

Seattle Office of Housing

Annual Investments Report - 2018

March 2019



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OFFICE OF HOUSING ANNUAL INVESTMENTS REPORT – 2018 EXECUTIVE SUMMARY

Four thousand new City-funded affordable units have been or will be produced between 2018 and 2022.

The Office of Housing’s Annual Investments Report provides a comprehensive look at the City of Seattle’s affordable housing production and preservation through direct investments and incentive programs. The suite of programs both increase the supply of affordable homes and help preserve affordability for those at risk of displacement, while our City is experiencing unprecedented growth. The impact is felt across Seattle communities and by our neighbors now and for years to come, providing homes for people experiencing homelessness; allowing low income renters to contribute to and access opportunity in the city; enabling low-income first-time homebuyers to share in the benefits of homeownership; and enhancing the quality, sustainability, and affordability of the homes of low-income homeowners and renters.

Four thousand new City-funded affordable units have been or will be produced between 2018 and 2022. These comprise 362 apartments that opened in 2018; 1,197 apartments in projects that were newly funded in 2018; 2,319 previously-funded apartments that are currently in process; and 120 new permanently affordable homeownership units. The City’s incentive programs produce additional affordable units. City investments that enhance the stability of existing low-income residents through OH’s direct service programs, including home repair and weatherization, is another important focus of this report.

Affordable housing investment promotes racial equity and fair access to housing opportunities. People of color, particularly African-Americans and American Indian and Alaskan Natives, are more likely to experience housing cost burden and homelessness. Affordable housing is a critical way for the City to address these and other long-standing racial disparities. Each of the housing programs makes special efforts to reach people of color, and immigrant and refugee communities. Fifty-nine percent of the residents in City-funded rental housing are people of color, as are thirty-eight percent of the participants in the City’s homebuyer programs.

Housing equity and equitable development are also advanced through City location priorities for housing investment. Seattle housing policies direct investments to neighborhoods where low-income residents, including many people of color, face displacement due to rising rents and gentrification. This affordable housing helps sustain cultural communities and enables residents to stay in their neighborhood as transit and other improvements are made. Seattle housing policies also direct investments to higher cost areas where

many opportunities are available, including schools, transportation, and amenities. The Investment Report provides a series of maps illustrating how housing investments further equitable development as well as meet specific location priorities for fund sources.

Through investments over the past 37 years, Seattle now has over 16,000 City-funded rental housing units in operation or under development. In addition, over 1,050 homebuyers have purchased their first home with an affordable City-funded loan and 300 permanently affordable homes are in service or under development with City assistance. Market-rate buildings participating in the Multifamily Tax Exemption Program (MFTE) include nearly 6,000 affordable apartments in operation or under development.

New Housing Opening and Under Construction

The City's longstanding track record of investment helps secure a steady supply of new affordable units. Projects that received funding or approvals in the past few years have proceeded to permitting and construction. The following OH-funded rental housing projects opened or were in process in 2018:

- 4 OH-funded rental housing buildings were completed, providing 362 affordable homes;
- 13 OH-funded rental buildings were under construction and will lease over 1,200 apartments in 2019 and 2020; and
- an additional 985 previously funded apartments were in predevelopment and slated for completion by 2022.

The MFTE program also had robust activity during 2018:

- 25 market rate buildings participating in the Multifamily Tax Exemption Program (MFTE) were completed, providing 693 affordable homes; and
- 25 market rate buildings participating in MFTE were approved and will begin leasing 640 affordable apartments between 2019 and 2021.

In addition to the rental projects underway, two affordable homeownership developments awarded funding in prior years are presently in permitting. These developments comprise approximately 25 townhomes, and almost 100 additional homes are expected to be funded and completed before 2022.

2018 Housing Investments

As prior-year funding was delivering completed affordable housing, OH housing programs set a new round of affordable homes in motion with 2018 funding awards for development projects.

Rental Housing Program: funds production and preservation of rental housing that will serve low-income Seattle residents for a minimum of 50 years.

- \$75.19 million awarded for rental housing production and preservation
- 1,197 units -- affordable rental housing created
- 231 units -- reinvestment in affordable rental housing
- \$422 million in total housing investment: \$5.20 leveraged for each City dollar

Homeownership Program: funds development of housing that will be sold to low-income first-time buyers at affordable prices for a minimum of 50 years.

- \$5.19 million for permanently affordable homeownership development
- 71 units to be constructed in two developments
- Over \$29 million in total housing investment, \$5 leveraged for each City dollar

OH also made investments in housing rehabilitation and sustainability. The projects were completed during in 2018 improving safety, health, and affordability for housing owners and residents.

Home Repair Program: funds critical health and safety repairs, helping low-income homeowners preserve their most important financial asset and sustain their home ownership

- Over \$797,000 provided as loans and grants
- 44 low-income homeowners assisted

Weatherization Program: funds energy conservation and related indoor air quality improvements, enhancing health and living conditions and lowering utility bills for low-income owners and renters

- \$3.4 million in grant funds expended
- 101 single family homes upgraded, benefiting low-income owners or renters
- 26 affordable apartment buildings upgraded, benefiting 1,650 low-income renters

Multifamily Tax Exemption Program: provides tax exemption in exchange for a set-aside of units affordable to low and middle income households for up to 12 years

- Annual program cost for 2018 totaled \$45 million¹
- 4,455 active units regulated as affordable in market rate buildings, 693 of which came on line in 2018

Supplementary Reports on Housing Programs and Investments

Three supplementary reports are attached to this Investment Report, which provide additional information as required by City Council ordinance.

1. Seattle Housing Levy: Seattle’s voter-approved \$290 million, 7-year levy made its second round of funding awards in 2018. This report covers levy performance in relation to adopted goals and affordability requirements for each of the five levy-funded programs, as required in Housing Levy Administrative and Financial Plan.

2. Incentive Zoning and Mandatory Housing Affordability: New mandatory housing affordability programs for residential and commercial development in Seattle are gradually replacing the housing affordability elements of Seattle’s long-standing voluntary incentive zoning programs. This report compiles information on both the voluntary and mandatory programs, including information on participating properties and resulting production of affordable housing, as required in the Council-adopted OH Housing Funding Policies.

¹ As detailed in the MFTE supplement to this report, program costs represent the sum of: (i) property tax burden that other taxpayers absorb; and (ii) tax revenue that the City/County would have otherwise realized absent the MFTE program.

3. Multifamily Tax Exemption Program: Participating multifamily buildings can receive a property tax exemption on residential improvements in exchange for placing income and rent restrictions on 20 or 25 percent of the units. This annual report is required under Ordinance 124877. It compiles the results of the MFTE trimester reports including participation rates, housing production, and program benefits and costs.



Playground at Arbora Court, *Bellwether Housing*

I. RENTAL HOUSING OPENING AND UNDER CONSTRUCTION

Four OH-funded rental housing projects leased up and began operations in 2018, comprising 362 affordable apartments. Another 13 developments with active building permits are scheduled to open this year and next, representing an additional 1,000 apartments opening in 2019 with more to follow in 2020. These buildings provide a mix of housing for working families and individuals, seniors and people with disabilities on fixed incomes, and people experiencing homeless.

The trend of increasing housing production reflects a new emphasis on building scale starting in 2016 and a peak point of housing funding available for award in 2017. After being notified of an OH award, housing sponsors secure all complementary private financing, complete construction documents, and apply for permits. The entitlement and permitting process and construction timeline is similar to any multifamily residential development, running roughly 18 to 36 months from start to finish depending on the scale and complexity of the project.

Table 1: Permitted OH-Funded Housing Opening Soon or Under Construction

Project Name <i>Project Sponsor</i> <i>Neighborhood</i>	Description	Status
Liberty Bank Building <i>Capitol Hill Housing and Africatown CLT</i> Central Area	113 units for extremely low- and low-income renters, including families	Leasing underway; scheduled to open early 2019
Thai Binh Apartments <i>Inland Group</i> Chinatown/International District	244 units for low-income renters, including families	Construction nearing completion; scheduled to open early 2019
Red Cedar <i>Seattle Housing Authority</i> Yesler Terrace	119 units for extremely low- and low-income renters, including families	Construction nearing completion; scheduled to open early 2019
Compass Broadview <i>Compass Housing Alliance</i> Broadview	58 units for extremely low- and low-income renters, including families	Construction nearing completion; scheduled to open early 2019
Rainier Court IV <i>SEED</i> Rainier Valley	91 units for low-income seniors	Construction underway; scheduled to open summer 2019
Eng House <i>Plymouth Healing Communities</i> Beacon Hill	8 group home units for chronically mentally ill individuals	Construction underway; scheduled to open summer 2019
Building 9 <i>Mercy Housing Northwest</i> Sand Point	148 units for extremely low- and low-income renters, including families	Construction underway; scheduled to open late 2019
N96 <i>Downtown Emergency Services Center</i> Greenwood	98 units of supportive housing for homeless adults	Construction underway; scheduled to open late 2019

Project Name <i>Project Sponsor</i> <i>Neighborhood</i>	Description	Status
Judkins Junction <i>Community House Mental Health</i> Central Area	74 units for low-wage individuals and families	Construction underway; scheduled to open fall 2019
Patricia K <i>Community House Mental Health</i> Central Area	52 units for adults with chronic mental illness	Construction underway; scheduled to open fall 2019
Mount Baker Family Housing <i>Mercy Housing</i> Mount Baker	94 units for a mix of low-income, extremely low-income, and formerly homeless individuals and families	Construction underway; scheduled to open 2020
501 Rainier <i>Plymouth Housing Group</i> North Rainier	102 units of supportive housing for homeless adults	Construction underway, scheduled to open 2020
Encore Apartments GMD Belltown	60 units for low-income renters	Construction underway, scheduled to open 2020



Building 9 Construction, *Mercy Housing NW*

II. FUNDS AWARDED IN 2018

The Office of Housing awarded approximately \$75.19 million in 2018 to build and preserve 1,428 affordable rental homes in neighborhoods across Seattle. These investments support a spectrum of housing types for low-income residents, including supportive housing for those experiencing homelessness and apartments for low-income individuals and families. OH awarded an additional \$5.19 million to develop and secure 71 permanently affordable homes for first-time homebuyers. OH’s Home Repair Program provided \$798,000 in loans and grants to low-income homeowners to address critical health, safety, and structural issues. OH’s HomeWise Weatherization Program expended \$3.57 million to complete energy improvement projects in 24 affordable apartment buildings with 1,306 units serving low income tenants, and 112 single family homes with low-income owners or tenants.

