rent Area

BACKGROUND INFORMATION

Owners & Renters in Seattle

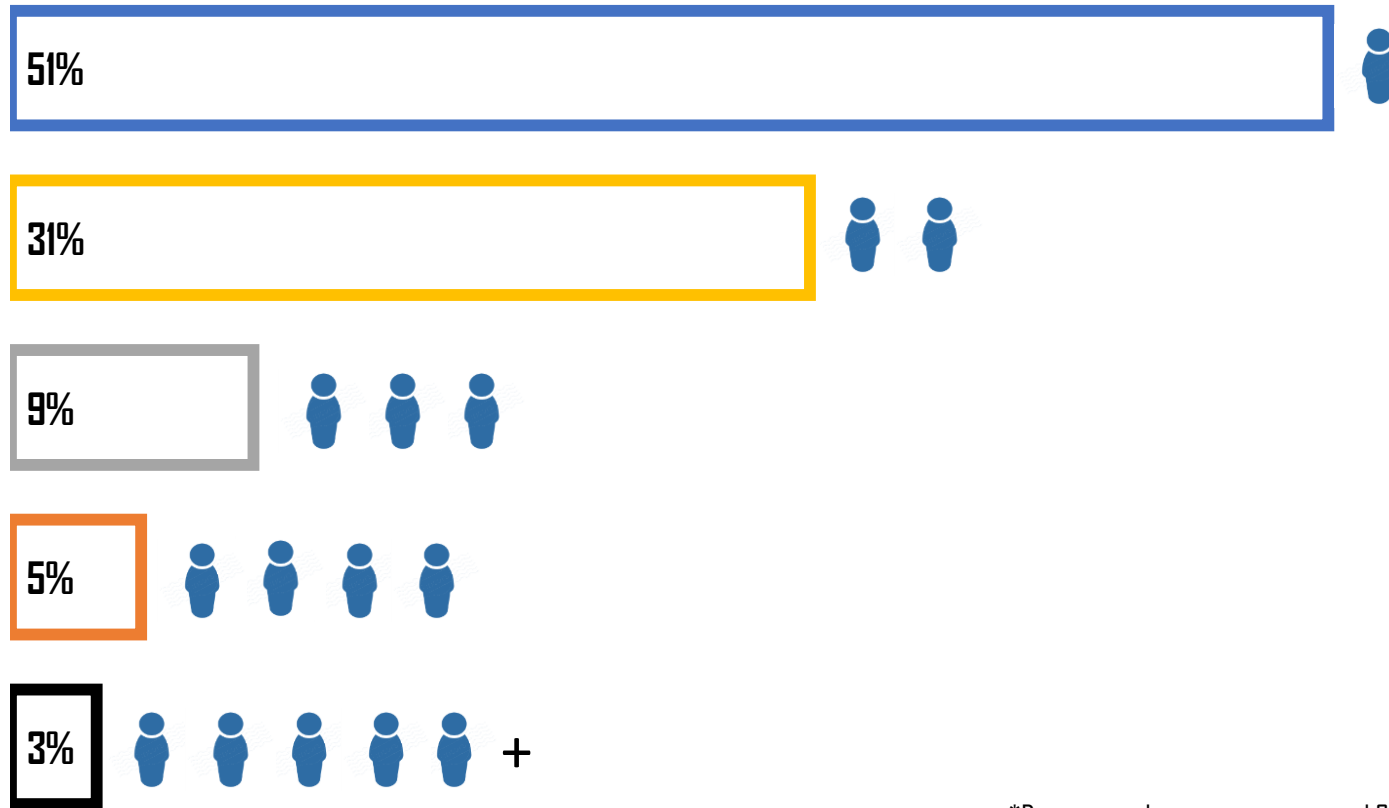


Source: U.S. Census Bureau 2010 - 2014 American Community Survey 5-year estimates

RENTER HOUSEHOLDS

Size of Household*

- 82% of Renters are 1 or 2 Person Households



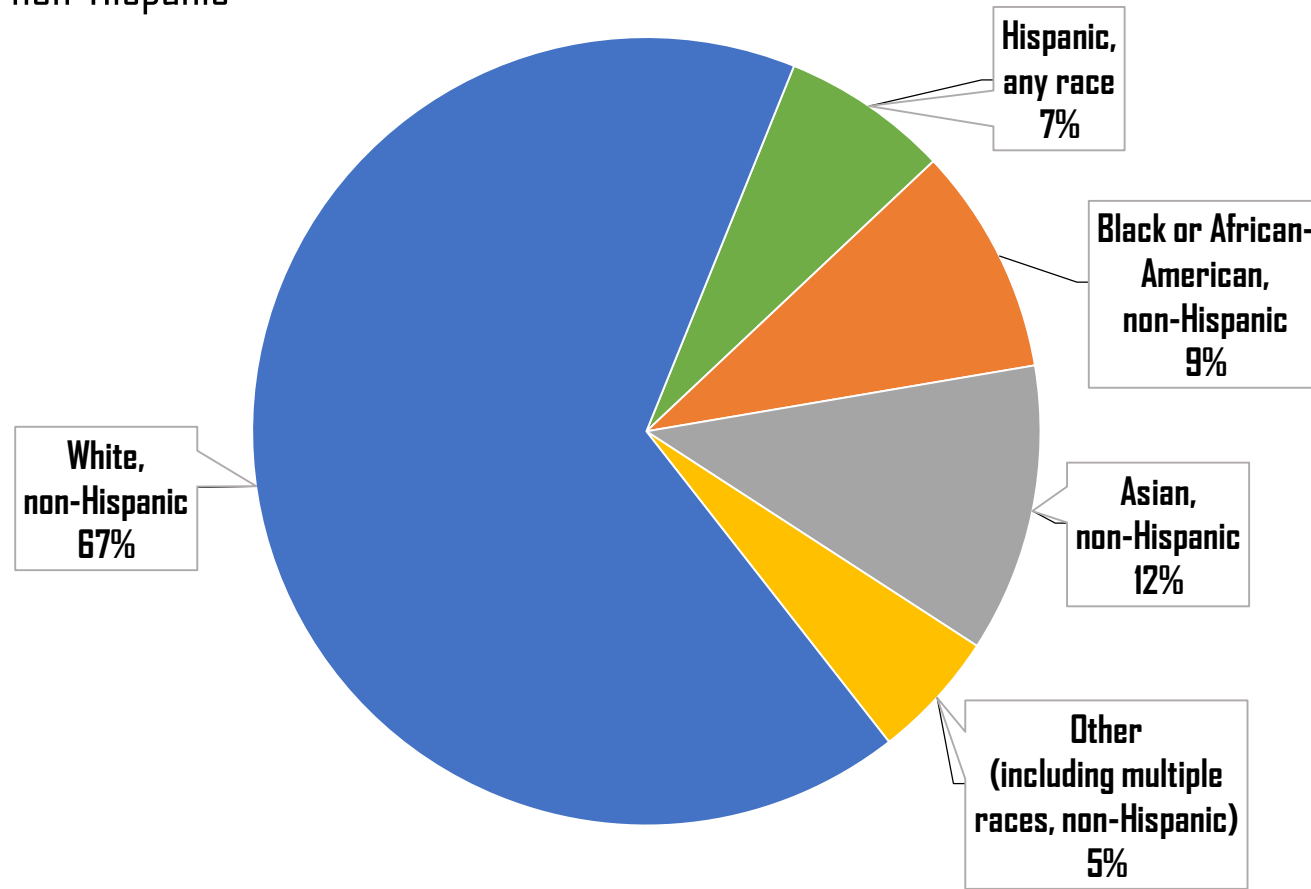
*Due to rounding, percentages total 99%

Source: U.S. Census Bureau 2010 - 2014 American Community Survey 5-year estimates

