

**2002 Seattle Housing Levy
PROGRESS REPORT
As of December 2008**

March 2009

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1. Summary: Funding and Unit Production

As of December 2008, the 2002 Levy has completed six years of its seven-year term. Levy highlights include:

- Rental housing development programs will produce 1,642 units, exceeding Levy production estimates, and leveraging \$3.25 in other capital funding for each \$1 in City funds.
- Nearly 63% of rental housing units have received operating funds, helping the Levy exceed goals for homeless and special needs housing. Levy O&M funds will support 181 units, and 900 units have project-based Section 8 vouchers from the Seattle Housing Authority or HUD.
- Homebuyer Assistance is meeting goals for loans to lower income households and Housing Investment Areas. Funding commitments to date will produce at least 211 loans, meeting the revised production goal.
- Rental Assistance programs are exceeding Levy goals for the number of homeless or at-risk households receiving assistance, as well as for the number of households able to maintain housing stability six months later.

Housing Levy Funding and Production, 2003-2008				
	Funding		Housing Produced	
Levy Program	Total Levy Funding 7 years	Funding Committed 6 years	Total Levy Production 7 years	Housing Production 6 years
Rental Preservation & Production ¹	\$56.1m	\$48.6m	1,522 rental units	1,552
Neighborhood Housing Opportunity Program ¹	\$7.2m	\$6.2m	196 rental units	262
Operating & Maintenance ²	\$9.8m	\$9.8m	154 rental units	197
Homebuyer Assistance ³	\$7.8m	\$6.7m	190 homebuyers	211
Rental Assistance/ Homeless Prevention ⁴	\$2.8m	\$2.4m	500 households each year	4,144

¹ NHOP units also received funds from the Rental Preservation and Production Program, but are counted only in NHOP.

² Total O&M funding includes \$2m in Levy interest earnings.

³ The Homebuyer Assistance production goal was originally set at 326 loans, but with dramatic increases in home prices, the average loan amount assumptions made six years ago are no longer valid.

⁴ The Rental Assistance Program's number of households contains some duplication.

2. Rental Preservation and Production

- Largest Levy program with over \$8 million available annually. Program funds the capital costs of new construction, rehabilitation, and redevelopment of all types of rental housing.
- Housing is located throughout the city and serves eligible residents for a minimum of 50 years.
- Housing is constructed using sustainable design and construction as required in the Office of Housing’s SeaGreen Guide. Building operations also employ sustainable, energy-saving practices.
- Short-term bridge financing is available for acquisition of development sites or buildings that will serve residents below 30% of median income.
- To date, **\$44.5 million has been awarded to develop 1,552 rental units**, exceeding the Levy A&F Plan goal of 1,522 units over seven years. Information about funded units begins on page 5.
- Program leverages over \$3.25 in other public and private capital funds for each \$1 of City funding, attracting investment and creating jobs.
- Program is exceeding goals for serving extremely low income and homeless residents. 73.6% of funding supports housing for residents with incomes up to 30% of median, above the Levy minimum of 59% of funding.

Rental Preservation & Production Affordability Requirements			
Affordability Level	Affordability Policy % of Funds	Funds Awarded in 2003-2008	Percent of Funds Awarded
30% AMI	At least 59%	\$35.8 m	73.6%
50% AMI	Up to 31%	\$10 m	20.7%
60% AMI	Up to 10%	\$ 2.8 m	5.7%

AMI = Area median household income as reported by HUD, indexed by household size

Note: Affordability policy is based on all Rental Production and Preservation funding, including RPP funds awarded to NHOP projects. The total unit count of 1,552 rental units does not include NHOP units or units in housing developments that received only small amounts of Levy funding.

3. Neighborhood Housing Opportunity Program

- Program funds projects that help achieve community development objectives in Housing Investment Areas. Preference for a mix of affordability levels, and a mix of housing, commercial and community facility uses.
- \$6.2 million in NHOP funds has been awarded to seven projects with 262 units.
- 96% of funding has been invested in Housing Investment Areas, exceeding the program target of 75% of funding.
- 39% of funding supports units affordable to households below 30% of median income, compared to the program minimum of 25%.