Table 2: Rental Housing Program Funds

Fund Source	2018 Funding	Description
Seattle Housing Levy	\$26.61 M	The voter-approved Seattle Housing Levy avails approximately \$28.7 million per year for the rental housing program. \$2.1 million in 2018 Levy proceeds completed funding for a project awarded in 2017.
Incentive Zoning / Bonus payments	\$5.05 M	Density bonuses availed through the City’s Incentive zoning programs continue to generate developer payments pending full MHA implementation. The City received \$11.22 million in incentive zoning proceeds in 2018; \$5.05 million was awarded to 2018 projects and an additional \$6.17 million in incentive zoning proceeds satisfied prior funding commitments for several projects awarded in 2017.
Mandatory Housing Affordability payments	\$6.89 M	In 2018 MHA operated in a limited geography, including downtown and south lake union. Payment proceeds represent residential and commercial developers’ financial contributions toward affordable housing. Full implementation of MHA will begin in 2019.
Washington State Convention Center	\$27.74 M	Per City Council action, the Convention Center expansion yielded \$30 million for affordable housing development as part of a larger public benefit package. The remaining \$2.26 million in Convention center proceeds completed funding for a project awarded in 2017.
City Surplus Property	\$2.00 M	Proceeds from the disposition of one City-owned property
Federal HOME and CDBG	\$4.09 M	Projected amount, pending federal budget allocation
Program Income and Interest	\$2.80 M	Interest earnings and other proceeds related to prior-year investments
Total	\$75.19 M	

Table 3: Homeownership Development Funds

Fund Source	2018 Funding	Description
Seattle Housing Levy	\$5.19 M	Funding available for affordable ownership development that is resale-restricted to assist eligible buyers for 50 years or more

Table 4: Home Repair Program Funds

Fund Source	2018 Funding	Description
Seattle Housing Levy (program income)	\$186,600	Loans made with 1995 Levy home repair loan repayments
Community Development Block Grant	\$419,250	Loans made with CDBG home repair loan repayments
Seattle Housing Levy	\$88,500	Grants made with 2016 Levy funding
Other (program income)	\$103,450	Loans made with repayments from other local funds
Total	\$797,800	

Table 5: Low-Income Weatherization Program Grant Funds

Fund Source	2017 Funding	Description
Seattle City Light	\$1.56 M	Energy efficiency improvements to electrically heated homes and apartments in the Seattle City Light service territory
Seattle Housing Levy	\$185,192	Oil to electric heat conversions; funding from 1995 Housing Levy home repair loan repayments
Washington State Capital Budget	\$251,338	Energy efficiency, asthma reduction and indoor air quality improvements in homes and apartments; funding from State Energy Matchmaker
Federal	\$1.2 M	Energy efficiency and indoor air quality improvements in homes and apartments; funding from Department of Health and Human Services, Department of Energy, and Bonneville Power Administration
Puget Sound Energy	\$171,551	Energy efficiency and health and safety improvements for gas heated buildings
City General Fund	\$14,625	Provided high quality vacuums to 15 low-income households where at least one member has a respiratory illness, plus two vacuums to Concord Elementary School, where a large number of students have asthma. Achieved Duwamish Valley Action Plan deliverable to assist 10-15 households with asthma prevention resources.
Total	\$3.4 M	Exceeds funding for completed projects (Table 10) due to progress payments made in 2018 to projects that will be completed in 2019

Mandatory Housing Affordability

As of December 2018, MHA is in effect in several urban villages and centers across the city. MHA's requirements apply to projects that vested *after* MHA's adoption dates in those areas. Full implementation of MHA in all urban villages is expected to begin in April 2019. It will take time for new projects subject to MHA requirements to submit applications for permits and provide affordable housing contributions, including payments and performance units. Both rental and homeownership developments are eligible for MHA funding.

Housing Development on Publicly Owned Sites

Two 2018 affordable housing projects were selected via Requests for Proposals for development on surplus publicly owned sites. The first, known as the K-Site, in the Uptown neighborhood, was availed for development by the City. Plymouth Housing will build graduation housing for formerly homeless residents of permanent supportive housing who are ready to move on to housing with a reduced level of on-site services. The K-Site includes an arts and cultural ground floor space, created with community input through the first collaborative grant funding process between Office of Housing and the Office of Arts and Culture. The second site, known as the Records Site, is owned by Seattle Housing Authority and was acquired from King County. The cooperative development by the Seattle Chinatown International District Public Development Authority (SCIDpda) and Capitol Hill Housing will create replacement housing for the Yesler terrace Redevelopment and will include an early learning center.

Commercial, Community and Cultural Spaces

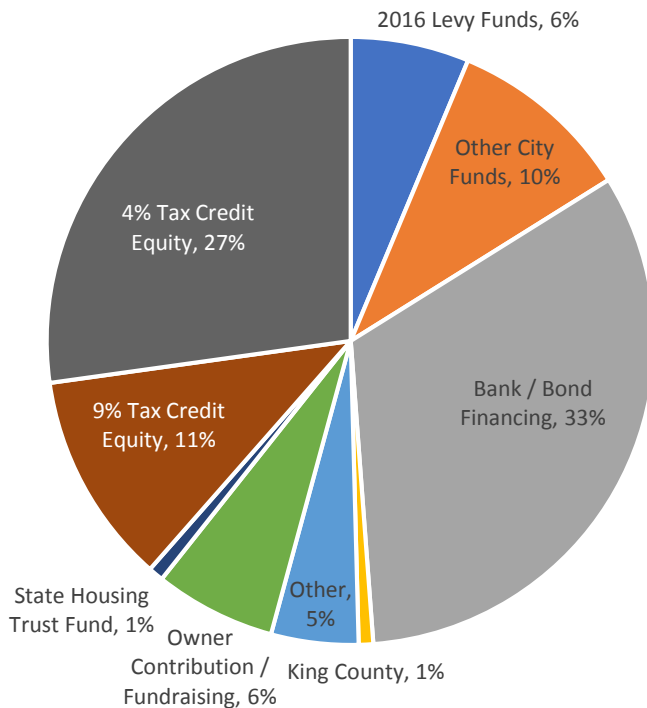
In addition to housing, affordable housing development provides the opportunity to achieve other community objectives. Planning for ground floor uses is well underway in several developments funded in 2018. Examples include the buildings noted above, as well as an art gallery, café and Seattle Indian Health Board primary care clinic at the Native-focused ʔalʔal Chief Seattle Club building and a Program for All-Inclusive Care for the Elderly to provide medical and social services at Northaven III Senior Housing.

Capital Funds Leveraged

Rental Housing Development: Of the City’s total capital investment in rental housing production and reinvestment, \$68 million is dedicated to new housing development. This \$68 million in OH investment will result in a total investment of \$422 million in new low-income housing, not including funds that pay for ground floor commercial or community spaces. The \$354 million that augments City funding derives from multiple sources, with the largest being private activity bonds and private equity investment through the federal Low-Income Housing Tax Credit program, both of which are administered by the Washington State Housing Finance Commission. The \$354 million in non-City resources produces an extraordinarily high leverage ratio for the 2018 funding round. The federal Low-Income Housing Tax Credit program’s designation of much of Seattle as a “difficult to develop area” in 2018 boosted the value of 4% tax credits; this change to the tax credit program is responsible for much of the increase in the leverage ratio.

Capital Funds Leveraged - Rental Production

Rental Projects Funded in 2018
10 projects / 1,197 units



2018 Highlights

- \$422 million total investment in low-income housing development
- \$5.20 in other public and private investment leveraged for each City dollar
- Private equity through federal tax credits remains the most significant source
- Extraordinary leverage results from a 2018 boost to the value of the 4% federal tax credit, increasing equity investment

Homeownership Development: Ownership development projects can achieve comparable leverage to rental housing. The homebuyer’s mortgage and down payment brings the largest share of permanent financing, typically covering one-half to two-thirds of the cost of each home. Other subsidy sources, which can include State Housing Trust Fund, Federal Home Loan bank and Self-Help Homeownership, are generally limited, however some projects also leverage significant philanthropic and volunteer contributions.

The new Othello homeownership development project funded in 2018 has an estimated development cost of over \$29 million. The project sponsor is securing significant King County, State and private lender investment. City funding will leverage approximately \$5 for each City dollar invested, including the buyer’s share loan and down payment.