RENTER HOUSEHOLDS

Race/Ethnicity of Households

- 67% of Renters are White, non-Hispanic

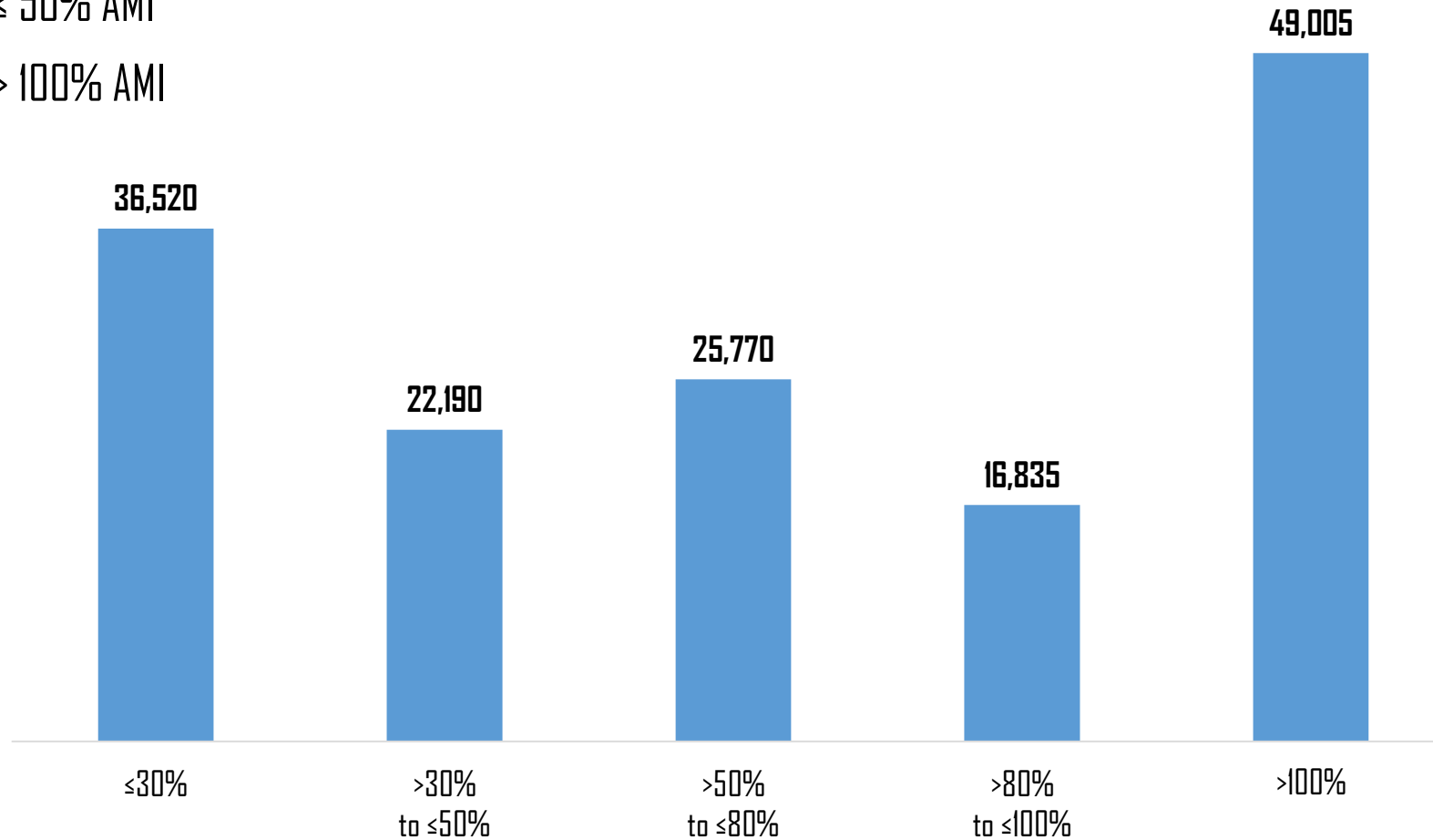


Source: U.S. Department of Housing and Urban Development (HUD), Comprehensive Housing Affordability Strategy (CHAS), 2006-2010 5-year American Community Survey (ACS)

RENTER HOUSEHOLDS

Income Level (%AMI)

- 39% of Renters are \leq 50% AMI
- 33% of Renters are $>$ 100% AMI




Source: U.S. Department of HUD, CHAS, 2008-2012 5-year ACS, Seattle city

RENTER HOUSEHOLDS

Affordable Rent by Income Level & Unit Size*

*Rent includes basic utilities.

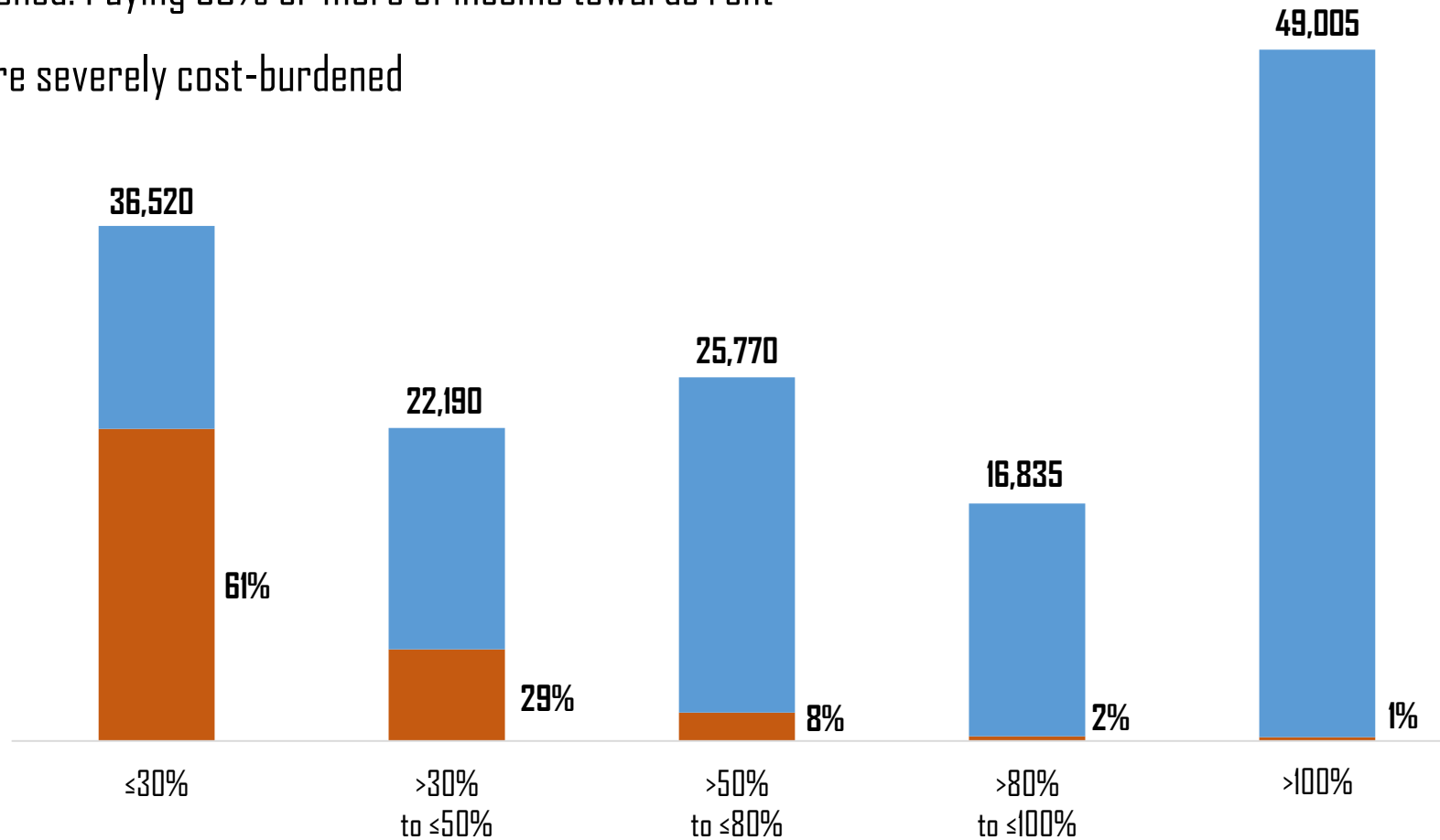
# OF BEDROOMS					<u>AVERAGE</u>
	<u>30%</u>	<u>50%</u>	<u>60%</u>	<u>80%</u>	<u>SEATTLE RENT**</u>
0 	\$471	\$785	\$942	\$1,152	\$1,234
1 	\$505	\$840	\$1,008	\$1,234	\$1,528
2 	\$606	\$1,008	\$1,210	\$1,481	\$1,751 – 2,306
3 	\$700	\$1,165	\$1,398	\$1,711	\$2,568

**Does not include basic utilities.

RENTER HOUSEHOLDS

Severely Cost-Burdened by Income Level %

- Severely Cost-Burdened: Paying 50% or more of income towards rent
- 21% of all renters are severely cost-burdened