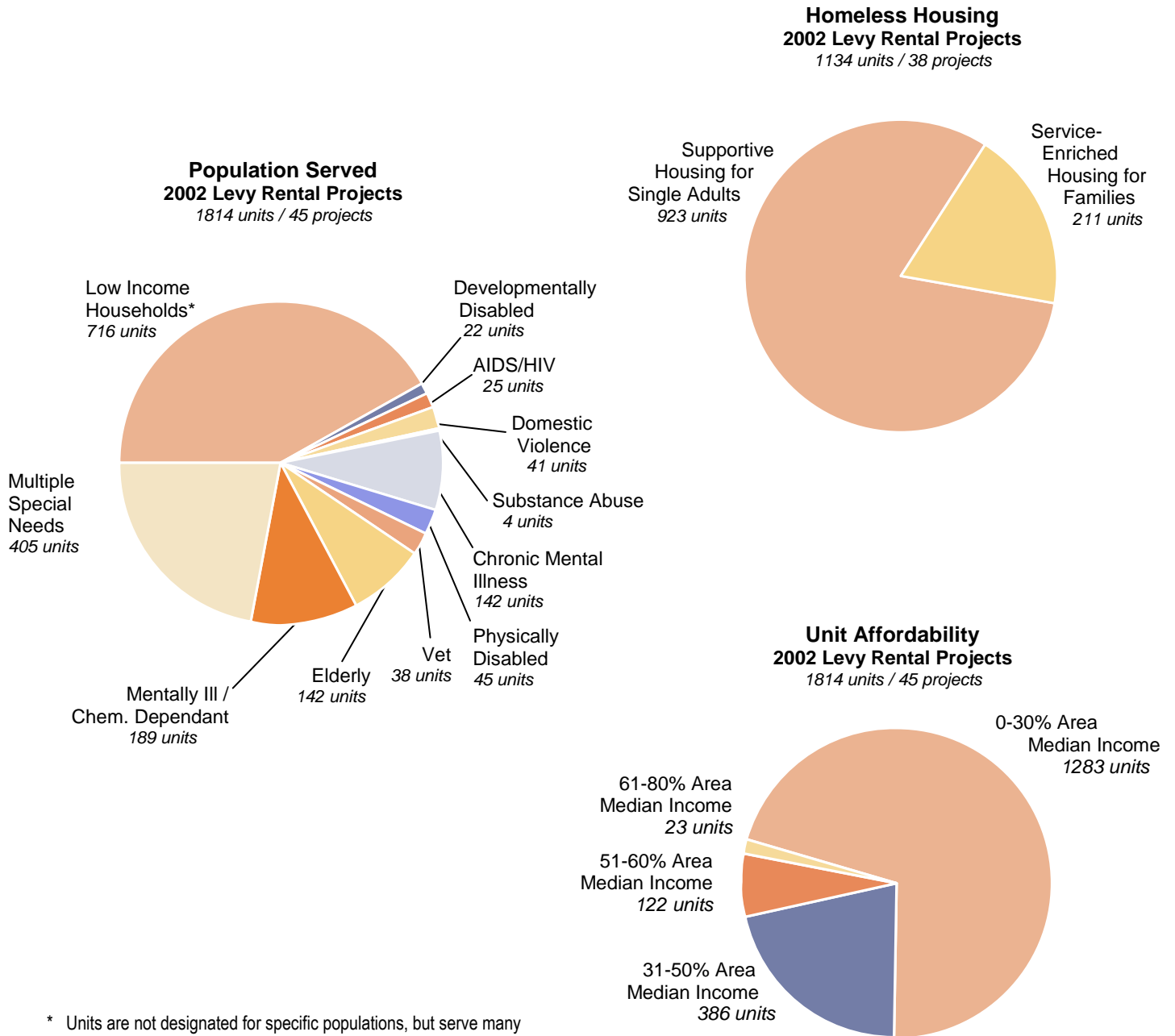
2002 Levy NHOP Funding Awards						
Project, Location SPONSOR	Description	NHOP funding	% Area Median Income			
			<30	<50	<60	<80
Nihonmachi Terrace, International District INTERIM COMMUNITY DEVELOPMENT ASSOCIATION	<i>Family housing, including 10 units for people with physical disabilities, and 5 units for families who are victims of domestic violence</i>	\$1,030,572	27	22		
Cooper School, Delridge DELRIDGE NEIGHBORHOODS DEVELOPMENT ASSOCIATION	<i>Redevelopment of historic school with artist live/work space, theater, gallery, community space, offices, cultural center and public school</i>	\$1,030,572	9	27		
Urban League Village at Colman School, Rainier Urban Village URBAN LEAGUE OF METROPOLITAN SEATTLE	<i>Rehabilitation of historic school providing affordable workforce housing above the Northwest African American Museum</i>	\$772,929		24	12	
Woodland Park Apts,¹ Fremont CAPITOL HILL HOUSING IMPROVEMENT PROGRAM	<i>Reuse of former City Light site for affordable housing, including six units for formerly homeless families</i>	\$257,643	6			
Sea Mar Family Housing, South Park SEA MAR COMMUNITY HEALTH CENTER	<i>New construction of family housing, including units for large families and five units for formerly homeless families</i>	\$1,030,571	13	12	1	
Douglas Apartments, Rainier Beach SEATTLE HOUSING AUTHORITY	<i>Rehabilitation of workforce housing, with five larger units for families</i>	\$671,188	8	31	4	
Chubby & Tubby, North Rainier SOUTHEAST EFFECTIVE DEVELOPMENT	<i>New construction of family workforce housing, including units for large families</i>	\$1,389,955			44	23