III. PROJECTS FUNDED IN 2018

Table 6: Rental Housing Program, New Development Projects, 2018

Project Name <i>Project Sponsor</i> Neighborhood	Project Description	Total Funded Units	Levy Units	MHA Units	Capital Funding			
					Total City \$	Levy \$	MHA \$	Other \$
Bryant Manor <i>FAME Housing Association</i> Central Area	<ul style="list-style-type: none"> Redevelopment of subsidized housing serving low-income families in 1, 2, 3 and 4-bedroom apartments Service, retail space 	95	58	--	\$2.4 M	\$2.4 M	--	--
Chief Seattle Club ?al ?al Housing <i>Chief Seattle Club</i> Pioneer Square	<ul style="list-style-type: none"> Construction of studio apartments to serve homeless and low-income individuals, with Native American focus Health care clinic, art gallery and retail 	80	80	--	\$5.8 M	\$5.1 M	--	\$0.7 M
Encore Apartments <i>GMD Development</i> Belltown	<ul style="list-style-type: none"> Construction of studio and 1-bedroom apartments for low-wage workers Street level retail 	60	--	60	\$6.5 M	--	\$3.0 M	\$3.5 M
K Site Housing <i>Plymouth Housing</i> Queen Anne	<ul style="list-style-type: none"> Construction of studio apartments to serve formerly homeless individuals on City-owned property Nonprofit arts studio organization and community space 	91	91	--	\$7.9 M	\$6.9 M	--	\$1.0 M

Project Name <i>Project Sponsor</i> Neighborhood	Project Description	Total Funded Units	Levy Units	MHA Units	Capital Funding			
					Total City \$	Levy \$	MHA \$	Other \$
Maddux Apartments <i>Mt. Baker Housing Association</i> Mt. Baker	<ul style="list-style-type: none"> Construction of two buildings offering studios and 1, 2, and 3-bedroom apartments for low-wage individuals and families Project delivers two buildings flanking a major arterial, creating a neighborhood gateway and offering street level retail Substantial State-funded environmental cleanup rejuvenates a key intersection 	165	--	165	\$12.7 M	--	\$2.0 M	\$10.7 M
Northaven Senior Housing <i>Northaven and HumanGood</i> <i>Affordable Housing</i> Northgate	<ul style="list-style-type: none"> Construction of 65 studios and 20 1-bedroom apartments for low-income seniors PACE health and social services center 	85	85	--	\$7.1 M	\$4.7 M	--	\$2.4 M
Othello Apartments <i>Low Income Housing Institute</i> Othello	<ul style="list-style-type: none"> Construction of 1, 2, 3 and 4-bedroom apartments for individuals and families; income limits range from 30% to 60% of the area median adjacent to a light rail station Project employs construction innovations to expedite delivery and control costs 	92	--	--	\$8.2 M	--	--	\$8.2 M
Polaris Apartments <i>Inland Group</i> Rainier Beach	<ul style="list-style-type: none"> Construction of studios and 1, 2, 3-bedroom apartments for low-wage individuals and families Substantial scale will be accommodated in a two-building design with underground parking 20% of units will be set aside for people with disabilities 	327	--	327	\$9.9 M	--	\$1.9 M	\$8.0 M

Project Name <i>Project Sponsor</i> Neighborhood	Project Description	Total Funded Units	Levy Units	MHA Units	Capital Funding			
					Total City \$	Levy \$	MHA \$	Other \$
Yancy Street Housing <i>Transitional Resources</i> West Seattle	<ul style="list-style-type: none"> Construction of supportive housing serving homeless and low-income individuals with serious, persistent mental illness 	44	44	--	\$1.5 M	\$1.5 M	--	--
Yesler Family Housing <i>Seattle Chinatown International District PDA and Capitol Hill Housing</i> Yesler Terrace	<ul style="list-style-type: none"> Construction of 1, 2, 3 and 4-bedroom apartments serving low-income families Seattle Housing Authority owned site Child care/early learning center 	158	150	--	\$6 M	\$6 M	--	--
Total - New Development		1,197	508	552	\$68.0 M	\$26.6 M	\$6.9 M	\$34.5 M

Table 7: Rental Housing Program, Portfolio Preservation Projects, 2018

Project Name <i>Project Sponsor</i> Location	Project Description	Total Funded Units	Levy Units ¹	MHA Units	Capital Funding			
					Total City \$	Levy \$ ²	MHA \$	Other \$
Capitol Hill Housing Portfolio <i>Capitol Hill Housing</i> Various Locations	Renovation of four aging buildings that CHH acquired with OH financing over an eight-year span during the 1990s	124	124		\$5 M	\$1.7 M		\$3.3 M
GD Association Portfolio <i>GD Association</i> Central Area	Various life safety and structural upgrades to three properties: Alma Gamble, Aridell Mitchell Home, and Norman Mitchell Manor	40	40		\$1.0 M	\$1.0 M		--
Booth Gardens <i>Providence Health</i> Crown Hill	Upgrades to a 16-unit property with primarily 2-bedroom units	16	16		\$0.7 M	--		\$0.7 M
Brettler Family Housing <i>Solid Ground</i> Sand Point	Roof repairs for a 51-unit property comprising 2, 3, and 4-bedroom apartments	51	51		\$0.5 M	\$0.1 M		\$0.4 M
Total – Portfolio Preservation		231	231		\$7.2 M	\$2.8 M		\$4.4 M

¹Levy units shown in this table are units receiving funds from housing levies prior to the 2016 Housing Levy.

²Levy funding shown in this table is composed of program income from housing levies prior to the 2016 Housing Levy.

Table 8: Homeownership Program, New Development Projects, 2018

Project Name <i>Project Sponsor</i> Location	Project Description	Total Funded Units	Levy Units	MHA Units	Capital Funding			
					Total City \$	Levy \$	MHA \$	Other \$
Othello Square Building D <i>Homesight</i> Othello	Construction of the first City-funded limited equity cooperative, part of HomeSight’s Othello Square campus near the Othello light rail station. The multifamily building includes 24 one-bedroom, 36 two-bedroom and 8 three-bedroom homes.	68	68		\$4.92 M	\$4.58 M		\$0.34 M
Home Purchases to Sustain Affordability <i>Habitat for Humanity</i> Various Locations	Historically, OH has supported Habitat homebuyers through down payment assistance loans. Those loans are paid back to OH when the homeowner sells, but with no guarantee of ongoing affordability. This funding will help Habitat convert some of its Seattle homes from the down payment assistance model to a permanently affordable model to ensure homes continue to be affordable to low-income, first-time homebuyers for 50+ years. Funding award is based on anticipated sales of homes in 2019.	3	3		\$0.27 M	\$0.27 M		--
Total		71	71		\$5.19 M	\$4.85 M		\$0.34 M

Table 9: Home Repair Program, Loans and Grants, 2018

Type of Assistance	Project Description	Homeowners Assisted	Total Funding	Average Assistance
Loans	Repairs that address critical health, safety, and structural integrity issues. Typical repairs include roof replacements, side sewer repairs, plumbing repairs and electrical upgrades. Low or no interest loans, with option for deferred payment for some borrowers. Homeowners often also receive additional grants for weatherization improvements.	30	\$709,287	\$19,694
Grants	Repairs that address immediate health, safety, and structural integrity issues, and repairs needed to access weatherization grants. Grants are provided to owners unable to access a home repair loan.	14	\$88,542	\$6,324
Total		44	\$797,829	

Table 10: HomeWise Weatherization Program, Completed Projects, 2018

Project Name	Owner	Project Description	Units	Funding*
Single-family homes	Low-income homeowners across the city	Energy efficiency and indoor air quality upgrades at single-family homes, such as insulation, air sealing, new heating systems, hot water heaters, and bathroom fans. Average grant amount: \$11,951.	101	\$1,207,000
Bellwether -Pardee Townhomes	Bellwether Housing	Heat Pumps, ventilation, lighting, air sealing	9	\$78,024
Cabrini Senior Housing	Sisters of the Sacred Heart	Efficient Common Area Lighting	50	\$17,990
Creston Point	Creston Point	Efficient Common Area Lighting	476	\$27,077

Project Name	Owner	Project Description	Units	Funding*
Croft Place Townhomes	Delridge Neighborhood Development Association	Heat Pumps, ventilation, lighting, new doors	21	\$236,841
Highline Terrace	Navos	Heat Pumps, ventilation, lighting	24	\$96,305
Historic Cooper School	Delridge Neighborhood Development Association	Boiler Replacement and efficient lighting	36	\$12,665
KCHA Burien Park ERV	King county Housing Authority	Ventilation	102	\$96,000
KCHA Munro Manor	King county Housing Authority	Efficient Common Area Lighting	60	\$17,200
KCHA Paramount House - Lighting	King county Housing Authority	Efficient Common Area Lighting	70	\$8,857
KCHA Riverton Terrace II -Lighting	King county Housing Authority	Efficient Common Area Lighting	32	\$4,302
KCHA Sixth Place	King county Housing Authority	Ventilation and efficient common area lighting	24	\$26,700
KCHA Zephyr Apartments	King county Housing Authority	Ventilation and efficient common area lighting	25	\$32,200
Kerner Scott House	Downtown Emergency Service Center	Boiler Replacement and ventilation	40	\$125,043
Midvale North	Banchero Disability Partners	Ventilation and efficient common area lighting	20	\$29,550
Morrison Hotel LLC	Downtown Emergency Service Center	Boiler and central controls replacement	215	\$335,733