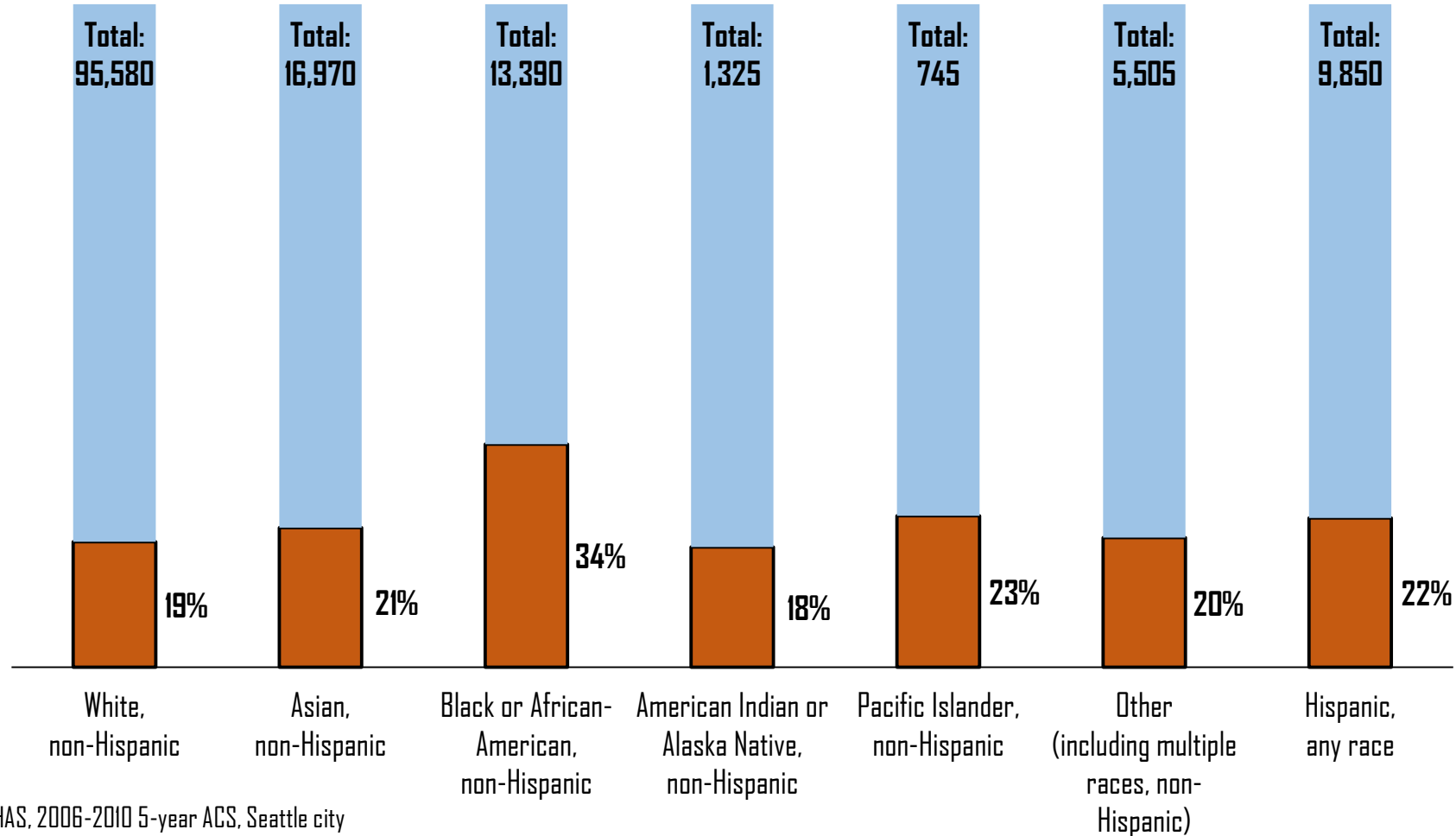


Source: U.S. Department of HUD, CHAS, 2008-2012 5-year ACS, Seattle city

RENTER HOUSEHOLDS

Severely Cost-Burdened by Race/Ethnicity %

- Black or African-American Renters are the most Severely-Cost Burdened

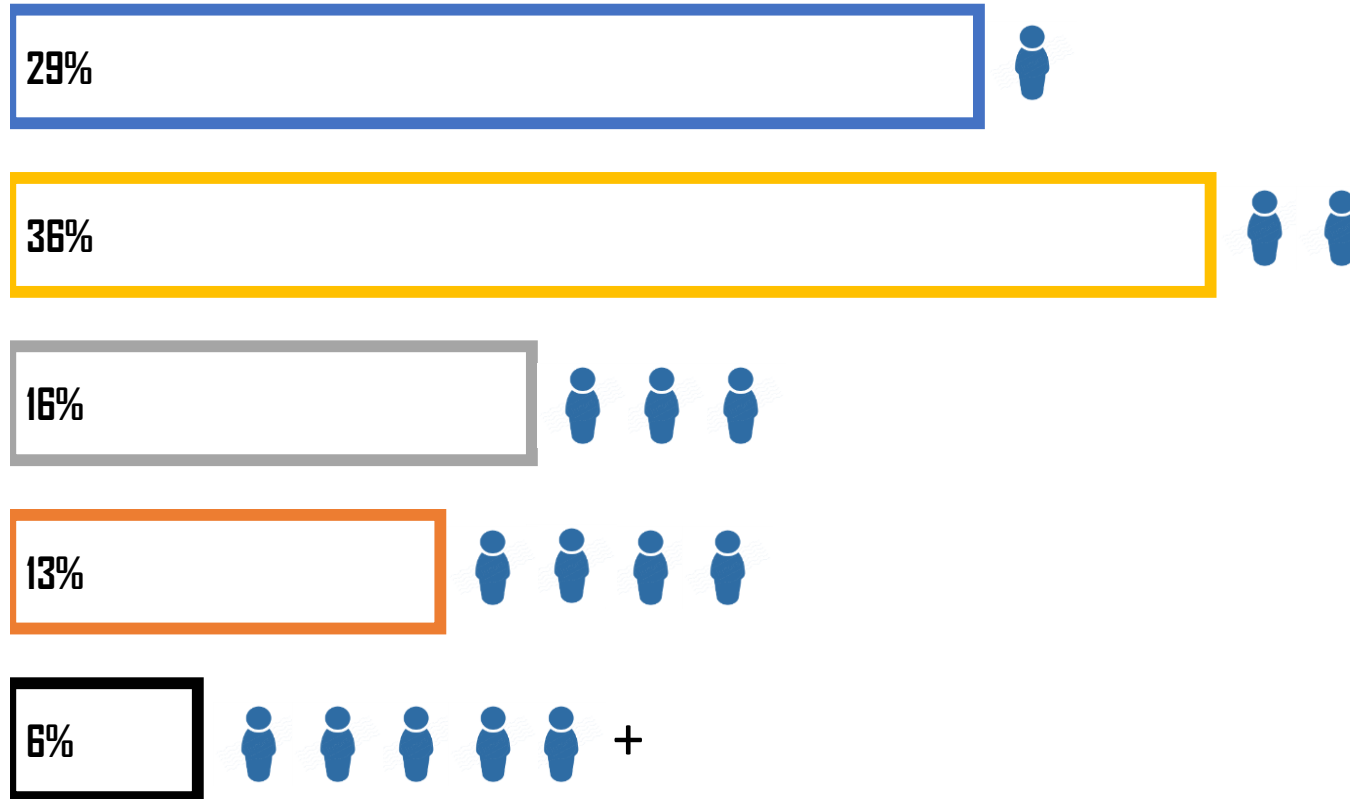


Source: U.S. Department of HUD, CHAS, 2006-2010 5-year ACS, Seattle city

OWNER HOUSEHOLDS

Size of Household

- 65% of Owners are 1 or 2 Person Households

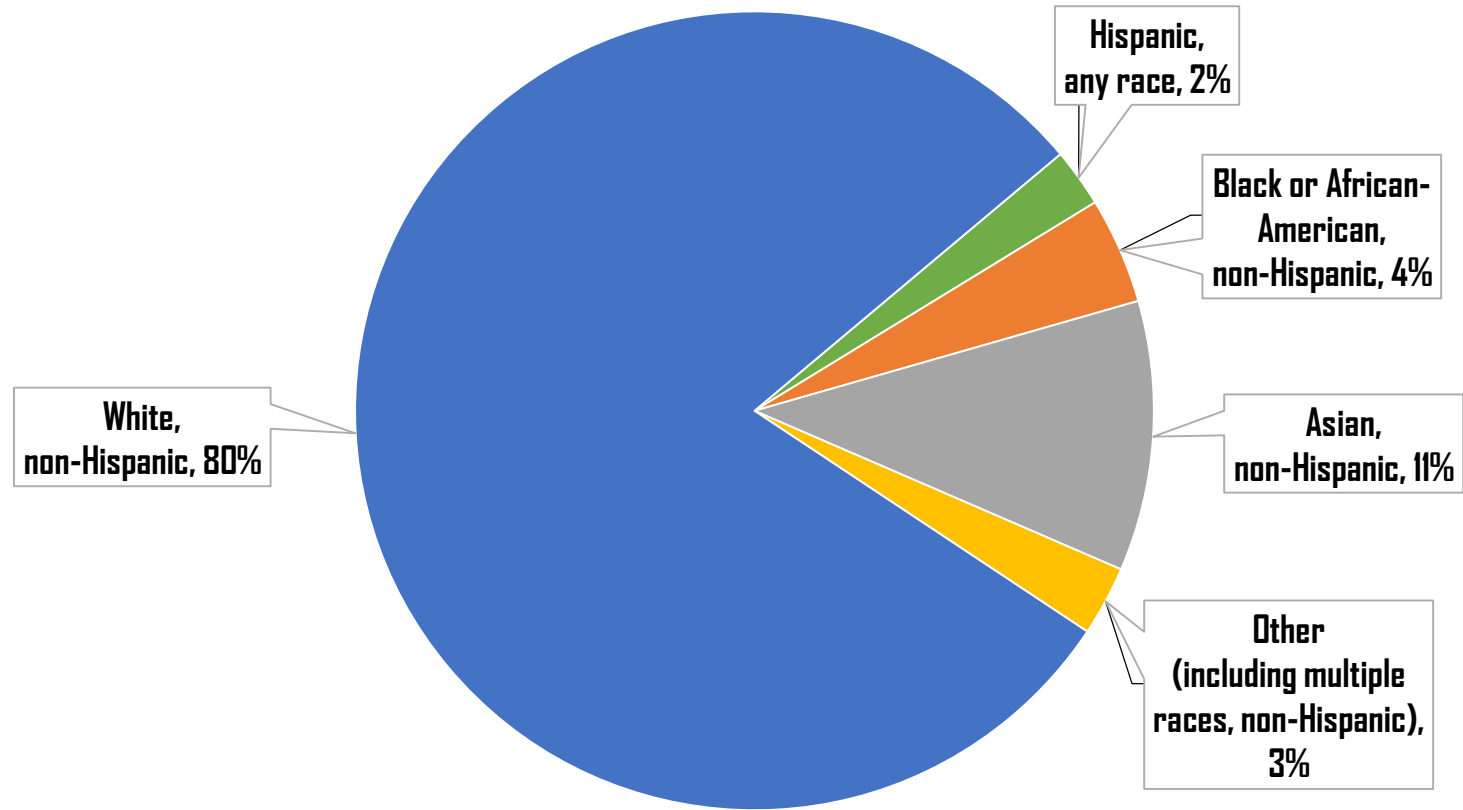


Source: U.S. Census Bureau 2010 - 2014 American Community Survey 5-year estimates