¹ All NHOP projects also receive Rental Preservation and Production (RPP) funds. Woodland Park Apartments received *primarily* RPP funds; the project contains 18 total units, but only six are counted as NHOP units.

4. Rental Housing Project Information

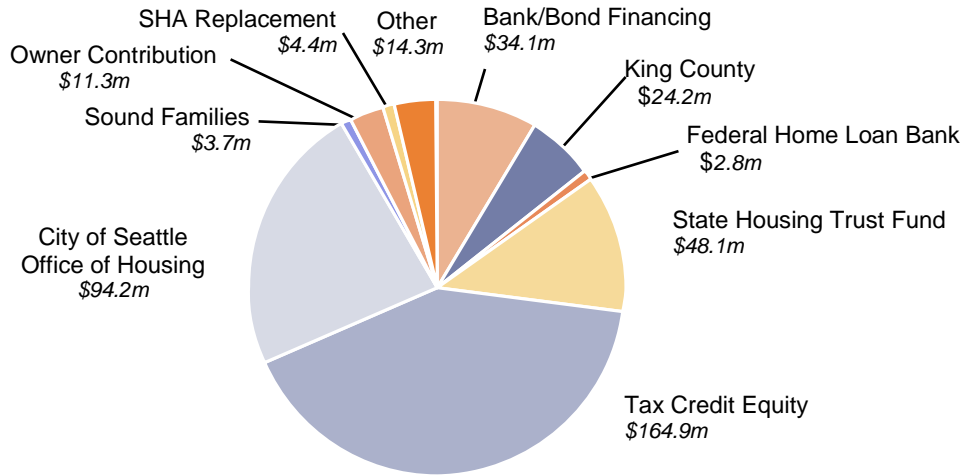
This Section describes all rental housing receiving capital funding through the **Rental Preservation and Production** and **NHOP** programs.

In total, 2002 Levy funds have been awarded to 45 projects, creating 1,814 units of affordable rental housing. Of these, 1,134 rental units in 38 projects are set aside for homeless families and individuals.

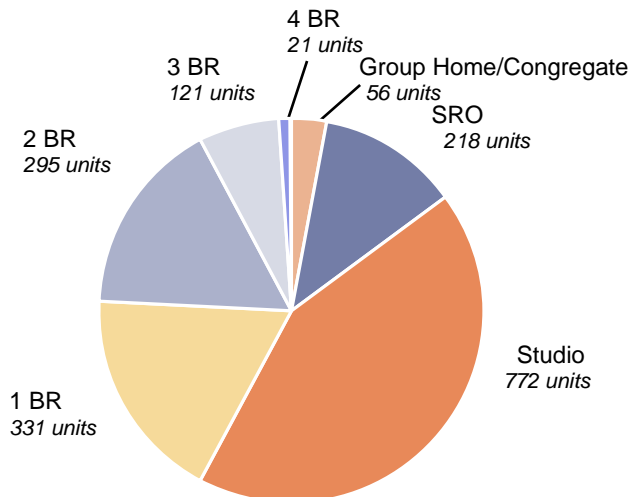


* Units are not designated for specific populations, but serve many special needs residents