Project Name	Owner	Project Description	Units	Funding*
SHA - Cedarvale Village	Seattle Housing Authority	Heat Pumps, ventilation, lighting, air sealing	24	\$453,297
SHA - New Holly Phase II	Seattle Housing Authority	Heat pumps	57	\$84,787
SHA Common Area Heat Pump Project	Seattle Housing Authority	Installed heat pump systems to cool and heat common areas in 9 senior buildings*	365	\$97,113
TOTAL			1,751	\$2,986,684

*Rounded to nearest \$500

Table 11: Market-Rate MFTE Projects Receiving Final Certificates in 2018, Beginning Tax Exemptions in 2019

Project Name	Address	SEDU	Studio	1BR	2BR	3BR	4BR	Total Units	Afford. Units	Tax Burden Shifted	Revenue Forgone	Combined Tax and Revenue Impact
1611 S. Weller	1611 S Weller St	0	2	0	0	0	0	8	2	\$22,199	\$0	\$22,199
741 Harvard	741 Harvard Ave E	0	9	0	0	0	0	41	9	\$49,834	\$18,815	\$68,650
Assembly 118	4200 S Othello St	0	18	46	7	0	0	353	71	\$22,199	\$0	\$22,199
Axle Apartments	3230 16th Ave W	0	0	40	6	0	0	226	46	\$390,944	\$0	\$390,944
Batik	123 Broadway	0	1	31	7	0	0	195	39	\$606,549	\$299,643	\$906,192
Chroma 1212	1212 Harrison St	0	0	32	2	0	0	166	34	\$385,980	\$175,553	\$561,532
Chroma 1232	1232 Harrison St	0	0	21	1	0	0	109	22	\$199,647	\$112,549	\$312,195
CityLine II	4730 32nd Ave S	0	12	12	7	0	0	155	31	\$80,399	\$182,619	\$263,018
Crew Apartments	8228 Green Lake Dr N	0	7	10	0	0	0	66	17	\$185,439	\$0	\$185,439
Danforth	1001 Broadway	0	0	42	10	1	0	265	53	\$656,532	\$0	\$656,532
East Union	2202 E Union St	0	9	16	4	0	0	144	29	\$455,249	\$0	\$455,249
Elara	2134 Western Ave	0	1	24	4	0	0	145	29	\$522,523	\$0	\$522,523
Holgate 12 Phase 2	1808 12th Ave S	0	1	3	2	0	0	26	6	\$11,976	\$40,634	\$52,610
LIV Fautleroy	4801 Fautleroy Way SW	3	7	0	1	0	0	52	11	\$26,492	\$54,527	\$81,019
LIV Roosevelt	6404 9th Ave NE	8	0	8	1	0	0	81	17	\$52,644	\$100,472	\$153,116
Modera Jackson	1801 S Jackson St	0	1	22	8	0	0	154	31	\$804,850	\$0	\$804,850
Origin	12311 32nd Ave NE	0	7	14	8	0	0	144	29	\$378,939	\$0	\$378,939
Orion Apartments	910 John St	0	4	20	2	0	0	129	26	\$242,873	\$0	\$242,873
Seventeen Fifteen	1715 12th Av	0	7	0	0	0	0	34	7	\$15,325	\$48,345	\$63,670
Sitka	1255 Harrison St	0	20	43	14	0	0	384	77	\$1,122,657	\$0	\$1,122,657
The Perry	1001 Minor Ave	0	2	30	10	0	0	209	42	\$164,068	\$0	\$164,068
The Roost	901 Hiawatha Pl S	9	0	0	0	0	0	33	9	\$11,744	\$0	\$11,744
TOD Apartments	120 10th Ave E	0	10	0	0	0	0	49	10	\$21,094	\$68,333	\$89,427
Valdok 1701	1701 NW 56th St	0	4	26	4	0	0	169	34	\$435,727	\$0	\$435,727
Valley Apartments	1141 Martin Luther King Jr Way	0	4	2	3	0	0	41	12	\$56,332	\$0	\$56,332
	TOTAL	20	126	442	101	1	0	3,378	693	\$6,922,216	\$1,101,490	\$8,023,706
2019 Tax Impacts for Market-Rate Projects Receiving Final Certificates Before 2018										\$11,810,950	\$25,263,825	\$37,074,775
2019 Tax Impacts for Market-Rate Projects, Including 2018 Final Certificates										\$18,733,166	\$26,365,315	\$45,098,481

IV. HOUSING INVESTMENTS THROUGHOUT SEATTLE

Housing equity and equitable development are advanced through City location priorities for housing investment. Seattle housing policies direct investments to neighborhoods where low-income residents, including many people of color, face displacement due to rising rents and gentrification. This affordable housing helps sustain cultural communities and enables residents to stay in their neighborhood as transit and other improvements are made. Seattle housing policies also direct investments to higher cost areas where many opportunities are available, including schools, transportation, and amenities.

OH prioritizes investments in locations that:

- Provide access to frequent transit
- Provide access to opportunity
- Advance equitable development goals and address displacement
- Serve needs of residents

In addition, for purposes of investing payment funds from the Mandatory Housing Affordability program, OH considers a project's proximity to areas where development has generated payment contributions.

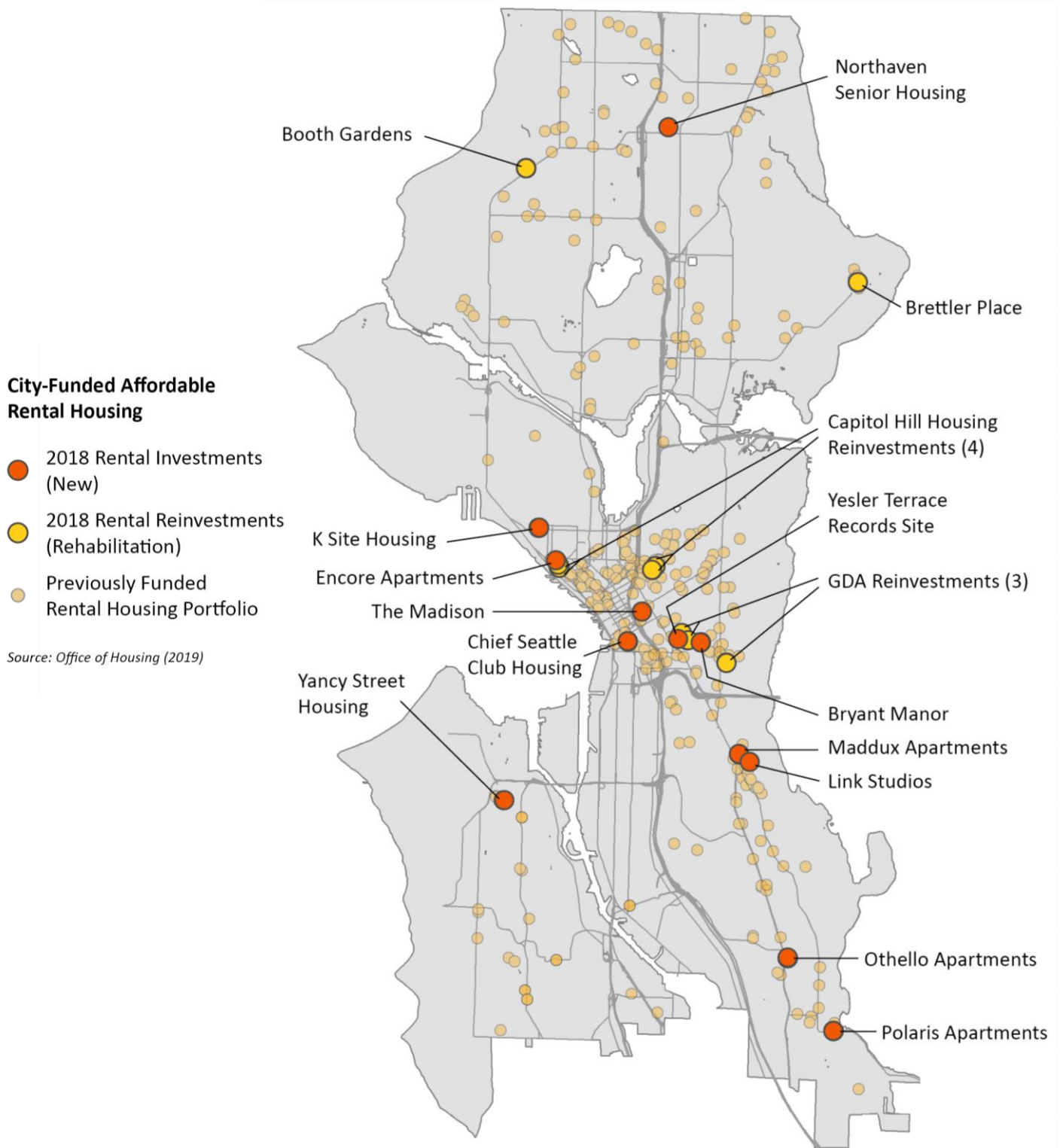
The following maps and table illustrate how the location of OH-funded affordable housing addresses City priorities.