OWNER HOUSEHOLDS

Race/Ethnicity of Households

- 80% of Owners are White, non-Hispanic

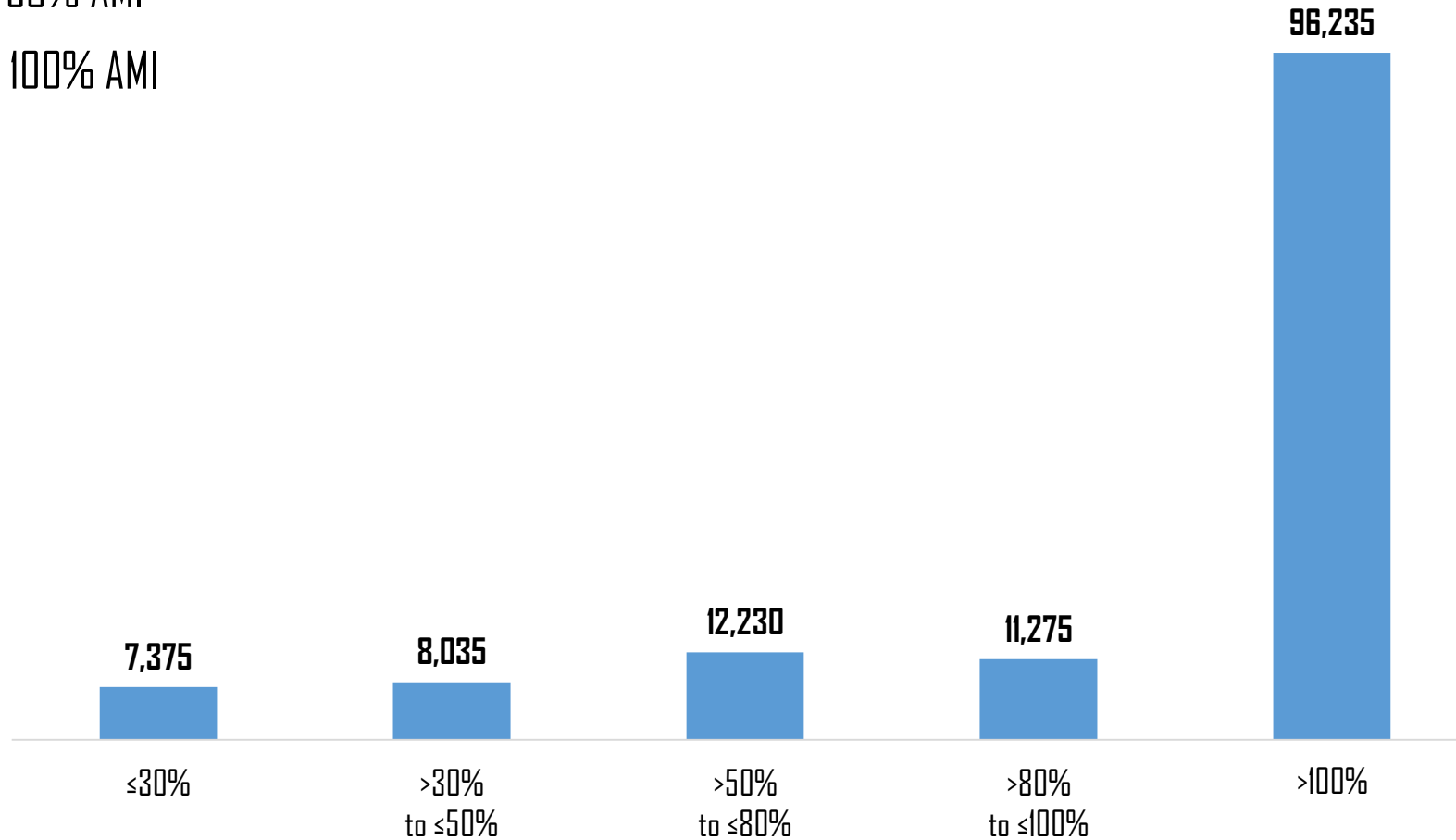


Source: U.S. Department of HUD, CHAS, 2006-2010 5-year ACS, Seattle city

OWNER HOUSEHOLDS

Income Level (%AMI)

- 11% of Owners are \leq 50% AMI
- 71% of Owners are $>$ 100% AMI



Source: U.S. Department of HUD, CHAS, 2008-2012 5-year ACS, Seattle city

OWNER HOUSEHOLDS

- Affordable Home Price for Household at 60% - 80% AMI: ~\$237,500*

Median Sales Prices in Selected Neighborhoods in 2015

	<u>Homes Sold</u>	<u>Median Sales Price</u>
SODO/Beacon Hill	262	\$404,500
West Seattle	1,361	\$426,000
Southeast Seattle	504	\$435,000
Belltown/Downtown	480	\$516,000
North Seattle	1,035	\$520,000
Central Seattle	1,080	\$540,000
Ballard/Greenlake	1,709	\$540,000
Queen Anne/Magnolia	831	\$585,000

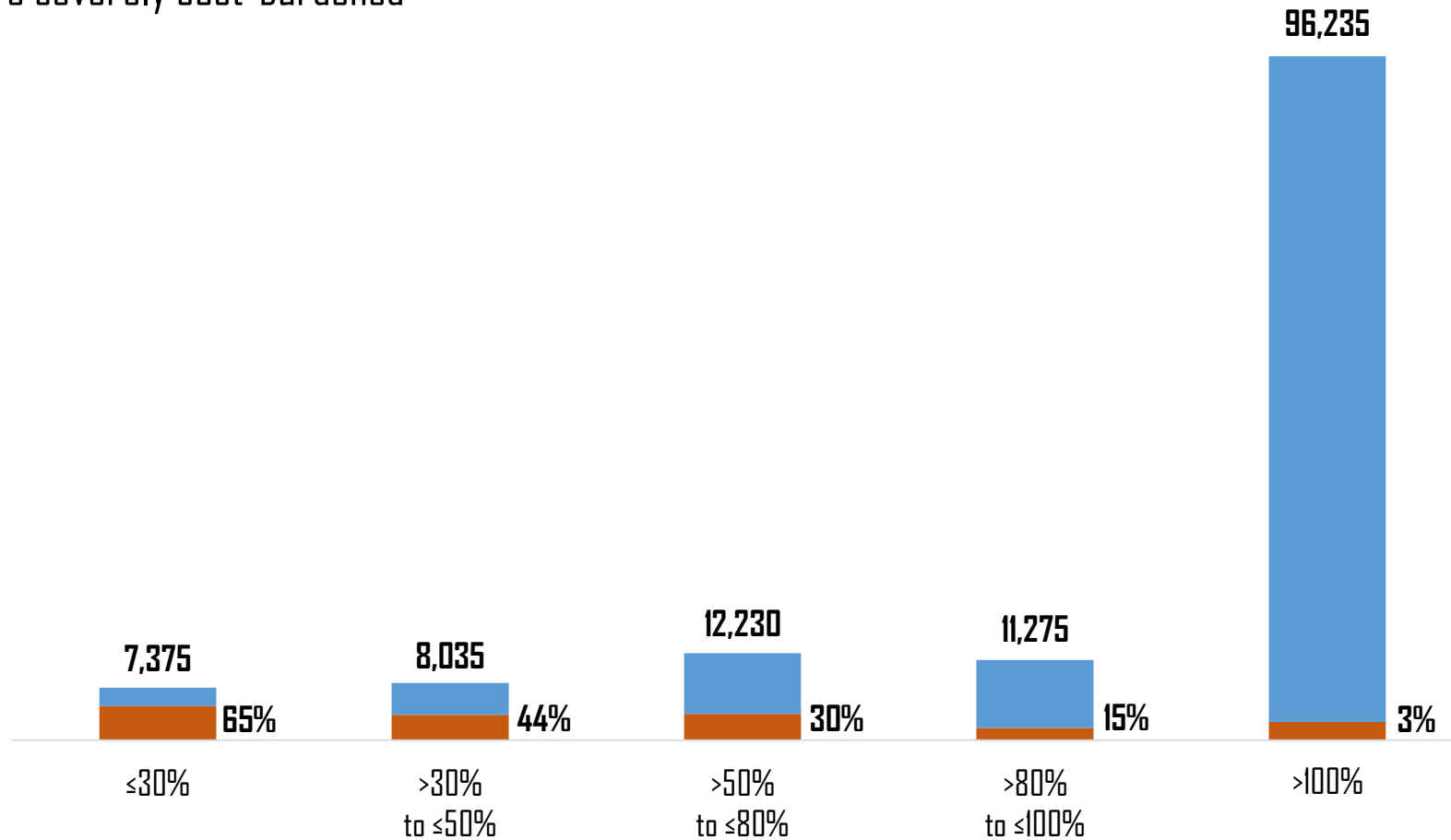
NW Multiple Listing Services,
September 2015

*Assumptions: 30 year fixed mortgage @ 4.5%, property tax @ 1.1%, insurance @.25%, PMI @ 1.31%, borrower contribution of \$2,500, down payment assistance \$45,000. Mortgage debt to income ratio does not exceed 35%