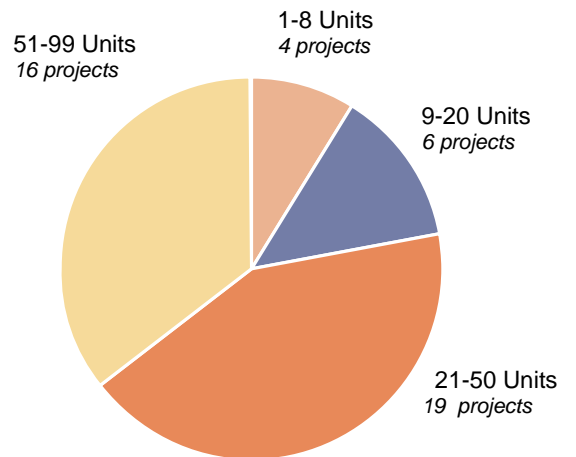
Capital Funds Leveraged
2002 Levy Rental Projects
1814 Units / 45 Projects



Unit Types
2002 Levy Rental Projects
1814 Units / 45 Projects



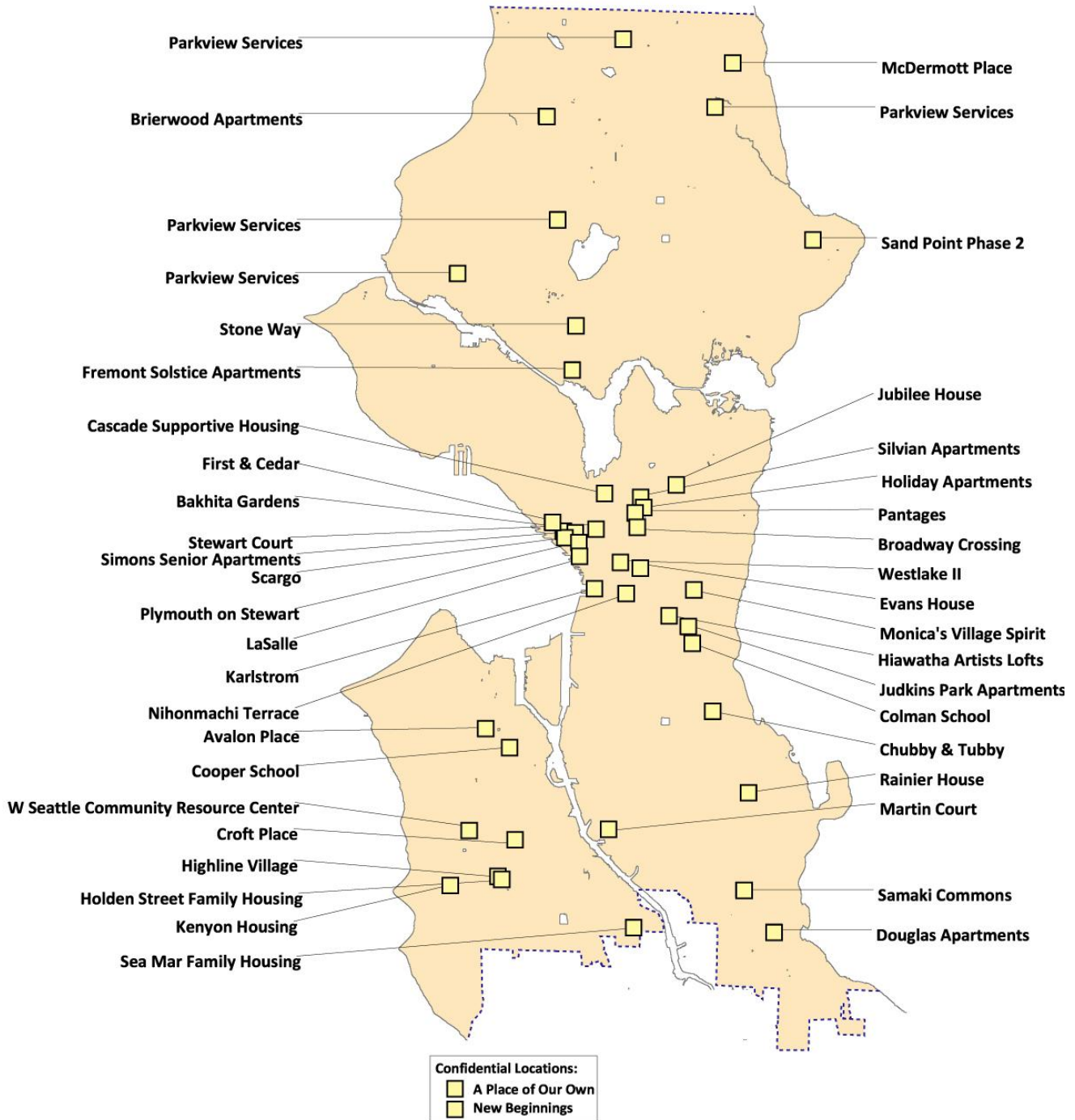
Project Size
2002 Levy Rental Projects
1649 Units / 40 Projects