- Map A: Rental Housing Investments
- Map B: Homeownership Investments
- Map C: Weatherization and Home Repair Investments
- Map D: Location Within Urban Center/Urban Village Boundaries and Access to LINK Light Rail
 - Table 11: OH Investments by Urban Center/Urban Village
- Map E: Access to Frequent Transit Service
- Map F: Access to Opportunity Index
- Map G: Displacement Risk Index

Note: Maps D-G overlay OH-funded projects on maps produced for the [Office of Planning and Community Development's Growth and Equity Analysis \(May 2016\)](#). This report describes the data and methodology used to create the Displacement Risk and Access to Opportunity Indices.

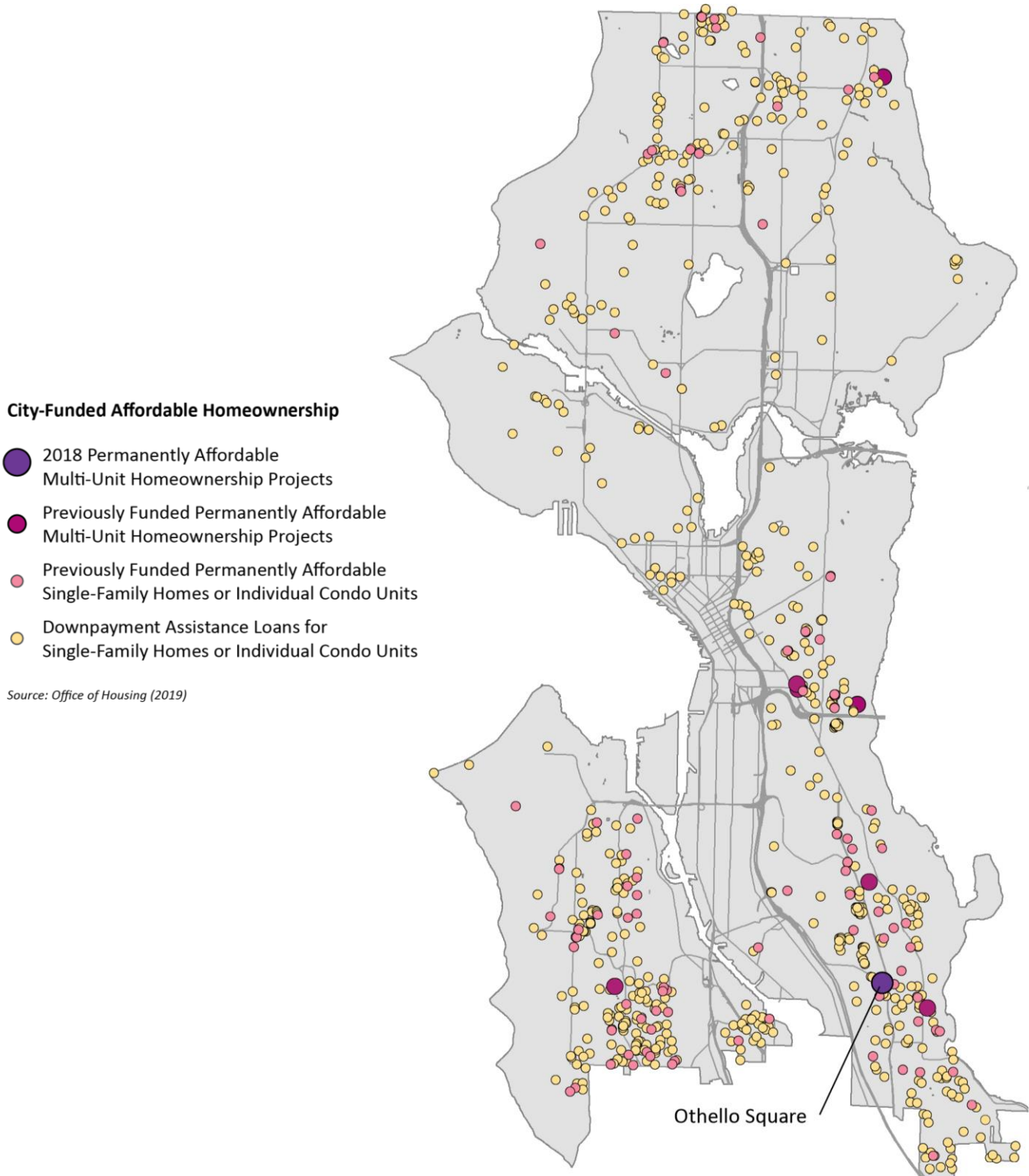
Map A: Rental Housing Investments

OH funds production and preservation of rental housing that will serve low-income Seattle residents for a minimum of 50 years.



Map B: Homeownership Investments

OH creates opportunities for first-time homebuyers through investments in permanently affordable homes as well as down payment assistance loans.



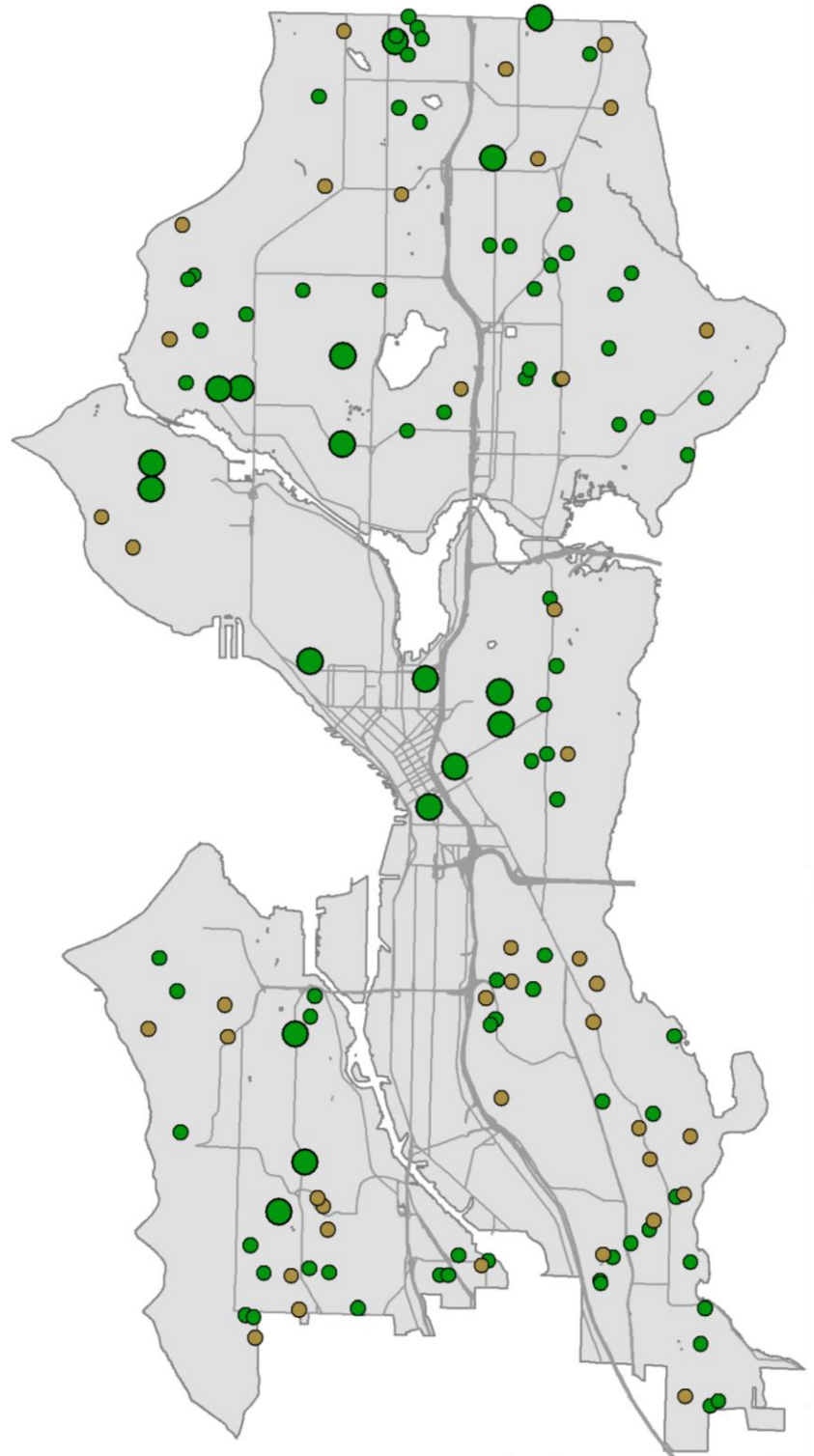
Map C: Weatherization and Home Repair Investments

OH funds critical health and safety repairs, helping low-income homeowners preserve their most important financial asset and sustain their home ownership. OH also funds energy conservation and related indoor air quality improvements, enhancing health and living conditions and lowering utility bills for low-income owners and tenants.

2018 Home Repair Grants and Loans

- Weatherization (Multi-Family Properties)
- Weatherization (Single-Family Home)
- Home Repair Loans and Grants (Single-Family Homes)

Source: Office of Housing (2019)



Map D: Location Within Urban Village Boundaries

OH prioritizes investments throughout the city, including in Seattle’s most amenity-rich neighborhoods in terms of transit, schools, parks, retail and other services, in alignment with the City’s Urban Village strategy.