OWNER HOUSEHOLDS

Severely Cost-Burdened by Income Level %

- 12% of all owners are severely cost-burdened

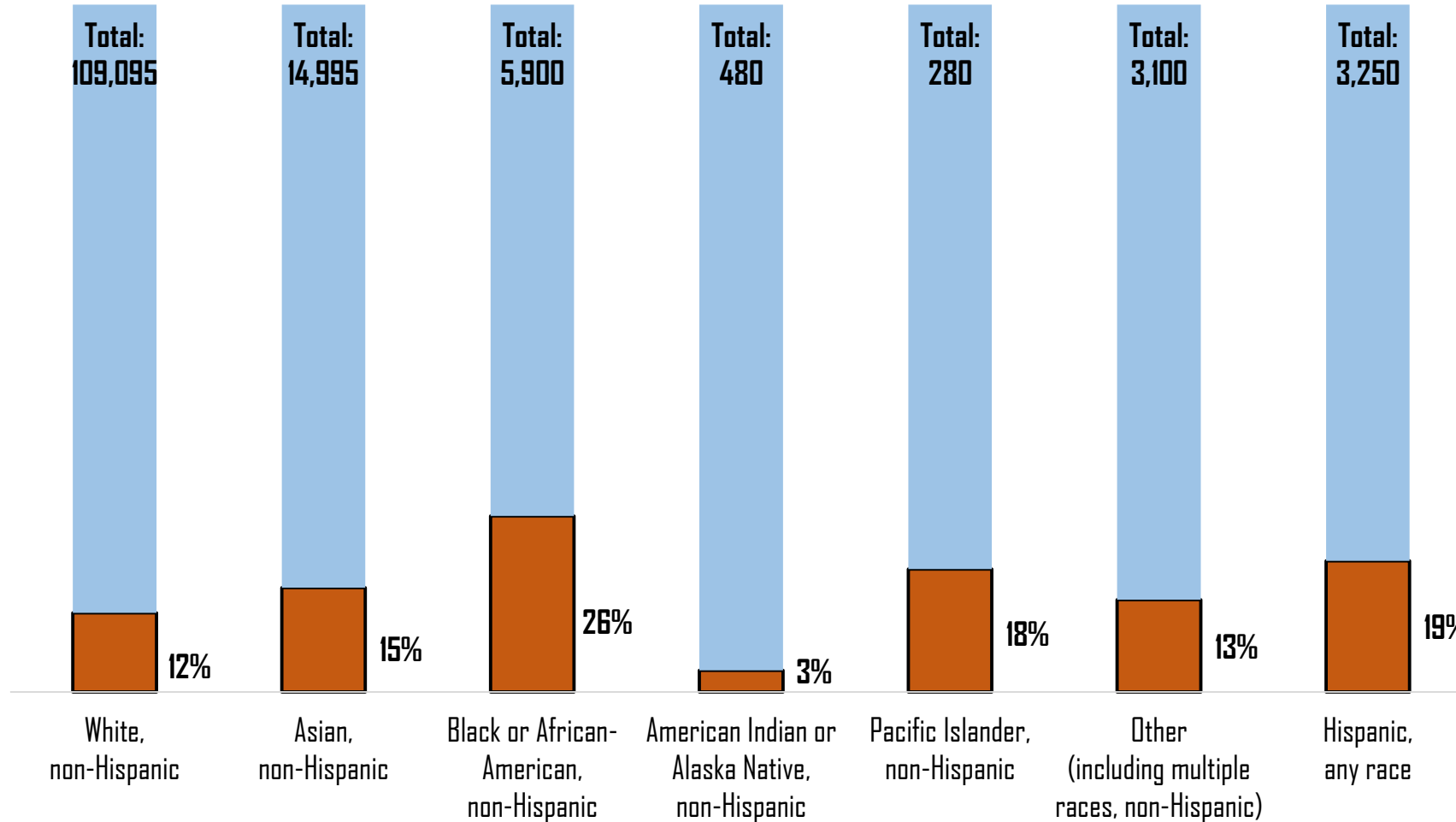


Source: U.S. Department of HUD, CHAS, 2008-2012 5-year ACS, Seattle city

OWNER HOUSEHOLDS

Severely Cost-Burdened by Race/Ethnicity %

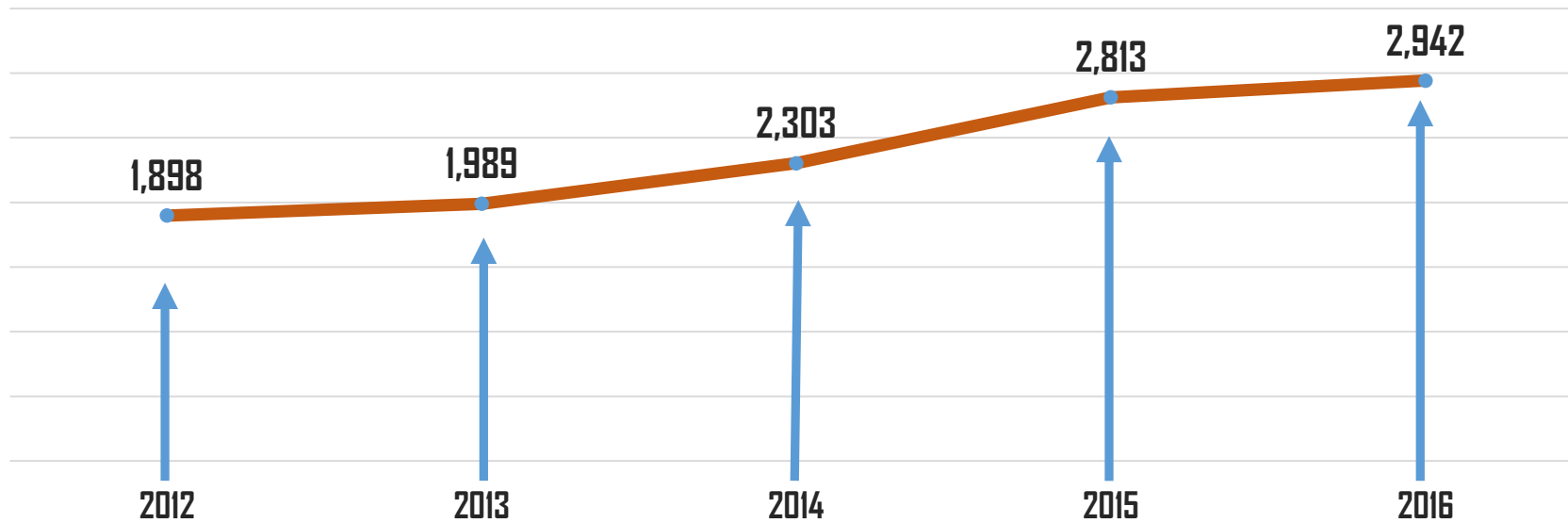
- Black or African-American Owners are the most Severely Cost-Burdened



Source: U.S. Department of HUD, CHAS, 2006-2010 5-year ACS, Seattle city

HOMELESSNESS

One Night Count 2012 – 2016, City of Seattle



Source: Seattle/King County Coalition on Homelessness



Seattle
Office of Housing

City of Seattle

Affordable Housing Programs and the Seattle Housing Levy

Seattle City Council
Select Committee on the Seattle Housing Levy
March 10, 2016



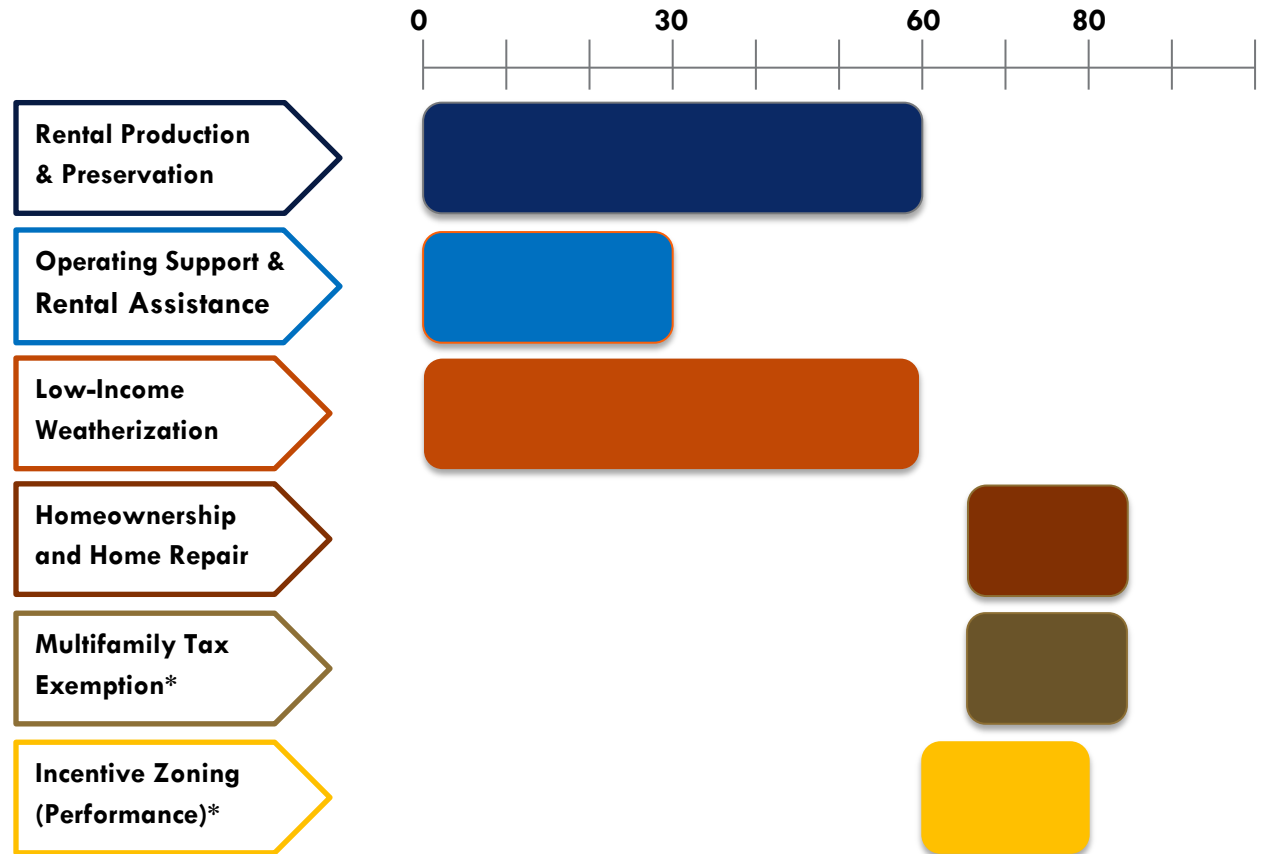
City of Seattle Housing Programs

Direct investment prioritizes our most vulnerable residents and low-income homeownership.

Incentives address lower-wage workers.



Percent of Area Median Income



* Includes rental component of program only.