Project Location

2002 Levy Rental Projects

1,814 units 45 Projects

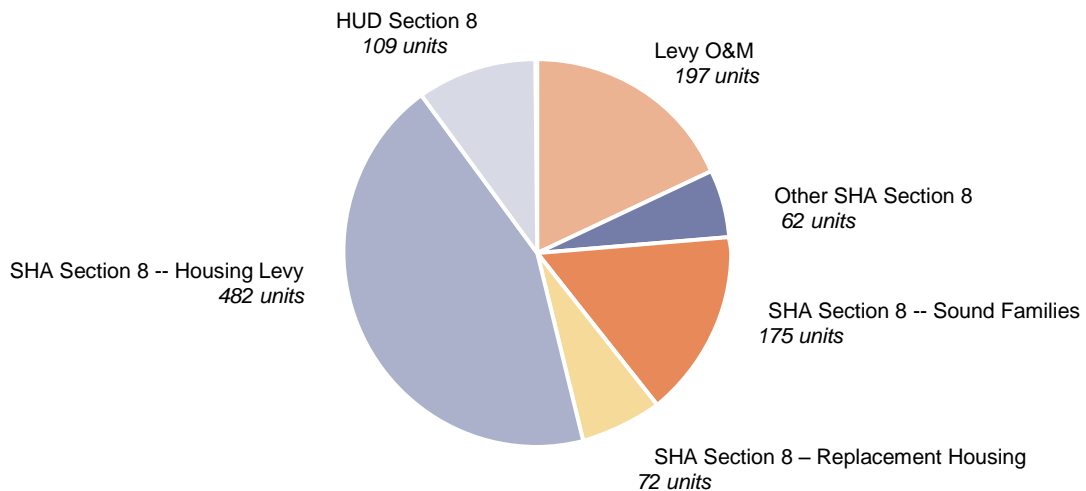


5. Operating & Maintenance Program

- Operating support enables housing projects to serve households below 30% of median income, primarily homeless individuals and families. To date 1,097 rental units, or 63%, of 2002 Levy-funded rental housing have operating support from Section 8 or the Levy O&M program.
- The O&M Trust Fund is funded at \$1.1 million annually. In addition, the first \$2 million in interest earnings on all Levy program balances was earmarked to the O&M fund. The \$2 million interest earnings was reached as of 2008 and the O&M Fund is fully capitalized.
- To date, \$9.8 million in O&M funding is reserved for 197 units in eight projects. These reservations include pre-commitment of 2008-09 O&M funds to support homeless housing projects that received capital funding, but which will not begin operations until 2010. This reservation amount is the estimate of future subsidy payments; actual payments are based on the gap between income and expenses each year of the 20-year contract period.
- For the four group homes and two apartment buildings that are now operating, the O&M subsidy averages \$1,913 per unit per year, well below the 2002 Levy program maximum of \$2,500 per unit per year. O&M programs funded with 1986 and 1995 O&M funds are also providing average annual subsidies below this level.