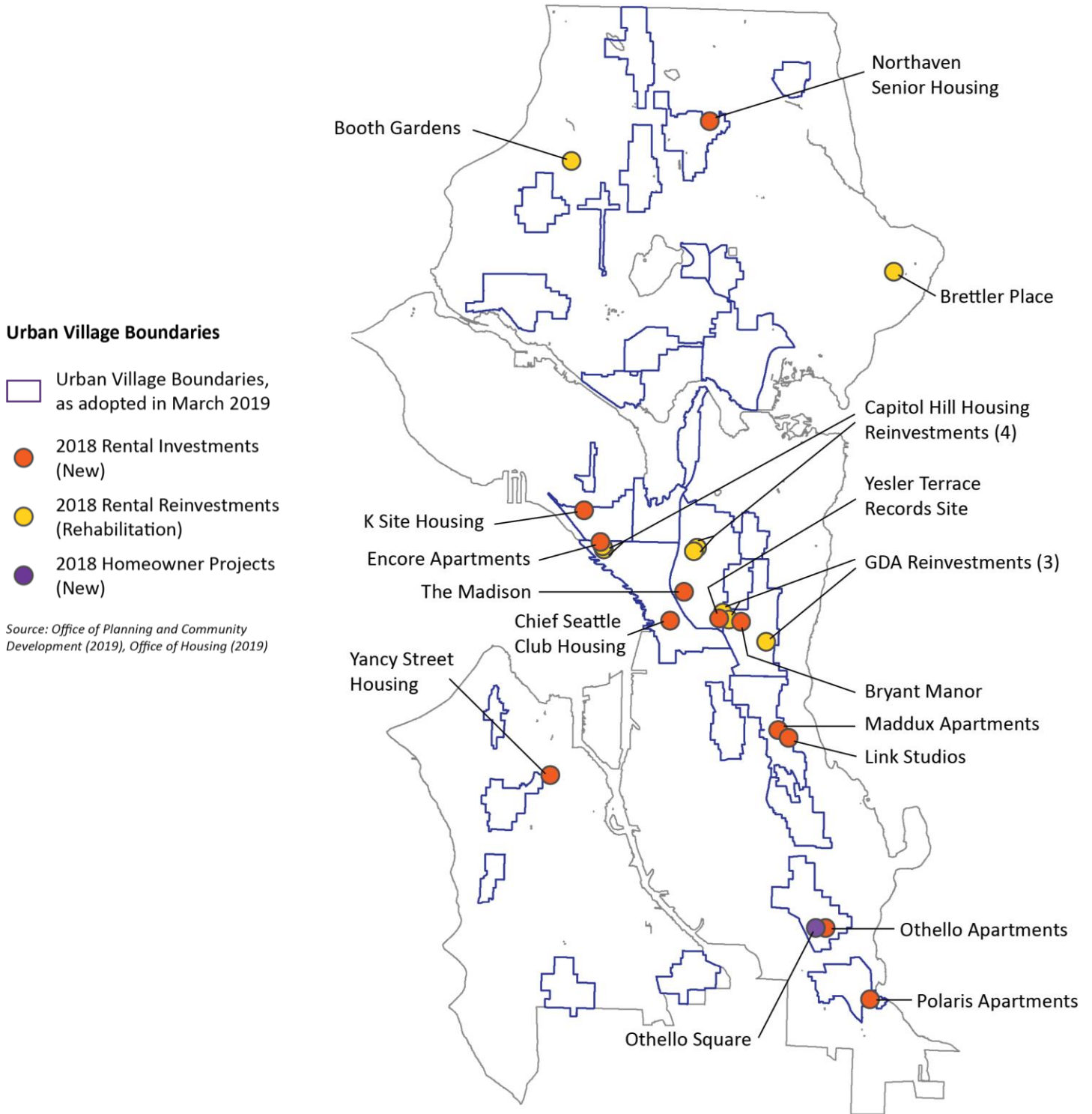


Table 11: OH Investments by Urban Center/Urban Village

Investments include rental, homeownership, and acquisitions

Urban Center and Urban Village Groupings ¹	Projects Funded in 2018		
	Project Name(s)	Total Funded Units	Total City \$
Downtown	CSC – ?al?al Housing Encore Apartments CHH Portfolio (2 projects)	216	\$19.92 M
South Lake Union			
First Hill/Capitol Hill	Yesler Family Housing CHH Portfolio (2 projects) Norman Mitchell Manor Madison Apartments (acquisition)	293	\$15.3 M
Northgate	Northaven III	85	\$7.1 M
University District	Brettler Family Housing	51	\$500,000
Uptown & Upper Queen Anne	K Site	91	\$7.9 M
West Seattle Junction Admiral Morgan Junction Westwood-Highland Park South Park	Yancy Street	44	\$1.54 M
Mt. Baker North Beacon Hill Columbia City Othello Rainier Beach	Polaris at Rainier Beach Othello Park Maddux Willow Crossing (acquisition) Link Studios (acquisition) Othello Square	857	\$44.01 M
23rd & Union-Jackson Madison- Miller Eastlake	Bryant Manor Alma Gamble Aridell Mitchell Home	76	\$2.8 M
Wallingford Fremont Roosevelt Green Lake			
Crown Hill Ballard Greenwood-Phinney Ridge	Booth Gardens	16	\$660,000
Lake City Bitter Lake Village Aurora-Licton Springs			
Total		1,729 rental units 71 ownership units	\$100.03 M

¹ These geographic areas are defined in the Council-adopted Housing Funding Policies. Investments made outside urban center and urban village boundaries are grouped with the nearest urban center or village.

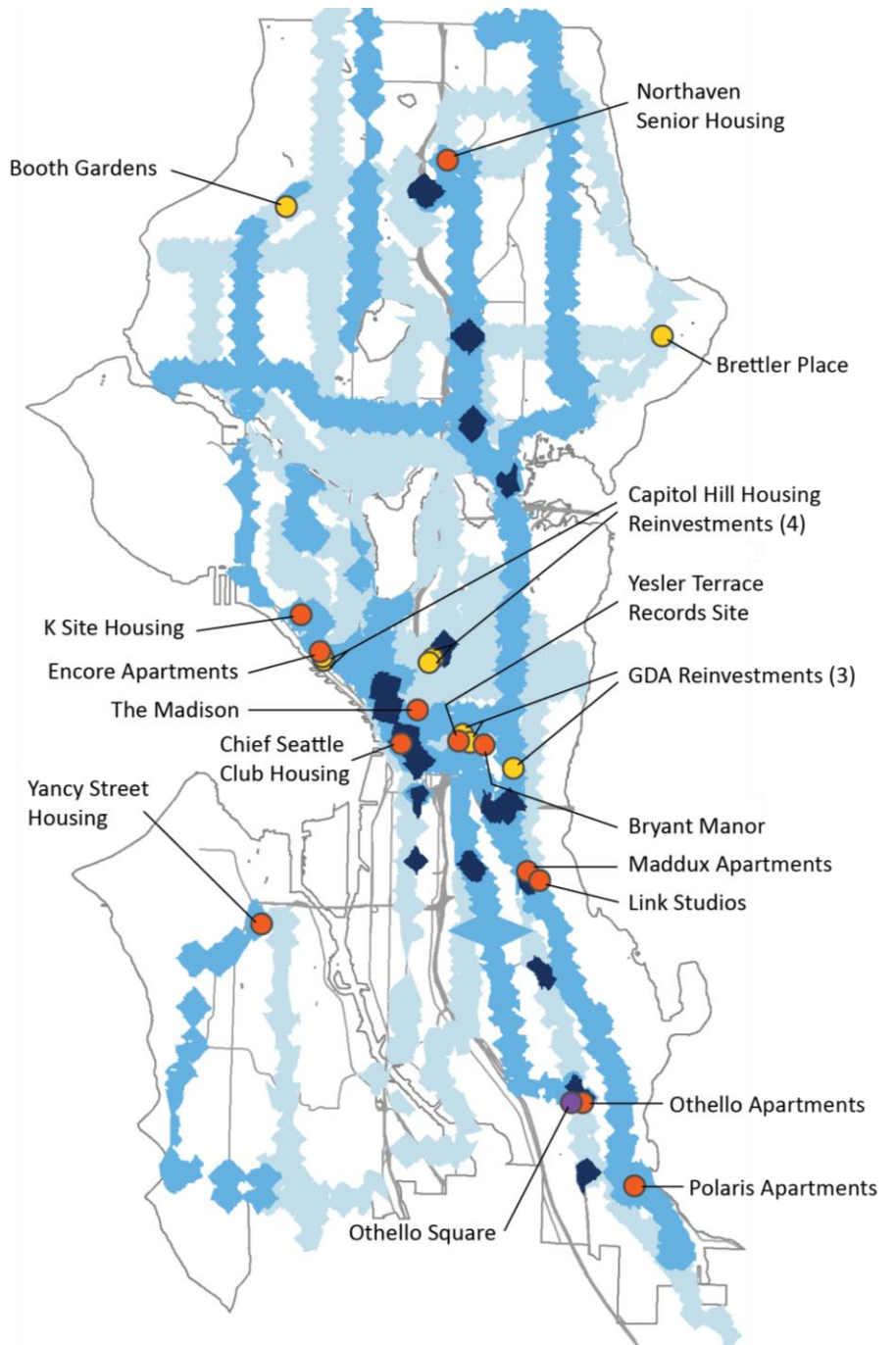
Map E: Access to Frequent Transit Service

Access to transit is a priority for all OH investments, as transportation costs are second only to housing costs for most low-income households and many low-income households do not own a car. In particular, OH prioritizes locations near high capacity transit and light rail station areas, both existing and planned. OH prioritizes investments in locations that afford low-income residents the greatest access to opportunities such as jobs, quality education, parks and open space, and services.