Seattle Housing Levy

35 Year History of Affordable Housing Investment

- Unique in the Nation
- Builds on Partnerships
- Attracts Additional Investment

Production at a Glance

- Created **over 12,500** new affordable apartments
- Assisted **800** lower-income families in purchasing their first home
- Provided emergency rental assistance to **6,500** households
- Every Housing Levy has **exceeded its goals**



Seattle Housing Levy

HISTORY OF THE SEATTLE HOUSING LEVY



Rental Production and Preservation

Funds awarded competitively to multifamily rental projects

Project Types

- New construction and acquisition/rehab
- Reinvestment in affordable housing



OH Rental Housing Portfolio

- 301 buildings, 12,533 City-funded units
- 286 buildings, 11,013 City-funded units in operation
- 4,477 units regulated to serve homeless
- 53% of units for extremely low-income households
- **22,079 people served in 2014**



Seattle
Office of Housing

Investments Prioritize People with Lowest Incomes

Emphasis on the most vulnerable

- Chronically homeless individuals with disabling conditions
- Homeless families, adults, youth and young adults
- Seniors and people with disabilities
- Low-wage workers and their families

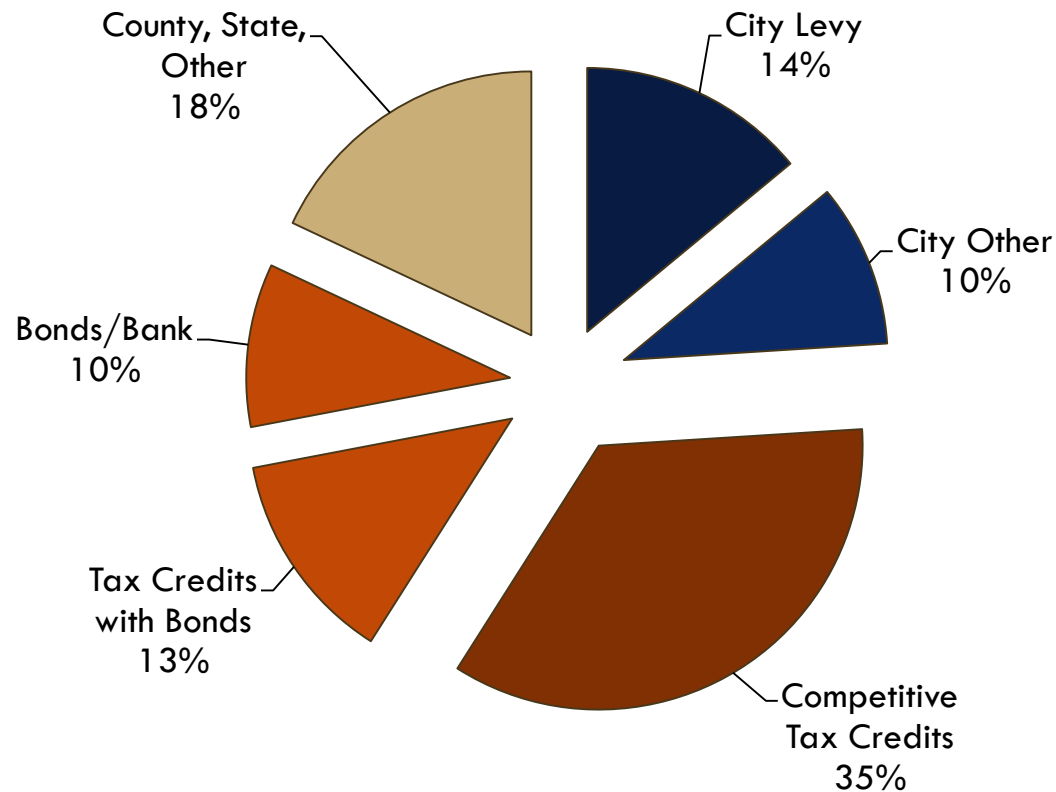


Capital Funding Landscape

Sources of leverage maximize every City dollar

- **City Subsidy (25%)**
 - Levy
 - Incentive Zoning Revenue
 - Federal Pass-Through
- **Tax Credit Equity**
 - Competitive Credits
 - Credits with Bonds
- **Tax-Exempt Bonds (debt service paid from rents)**
- **County, State, Other**

Capital Sources for Levy-Funded Projects, 2010-2015

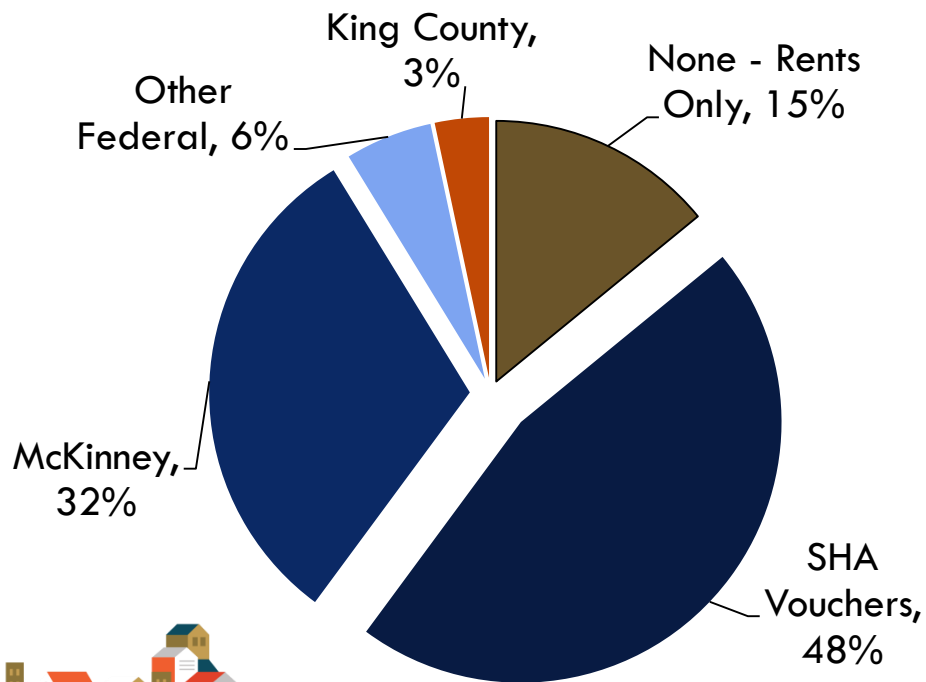


Seattle
Office of Housing

Lowest Income Units Require Operating Subsidy

Rent insufficient to cover costs for 30%AMI units

Operating Subsidy for Approx 1,300 Levy-Funded Units for Extremely Low Income Tenants, 2010-2015



- Rule of thumb: rents set at 30% of maximum income for the unit
- Operating subsidy allows Levy to serve those with incomes well below 30%AMI
- SHA vouchers most significant source, McKinney next
- Levy O&M leverages federal dollars
- Units without subsidy feasible in mixed-income affordable buildings

Notes:

Levy O&M funds expended as match for McKinney and County funds.

SHA vouchers include replacement vouchers but exclude vouchers placed in prior-year Levy and reinvestment projects.

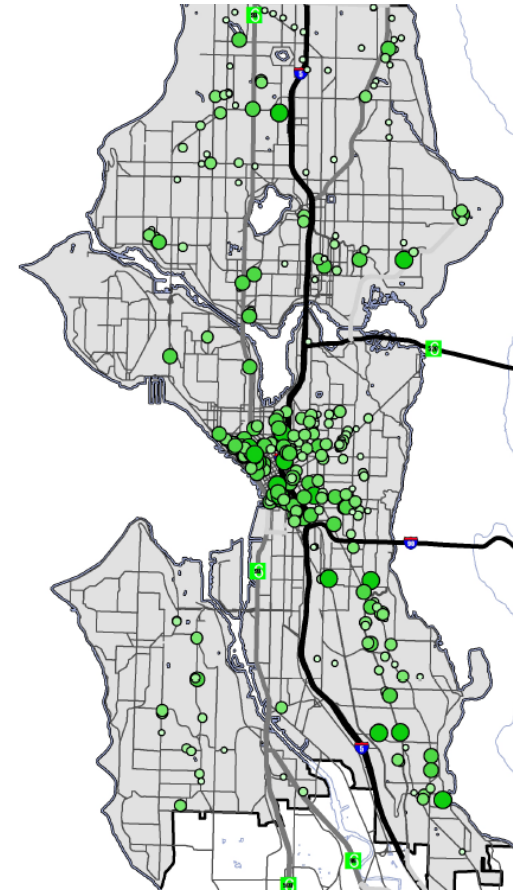


Seattle
Office of Housing

Accountability through Asset Management

Stewardship and compliance monitoring

- On-site inspections on a regular cycle; 89 inspections scheduled for 2016
- Physical condition assessment
- Financial review (building and owner)
- Reserve deposits (deposits and draws)
- Tenant income certification
- Rent levels

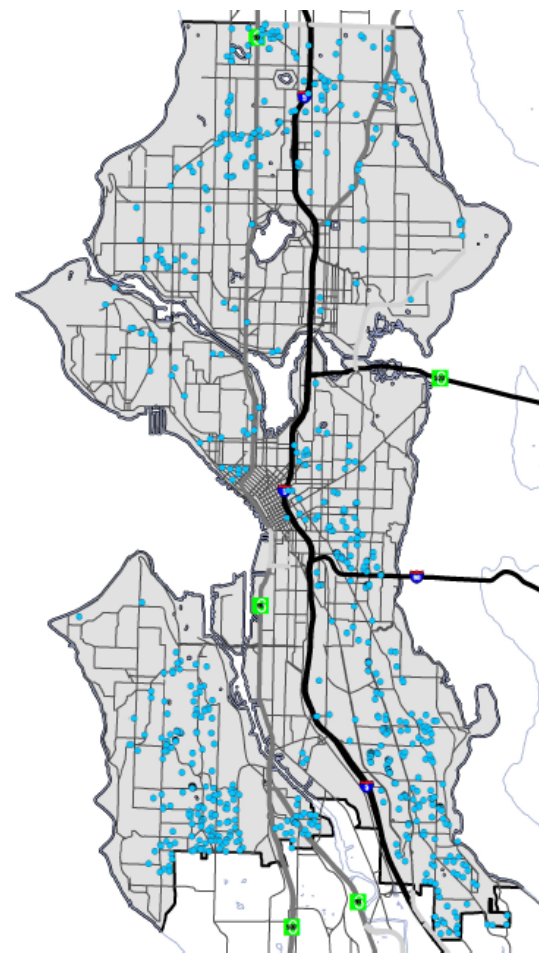


Seattle
Office of Housing

Homeownership Program

Loans to low-income first-time buyers

- Downpayment assistance (revolving loans) or permanent affordability
- Buyers qualify for first mortgage; City funds fill the downpayment gap
- 800 homeowners assisted since 1995
- Locations throughout City, but supply is tight