Units Receiving Operating Support 2002 Levy

37 Projects, 1097 Units

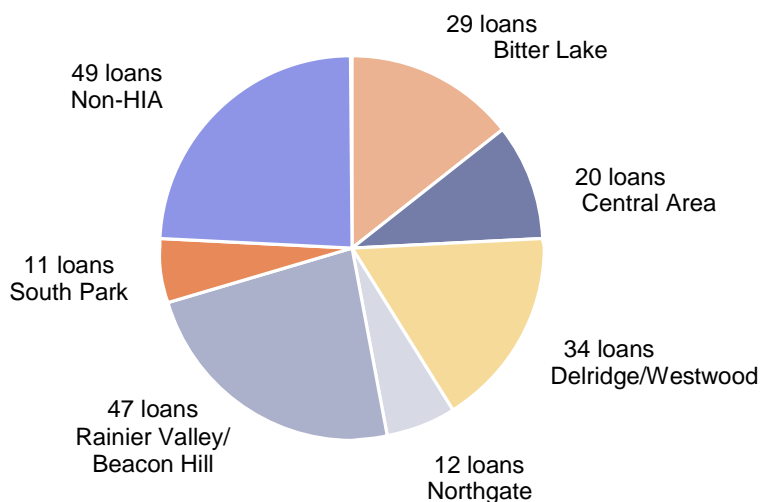


2002 Levy O&M Funding Awards				
Project/Location/Sponsor	Description	Total Units in Project	Units Supported by OMTF	Subsidy Period
Scattered Site Homes Ballard, Lake City, Haller Lake, Greenwood PARKVIEW SERVICES	<i>Acquisition of four group homes each serving three homeless developmentally disabled adults (under contract as 4 separate projects)</i>	12	12	2004-2023
Highline Village Delridge HIGHLINE WEST SEATTLE MENTAL HEALTH	<i>Newly constructed housing serving mentally ill individuals formerly living at Western State Hospital</i>	24	24	2005-2024
Rainier Housing Columbia City DOWNTOWN EMERGENCY SERVICES CENTER	<i>Newly constructed housing serving chronically homeless individuals with serious and persistent mental illness</i>	50	20	2008-2027
McDermott Place Lake City LOW INCOME HOUSING INSTITUTE	<i>Newly constructed housing serving chronically homeless individuals, including veterans. Foodbank and medical-dental clinic are below the housing.</i>	76	50	2009-2028
Brierwood Apartments Broadview COMMUNITY HOUSE MENTAL HEALTH	<i>Redeveloped site serving homeless individuals with chronic mental illness</i>	24	23	2010-2029
Cascade Supportive Housing South Lake Union DOWNTOWN EMERGENCY SERVICE CENTER	<i>Newly constructed housing serving chronically homeless individuals with chronic and persistent mental illness</i>	83	32	2010-2029
Bakita Gardens Downtown ARCHDIOCESAN HOUSING AUTHORITY	<i>Redeveloped site serving chronically homeless women in new congregate housing and studio apartments</i>	90	20	2010-2029
Avalon Place West Seattle TRANSITIONAL RESOURCES	<i>Newly constructed housing serving mentally ill individuals</i>	16	16	2010-2029

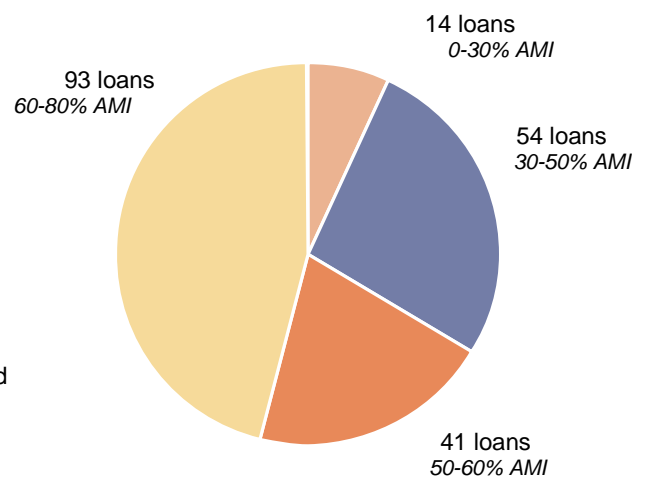
6. Homebuyer Assistance Program

- To date, \$6.7m has been committed to homebuyer programs which will serve a minimum of 211 first-time homebuyers. These include 202 closed loans, and a minimum of 9 loans to be produced with committed funds. In addition, 47 loans closed using 1995 Levy funds since January 2003.
- 54% of 2002 Levy funds assisted home buyers below 60% of median income, exceeding the program minimum of 50% of funds.
- 76% of 2002 Levy funds assisted home purchases in Housing Investment Areas, meeting the target of 75% of funds.
- The average Levy downpayment assistance loan decreased slightly to \$41,800 in 2008, down from \$42,100 in 2007. The average home purchase price in 2008 was \$257,000.
- Homebuyers must use conventional, fixed-rate first mortgages to be eligible for Levy-funded downpayment assistance. The 2002 Levy program has had no loan foreclosures.