Access to transit within a quarter-mile walking distance of a location

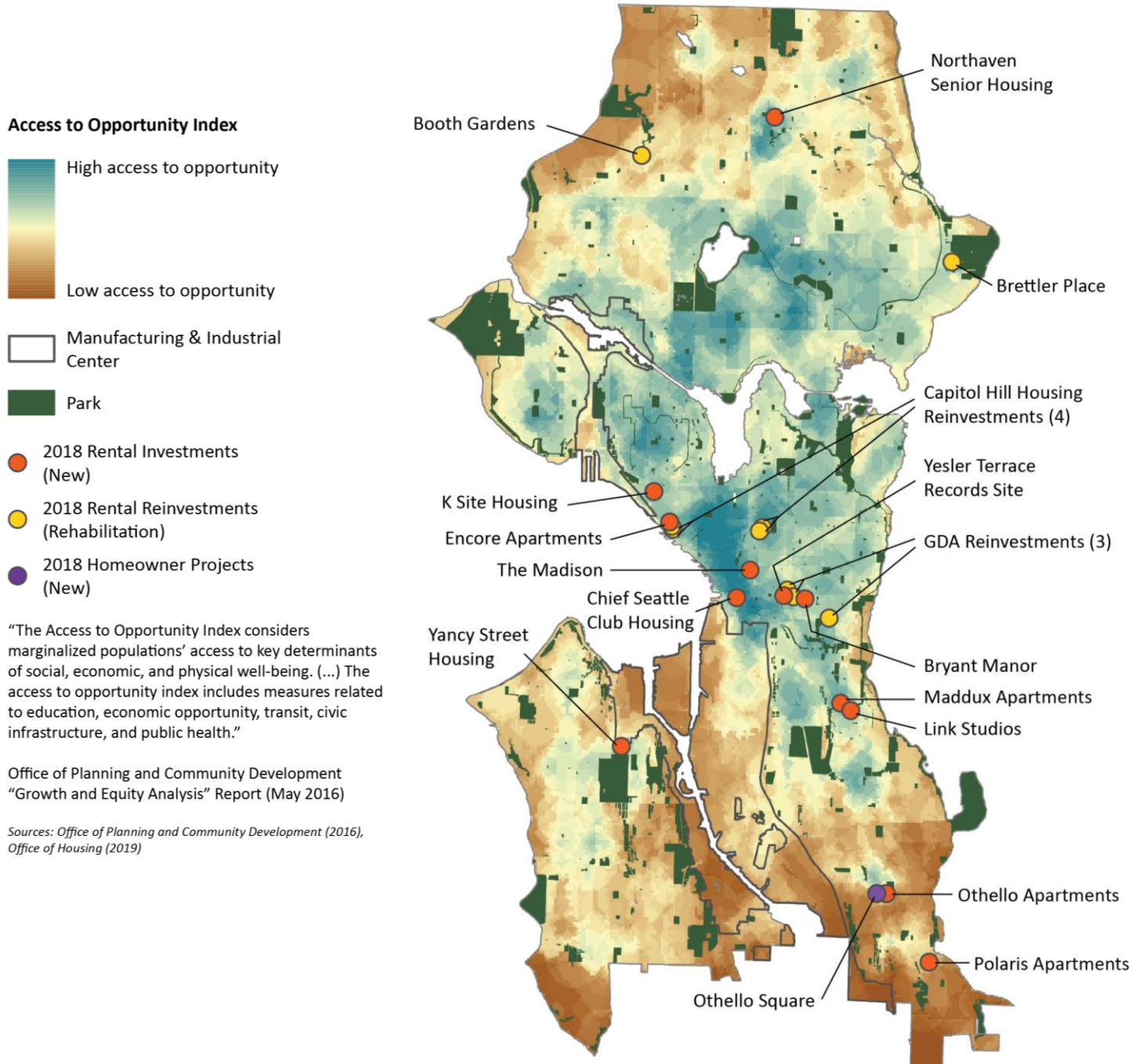
- Quarter-mile walkshed to 15 minute bus service
- Quarter-mile walkshed to 10 minute bus service
- Quarter-mile walkshed to Link light rail station
- 2018 Rental Investments (New)
- 2018 Rental Reinvestments (Rehabilitation)
- 2018 Homeowner Projects (New)

Sources: King County Metro (2018), Seattle Department of Transportation (2018), Office of Housing (2019)



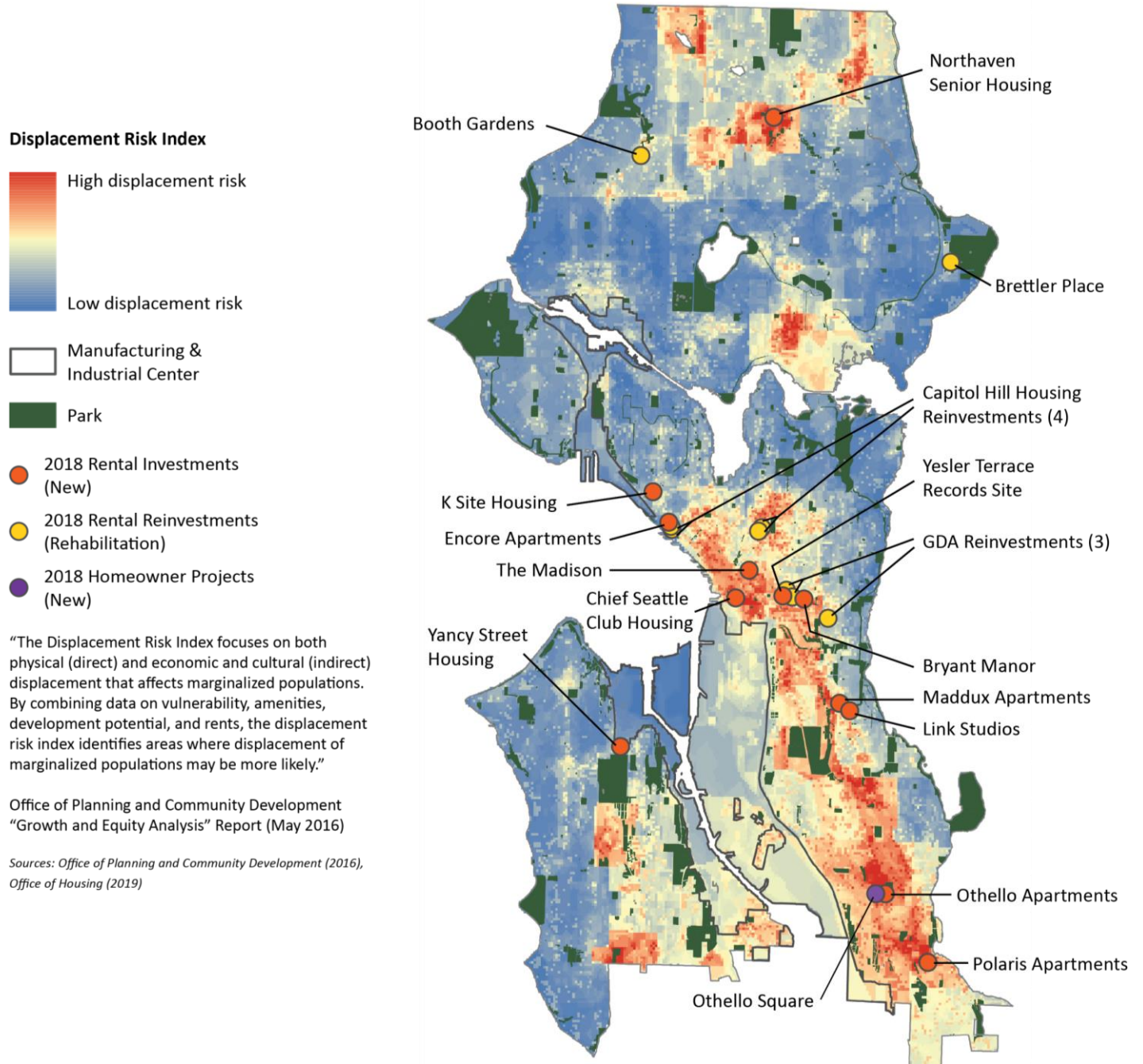
Map F: Access to Opportunity Index

OH prioritizes investments in locations that afford low-income residents the greatest access to opportunities such as jobs, quality education, parks and open space, and services.



Map G: Displacement Risk Index

OH prioritizes locations that support community development investments in low-income communities, including neighborhoods where marginalized groups have historic roots or access to culturally-relevant business and services, and locations where low-income residents have a high risk of displacement.