Seattle
Office of Housing

Annual Report: 2009 Levy Performance through 2015

Levy Program	Funding		Housing Produced		Status: Exceeding goal, On track
	Total Levy Funding 2010-2016	Funding Committed 2010-2015	Levy Goals 2010-2016	Housing Outcomes 2010-2015	
Rental Production & Preservation	\$104 M	\$88.5 M	1,670 rental units	2,184 units added	✓ +
			no goal for reinvestment	410 reinvestment units	✓ +
Acquisition & Opportunity Loans	\$6.5 M	\$7.9 M	175 housing units	234	✓ +
Operating & Maintenance	\$14.4 M	\$12 M	220 rental units	207	✓
Rental Assistance/ Homelessness Prevention	\$4.25 M	\$3.4 M	3,025 households (2012-2016)	2,442 (2012-2015)	✓
Homebuyer Assistance	\$9.1 M	\$5.8 M	180 home purchases	144 closed loans 43 projected	✓ +



Seattle
Office of Housing



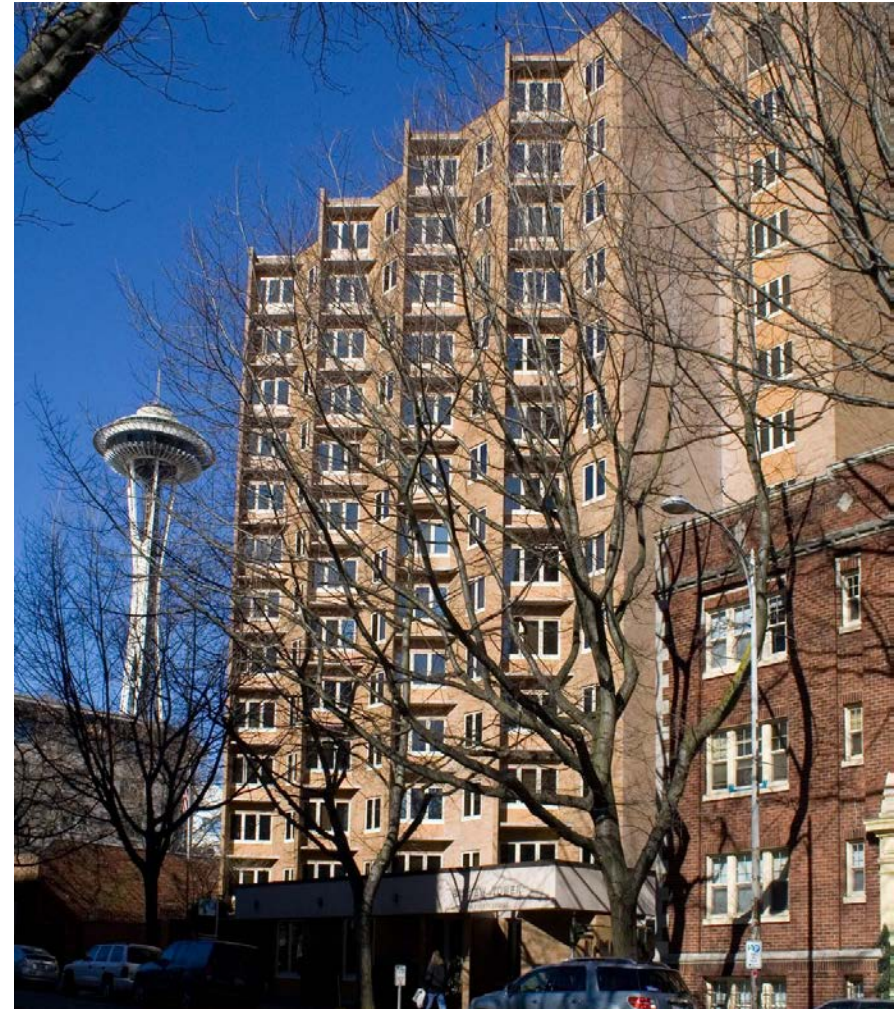
The Role of SHA in Providing Affordable Housing

March 10, 2016



About SHA

- **Over 34,000 people served annually**
- **Two main programs**
 - Housing units – 8,000+
 - Housing Choice Vouchers – 10,000+
- **Admission preference**
 - <30% AMI or homeless

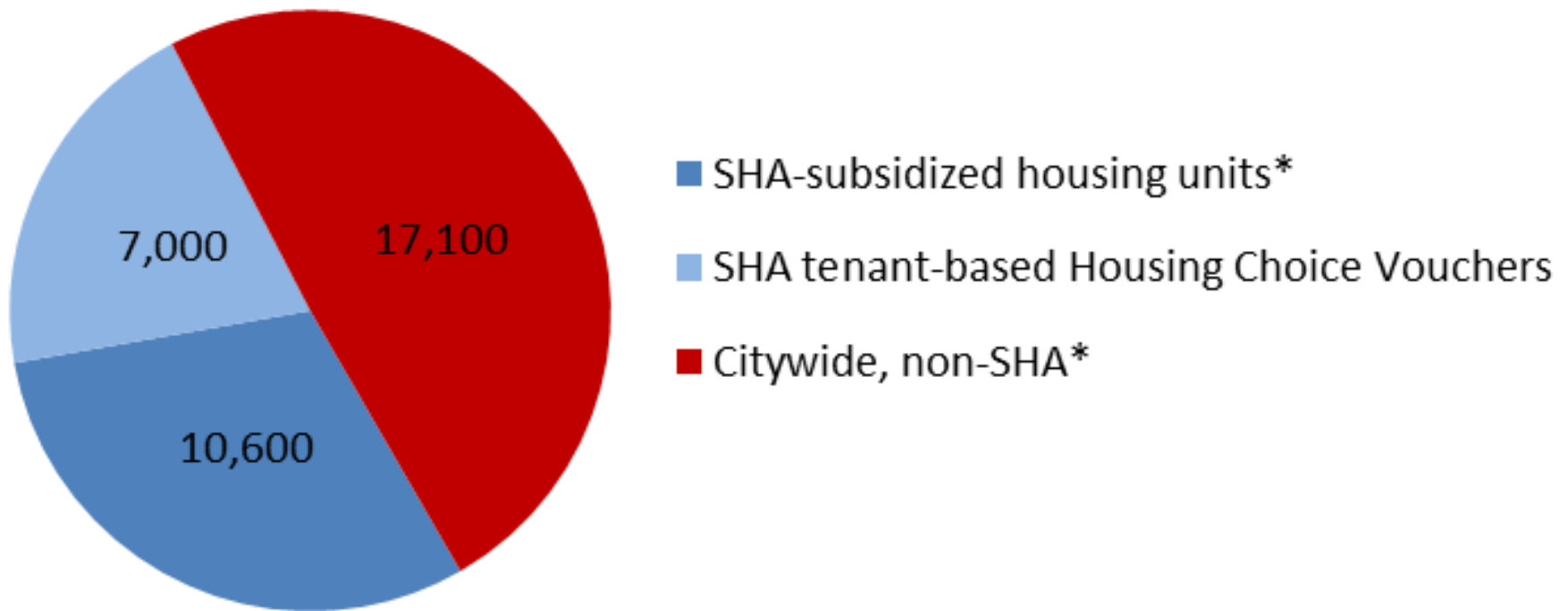




About SHA

- **Separate governmental entity**
- **Moving to Work (MTW) agency**
 - Allows for flexibility & innovation
- **Main Operating Revenues**
 - 75% HUD
 - 25% rental income

SHA Provides 51% of City's Subsidized Housing Stock

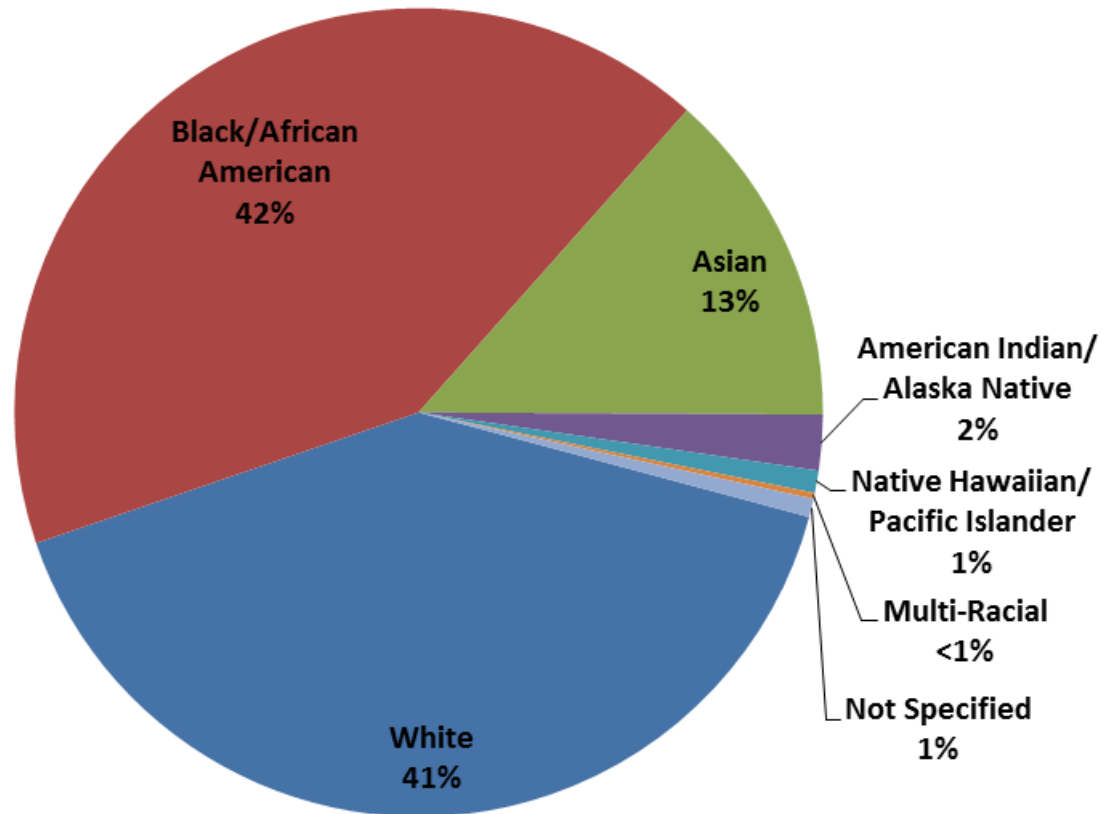


*Includes HUD, State, and locally-funded housing programs

Sources: SHA data and 2015 WA State Housing Needs Assessment (most recent data available at time of analysis in 2014)