**2002 Levy Funded Loans
by Housing Investment Area**
202 Funded Loans



**2002 Levy Funded Loans
by Household Income (% Area Median Income)**
202 Funded Loans



7. Rental Assistance

Emergency Rental Assistance Program

- Program assists renter households with incomes up to 50% of median who are facing temporary economic hardship that puts them at high risk of housing loss from eviction, or are homeless or at risk of homelessness. It is administered by a collaboration of nine community-based nonprofit agencies under the guidance of the Human Services Department.
- \$300,000 is available annually.
- To date, 3,832 households with 9,252 individuals received assistance, exceeding a program goal of 400 households in each program year.
- 72% of households assisted as of June 2008 were in stable housing six months later, compared to a program goal of 70%.

Emergency Rent Assistance Program – Summary of Services October 2003 to December 2008						
	2003-04	2005	2006	2007	2008	Total
Total Households	1,212	815	688	602	515	3,832
Individuals	2,772	2,171	1,750	1,367	1,192	9,252
Type of Assistance						
Homeless placement in housing	202	133	163	140	70	708
Assisted to remain in housing	771	566	410	400	371	2,518
Assisted to move into alternate housing	142	76	68	35	40	361
Assisted to move from high rent housing to affordable housing	97	40	47	27	34	245
Housing stability 6 months later - % of all households to date	87%	77%	77%	77%	72%	77%
Average assistance per household	\$511	\$491	\$476	\$484	\$559	\$491

Clients Served in Emergency Rent Assistance Program October 2003 to December 2008		
Client Characteristics	Households/ Individuals	Percent of Total¹
Very low income household (below 30% of median)	2,600	78.4%
Household with children 0-17 years	1,873	56.5%
Single parent households with children 0-17 years	1,499	45.2%
Disabled individuals	1,519	18.6%
People of color/ethnic minority individuals	6,609	82%
Refugee/immigrant individuals	1,042	12.9%
Limited English proficient individuals	1,014	12.6%

¹Percentages calculated based on total of 3,317 households or 8,060 individuals served.

Rental Stabilization Program

- Provides rent subsidies for 6 to 18 months, combined with case management services, to families and individuals who are homeless or at risk of homelessness. Levy funds are supplemented with federal CDBG through 2008 and HOME funding only through 8 months of 2008.
- \$106,000 in Levy funds is available annually for case management, and is paired with City-administered federal fund. However \$96,500, nearly a full year of Levy funding, was moved out of this program in 2003 because operation could not begin until the Levy A&F Plan policies were adopted and a contract administrator was selected.
- Program is administered by the Salvation Army, which provides rental assistance and case management services to a client case load of newly enrolled households and families receiving ongoing assistance.
- As of December 2008 the program assisted 312 unduplicated households, compared to a program goal of 460 households. The goal reflects the reduced funding due to the delayed start of the program. Staff turnover in early 2008 led to reduced numbers of households served.
- Of households exiting the program, 86% of households as of June 2008 had maintained housing stability six months after exit.

2002 Levy Rental Stabilization Program October 2003 to December 2008							
	2003	2004	2005	2006	2007 ¹	2008	Total
Total Households Served	39	127	115	78	48	52	312 new unduplicated
<i>New</i>	39	88	82	32	34	37	
<i>Continuing from prior year</i>	--	39	33	46	14	15	
Individuals	118	291	373	245	125	131	1,152
Homeless	26	65	59	22	20	22	192 unduplicated
Saved from eviction	13	23	23	10	14	15	83 unduplicated
6 months stability	----	88%	92%	61%	70%	86	78%
Average assistance per household per month ²	\$783	\$783	\$839	\$688	\$830	\$842	\$785