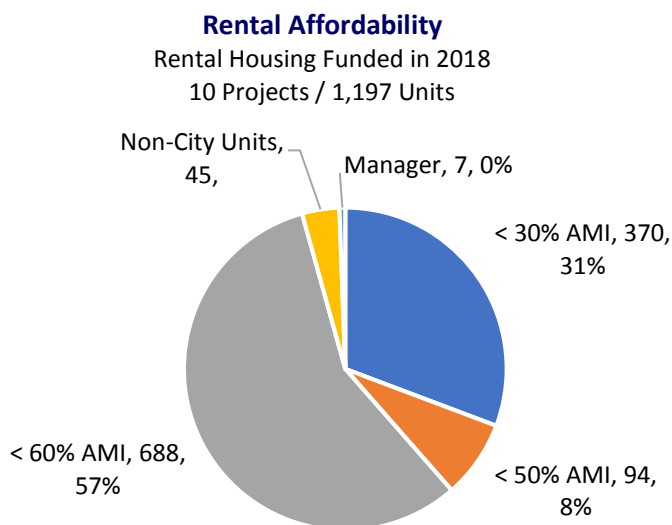


V. RENTAL AFFORDABILITY, UNIT SIZES AND POPULATIONS SERVED

Funding Priorities

Rental housing projects funded in 2018 include both population-specific housing and buildings that are open to any income-eligible resident. The projects address the range of City population priorities contained in the OH Housing Funding Policies adopted by City Council:

- **Homeless individuals and families:** 2 buildings to serve people experiencing homelessness; 1 building for formerly homeless residents of permanent supportive housing who are ready to move on to housing with a reduced level of on-site services
- **Seniors and people with disabilities:** 1 senior housing project with healthcare and social services for elders on the ground floor; 1 building serving people with mental illness, including those experiencing homelessness
- **Low-wage working families and individuals:** 6 buildings with a mix of apartments sizes serving a range of household incomes



Selected 2018 Income Levels

AMI = Area Median Income

30% AMI

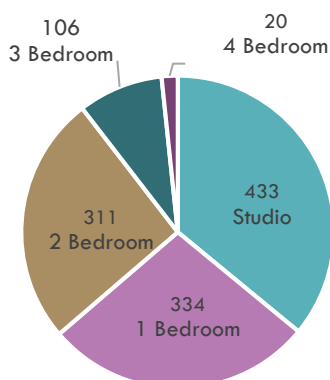
\$21,050 for a single person
\$27,100 for a three-person family

50% AMI

\$35,100 for a single person
\$45,150 for a three-person family

60% AMI

\$42,150 for a single person
\$58,700 for a three-person family



VI. HOUSEHOLDS SERVED IN HOUSING PROGRAMS

Through investment of Housing Levy and other housing funds over the past 37 years, there are now over 16,000 income- and rent-restricted apartments in City-funded rental housing that is in operation or under development. In addition, over 1,050 homebuyers purchased their first home with an affordable City-funded loan, including buyers who purchased one of 200 permanently affordable homes developed with City assistance.

Rental Housing

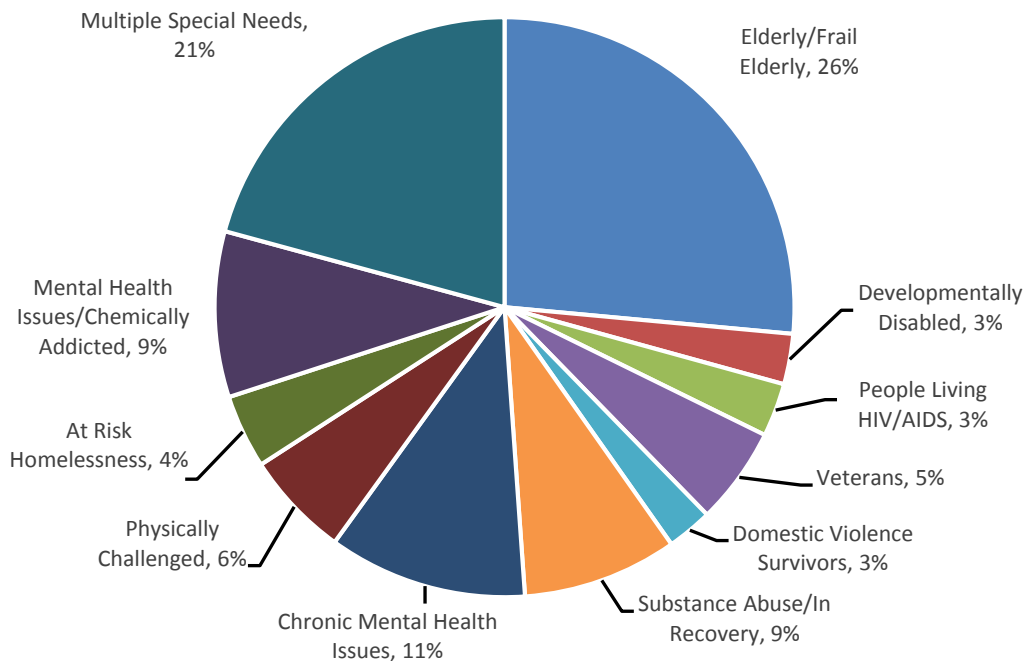
In 2017, the most recent data, 12,444 affordable apartments had been in operation for a year or more. This housing served 13,603 resident households over the year.

- **Extremely low incomes:** 73% of households with income at or below 30% AMI
- **People of color:** 59% of residents -- a higher proportion than among Seattle's lower income renter households
- **Special needs:** Over half identified as having special needs

**Race/Ethnicity of Residents
Renter Households, 2017**

- 41% White
- 31% Black/ African American
- 13% Asian/ Pacific Islander
- 5% Hispanic
- 8% Multi-racial
- 3% American Indian/ Alaska Native

Special Needs Households Served
7,683 Renter Households, 2017



Homebuyer Assistance

OH has provided purchase assistance for first-time homebuyers since the early 1990's, using Housing Levy, federal funds and other fund sources. Households with incomes up to 80% AMI are eligible, although some programs are designed to serve a lower income population. In recent years, OH has funded an increasing amount of permanently affordable housing, which is available at an affordable price upon resale for eligible home buyers for at least 50 years.

Home purchase assistance promotes more diverse and equitable neighborhoods, and provides opportunity for households with lower incomes, and for racial and ethnic groups with lower rates of homeownership, to increase their wealth. Seattle has now assisted more than 1,050 first-time homebuyers; demographic data is based on 843 first-time homebuyers assisted over the course of the past two housing levies.

Home purchase assistance has been provided to:

- **People of color:** 38% of homebuyers
- **Low income households:**
 - 19% Very Low-Income
 - 18% Low-income
 - 63% Low-income/moderate income

Race/Ethnicity of Homebuyer Households 2003 - 2018

- 61% White
- 16% Asian/ Pacific Islander
- 15% Black/ African American
- 4% Hispanic
- 2% Multi-racial
- 1% American Indian/ Alaska Native
- 1% did not report

Home Repair

The Home Repair program assists low-income homeowners to make critical repairs that enable them to stay in their home. The program provides loans to homeowners with incomes up to 80% AMI and grants to homeowners up to 50% AMI.

In 2018, the program served 44 homeowners, including:

- **People of color:** 53% of homeowners
- **Low income households:**
 - 48% Extremely Low-Income
 - 23% Very Low-Income
 - 15% Low-Income
 - 14% Low-Income/Moderate Income
- **Older adults:** 64% of households had at least one member who was 60 or older

Race/Ethnicity Homeowners receiving Home Repair Grants and Loans, 2018

- 47% White
- 18% Asian/ Pacific Islander
- 14% Black/ African American
- 12% Hispanic
- 9% Multi-racial

Income Key:

Extremely Low-Income – below 30% of AMI

Very Low-Income – above 30% AMI and at or below 50% of AMI

Low-Income – above 50% AMI and at or below 60% AMI

Low-Income/Moderate Income - above 60% AMI and at or below 80% AMI

Weatherization Grants

The Weatherization Program provides grants for energy conservation and indoor air quality improvements, resulting in lower energy bills and healthier homes. Assistance is available for low-income homeowners up to 80% AMI. In rental housing at least half the residents must be low-income, generally up to 60% AMI. Household eligibility requirements and allowable uses of funds vary somewhat depending on the fund source used.

Multifamily Housing

In 2018, the program made energy and air quality improvements in 26 multifamily buildings, all low-income housing operated by nonprofit housing providers, Seattle Housing Authority, and King County Housing Authority. Investments in this housing improves the living conditions of residents, reduces operating costs for housing providers, and helps preserve the buildings for the long-term.

The buildings serve 1,650 renter households, including:

- **People of Color:** 36% of residents were people of color for buildings reporting demographic data (886 households),
- **Low-income households** (117 Households did not report):
 - 50% Extremely Low-Income
 - 39% Very Low-Income
 - 5% Low-Income
 - 2% Low-Income/Moderate Income

Single Family Homes

In 2018, the program also made energy and air quality investments in 101 single family homes, which were predominantly owner-occupied. These grants improved health and quality of life, lowered utility bills, and upgraded the homes of many low-income Seattle homeowners.

The 101 grants for single family home improvements assisted:

- **People of color:** 23% of households reporting demographic data
- **Low income* households** (19 households did not report):
 - 20% Extremely Low-Income
 - 27% Very Low-Income
 - 18% Low-Income
 - 34% Low-Income/Moderate Income
- **Older adults:** 44% had at least one household member who was 60 or older

Race/Ethnicity
Residents of Multifamily Homes
receiving Weatherization Grants
1,650 households, 2018

- 34% White
- 11% Black/ African American
- 5% Asian/ Pacific Islander
- 1% Hispanic
- 1% Multi-racial
- 1% American Indian/Alaskan Native
- 46% did not report

Race/Ethnicity
Residents of Single Family Homes
receiving Weatherization Grants
101 households, 2018

- 43% White
- 6% Black/ African American
- 7% Asian/ Pacific Islander
- 3% Hispanic
- 6% Multi-racial
- 1% American Indian/Alaskan Native
- 32% did not report

*Because fund sources use different measures for income eligibility (such as federal poverty level), percentages are approximate. See page 28 for income key.

MORE INFORMATION

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

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