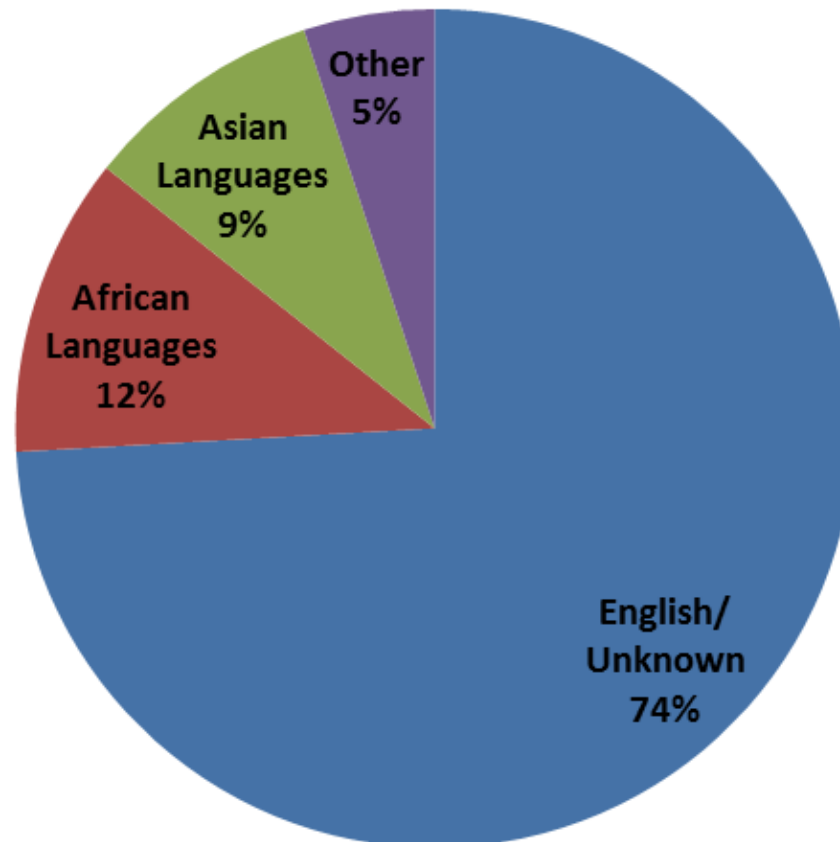
Households by Race

Race of SHA Heads of Household
(N = 16,798)



Languages

Primary Language of SHA Heads of Household
(N = 16,798)



Other Household Stats:

- ▶ 2/3 households served are elderly and/or disabled
- ▶ 1/3 served are headed by adults neither elderly nor disabled
- ▶ Average tenure is 7



SHA Housing Units

- ▶ Low Income Public Housing (LIPH)
 - ✓ *Senior Housing*
 - ✓ *Scattered Sites*
 - ✓ *Highrise buildings*
- ▶ Garden Communities
 - ✓ *NewHolly, Rainier Vista, High Point and Yesler*
 - ✓ *Includes a mix of LIPH, Voucher, Tax Credit units*
- ▶ Other Affordable Housing
 - ✓ *20 Multi-family and small apartment buildings*

Low Income Public Housing



Low Income Public Housing

- ▶ Rent = 30% of income
- ▶ Income reviews annually
- ▶ Waitlist time varies by property
 - ✓ *3-5 years*
 - ✓ *7,000 households waiting*

Garden Communities

▶ **NewHolly, Rainier Vista, High Point , Lake City Court**

▶ **Mixed-income**

▶ **Key features**

- ✓ Service partnerships
- ✓ Community building
- ✓ Economic opportunities support



Yesler Redevelopment



Yesler Redevelopment

- ▶ Mixed-income community
 - ✓ *561 replacement units at <30% AMI*
 - ✓ *290 units <60% AMI*
 - ✓ *Up to 850 units <80% AMI*
 - ✓ *Up to 3,200 market-rate units*
- ▶ Relocation of residents in phases
- ▶ Services ongoing throughout redevelopment

Other Affordable Housing

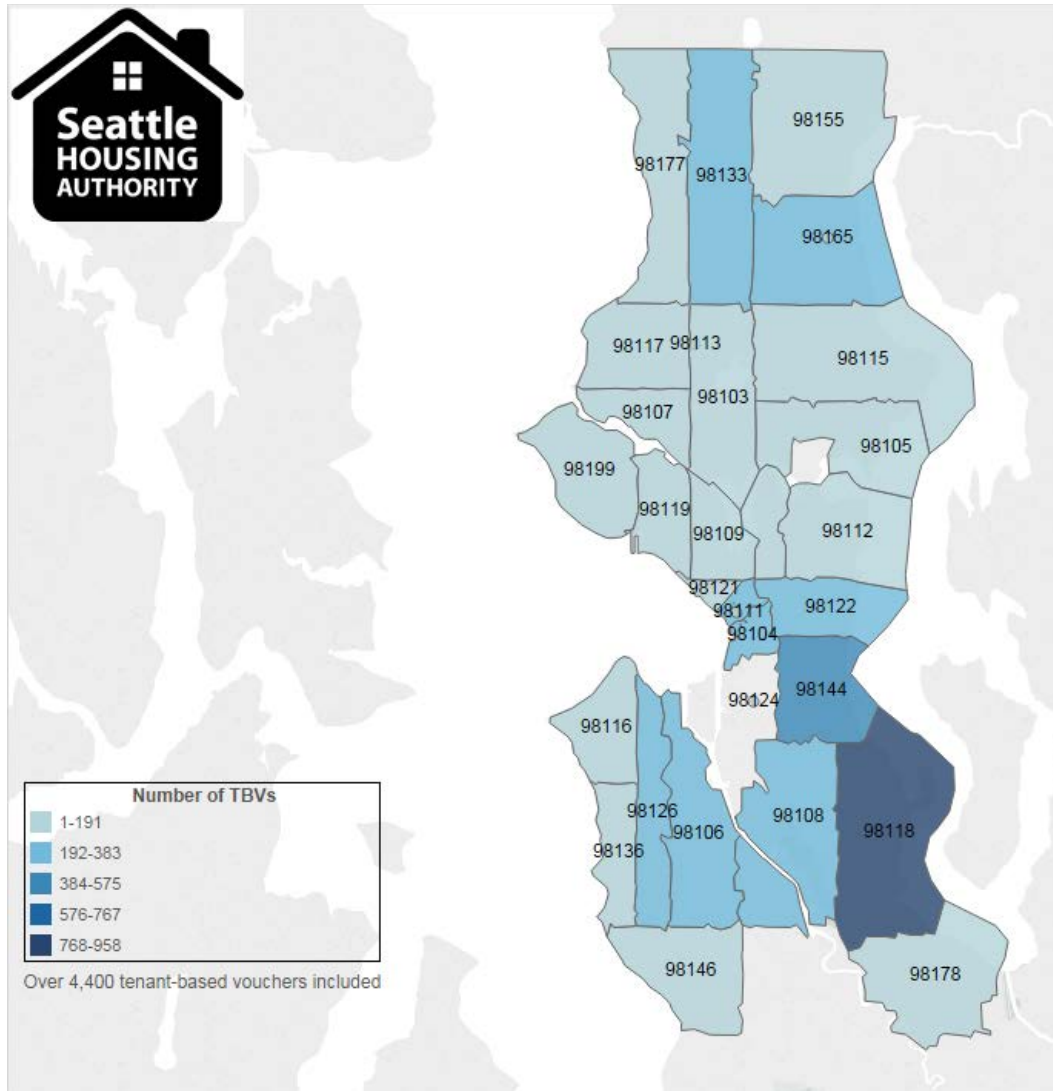


- ▶ Acquired to preserve affordable housing
- ▶ State requires half of units serve households below 80% AMI
- ▶ Some properties privately managed

Housing Choice Vouchers

- ▶ SHA administers 10,000+ vouchers
- ▶ Allows for individuals to rent on the open market
- ▶ Provides choice to rent anywhere in the City
- ▶ Waitlist is opened approximately every 3 years
 - ✓ *Last opening in 2015; 19,000 applicants for 2,500 slots*

Number of SHA Tenant-based Vouchers in Seattle as of February 2016



Housing Choice Vouchers

- ▶ Tenant-based vs Project-based vouchers
 - ✓ *Vouchers come to SHA as tenant-based*
 - ✓ *Cap on how many vouchers SHA can project-base*
- ▶ Project-basing allows use of voucher subsidy to help construct housing units with services.
- ▶ About 33% of all SHA vouchers are project-based.

History of Partnership

- ▶ Strong City support of redevelopment efforts
- ▶ Voucher contributions to past 2 housing levies
- ▶ 300 vouchers for 2016 Housing Levy renewal.