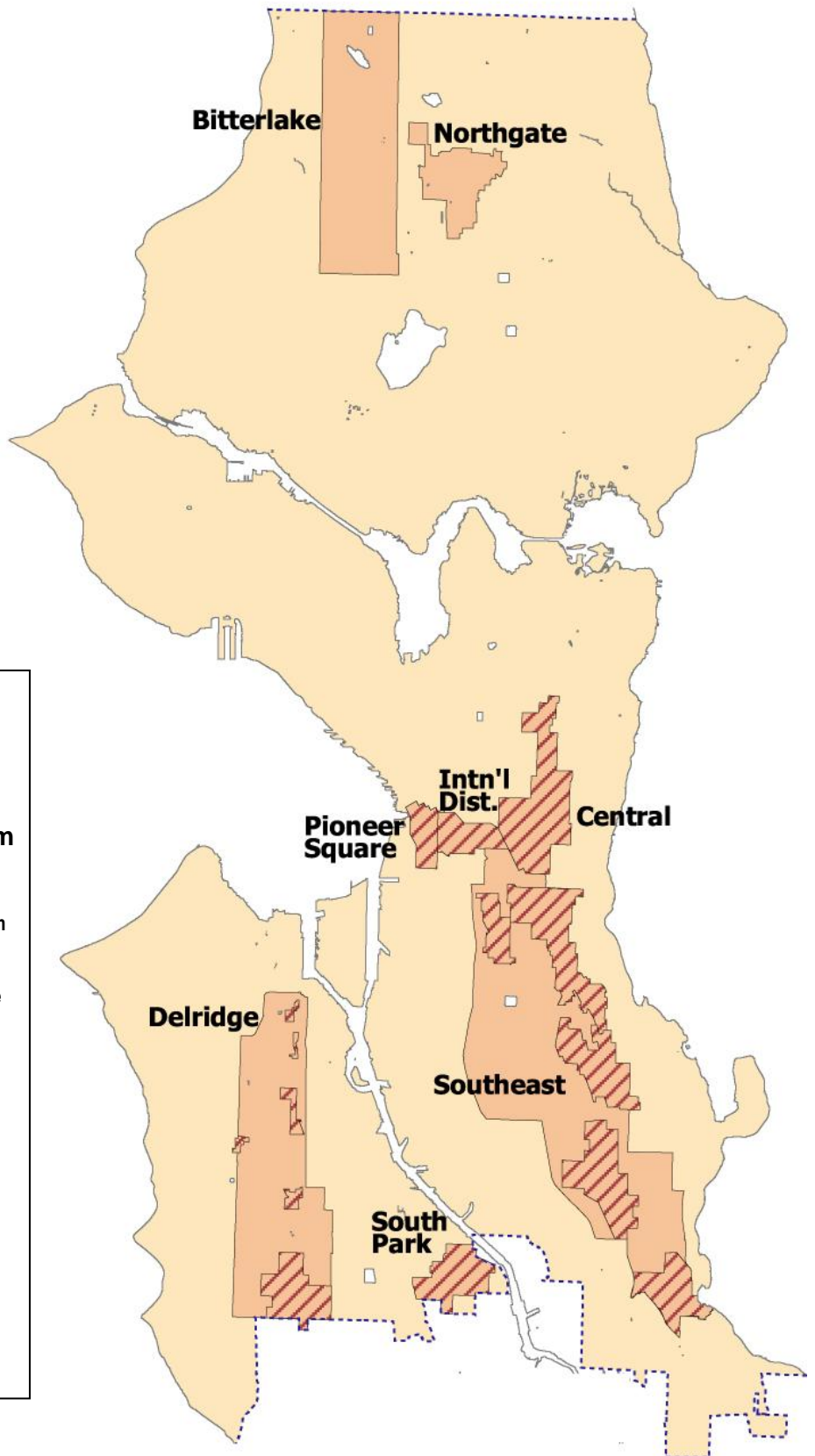
¹ The lower number of households served in 2007 was attributable to problems finding market rate housing in Seattle that met the federal Voucher Payment Standards. The agency has increased households served in the fourth quarter of 2007.

² Includes both move-in assistance and ongoing rent assistance.



Households Served in Rental Stabilization Program October 2003 to December 2008					
Client Characteristics	% Households ¹				
	2003-2004	2005	2006	2007	2008
Very Low Income (below 30% of median)	100%	96%	95%	100%	100%
Include children 0-17 years	100%	100%	100%	82%	73%
Single female parent w/ children 0-17 years	78%	70%	76%	54%	71%
Female	63%	61%	60%	62%	62%
Disabled	7%	7%	6%	12%	8%
People of Color	68%	72%	71%	83%	83%
Refugee/immigrant	26%	17%	17%	6%	18%
Limited English Proficient	26%	17%	17%	6%	18%

¹ Includes all households served each year, both new households and those continuing from the prior year. Female and People of Color based on number of individuals not households.

Housing Investment Areas 2002 Seattle Housing Levy



Priority Areas for Neighborhood Housing Opportunity Program (NHOP) and Homebuyer Assistance Program

-  Homebuyer Assistance Program priority areas only
-  NHOP & Homebuyer Assistance Program priority areas



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