



City of Seattle

2022 Seattle Housing Levy Report

Seattle Office of Housing

March 2023

Housing Levy Oversight Committee

Ann T. Melone, Chair, U.S. Bancorp Community Development Corporation

Beth Boram, Beacon Development Group

Vallerie Fisher, Southeast Seattle Resident

Joel C. Ing, Edge Developers

Erin Christensen Ishizaki, Mithun

Damien James, The Northwest School

Patience M. Malaba, Housing Development Consortium of Seattle-King County

Colin Morgan-Cross, Mercy Housing Northwest

Traci Ratzliff, Seattle City Council Central Staff

Denise Rodriguez, Washington Homeownership Resource Center

Pradeepta Upadhyay, InterIm Community Development Association

Cara Kadoshima Vallier, Office of Mayor Bruce Harrell

Dan Wise, Catholic Community Services of King County



Seattle Office of Housing

As Chair of the Seattle Housing Levy Oversight Committee and on behalf of its citizen members, I am pleased to present this annual report of the Seattle Housing Levy. The following report of investments and achievements in 2022 demonstrates the Housing Levy's strong performance: it has served as a foundational resource supporting affordable housing development and services for our most needful neighbors for more than 35 years, ably administered by the talented staff and leadership at the Seattle Office of Housing.

This report describes Housing Levy investments made in 2022 and demonstrates that all Levy programs remain on track to meet or exceed goals set forth in the voter-approved governing ordinance, with the programs below already exceeding their goals in the sixth year of the 7-year 2016 Levy.

- The Rental Housing Production and Preservation Program has exceeded its 7-year goals by 31%, supporting the creation of over 2,735 new affordable rental homes and the preservation 530 existing rental homes through reinvestment.
 - Investments in Permanent Supportive Housing (PSH) create and sustain permanent housing and supportive services for our unhoused neighbors.
 - Investments in workforce housing help to mitigate displacement of low-wage workers and their families.
- The Homeownership Program has exceeded its 7-year goals by 32%, assisting 370 low-income homeowners and first-time homebuyers.

The companion **2022 Annual Housing Investments Report** provides detailed demographic data along with maps showing the locations of Levy-funded and other housing investments throughout the city. Staff at OH coordinate regularly with other housing finance agencies to leverage outside funds whenever possible and ensure maximum value for Housing Levy investments.

We know that households of color disproportionately experience homelessness and displacement. Through the deliberate creation of safe, stable, affordable housing, Housing Levy investments help advance racial equity and housing justice. Likewise, the Housing Levy's homeownership programs work to bridge the racial wealth gap and address stark disparities in homeownership rates for households of color.

We must continue this work. Now in the penultimate year of the 2016 Housing Levy, the Housing Levy Oversight Committee strongly supports a successful renewal of the Housing Levy by the end of this year. The 2023 Housing Levy must take on the ongoing and increasing housing challenges that Seattle faces. Seattle is at least 30,000 rental housing

units short to meet current low-income renters' affordable housing needs, and approximately 50,000 people experience homelessness every year in King County. These are problems the Housing Levy alone cannot solve, but without this cornerstone resource our city will fall even further behind on our housing goals. Housing Levy renewal efforts seek to build on the Levy's impressive accomplishments to date, while recognizing the need to meet the demands of this moment with bold action.

We hope that this information is helpful to all readers and conveys the Housing Levy's record of meeting and exceeding its own goals in service to the residents of our city.

Sincerely,

A handwritten signature in blue ink that reads "Ann T. Melone". The signature is written in a cursive, flowing style.

Ann T. Melone
Chair, Housing Levy Oversight Committee

Contents

- Housing Levy Accomplishments in 20227**
 - Summary of Levy Funding and Housing Outcomes..... 7
 - Rental Production and Preservation 7
 - Operating and Maintenance 7
 - Homelessness Prevention and Housing Stability Services 8
 - Homeownership..... 8
 - Acquisition and Preservation Loans 9
 - Administration..... 9
 - 2016 Housing Levy Funding Allocations and Housing Outcomes..... 10
 - Summary of 6-Year Progress Toward 7-Year Housing Levy Goals (2017-2022) 10

- Rental Production and Preservation Program 11**
 - 2022 Summary 12
 - Funding Commitment to Extremely Low-Income Households 14
 - External Leverage 14

- Operating and Maintenance Program 14**
 - 2022 Summary 15
 - Finalized O&M Contracts 15
 - Preliminary O&M Commitments 15
 - Operating Support Using Seattle Housing Authority Vouchers..... 16

- Homelessness Prevention and Housing Stability Services Program 17**
 - 2022 Summary 17
 - Homelessness Prevention..... 18
 - Rapid Rehousing 19

- Homeownership Program 20**
 - 2022 Summary 21
 - Homeownership Development..... 22
 - Permanently Affordable Homeownership Resales 22
 - Purchase Assistance Loans 23
 - Home Repair Grants 23
 - Foreclosure Prevention 23

- Acquisition and Preservation Program 24**
 - 2022 Summary 24

Levy Funding Policies and Administration.....27
Administrative and Financial Plan..... 27
Allocation of Levy Funds..... 27
Housing Levy Oversight Committee 27

More Information.....29

Housing Levy Accomplishments in 2022

The Seattle Housing Levy, passed in 2016, provides \$290 million over seven years for housing production, preservation, and assistance. The current Housing Levy builds on a history of voter support that has provided a significant, consistent resource for affordable housing in Seattle for nearly 40 years. Housing Levy funding has complemented investments by other public and private fund sources and created affordable housing that serves thousands of Seattle residents each year. This report presents Levy-supported housing development and programs. Housing Levy funds work together with other local funds, including proceeds from the JumpStart Payroll Expense Tax and Mandatory Housing Affordability program, to help the Office of Housing (OH) and our partners address needs across the entire affordable housing ecosystem. A full summary of City of Seattle Office of Housing investments, including demographics of households served, can be found in the Office of Housing 2022 Annual Investments Report.

Summary of Levy Funding and Housing Outcomes

The 2016 Housing Levy ordinance set forth the total funding and housing goals for each program over the seven years of the levy, with the reporting period beginning in 2017. Based on cumulative outcomes over the first six years of the current levy period, two programs—the Rental Production and Preservation Program and the Homeownership Program—have already exceeded their 7-year goals. The Operating and Maintenance Program is on track to meet its 7-year goals, and the Homelessness Prevention and Housing Stability Services Program is on track to meet its 7-year goals by the end of 2023.

Rental Production and Preservation

In 2022, this program awarded \$13.8 million in Levy funds to five housing development projects that will provide 321 affordable apartments, as well as \$3.2 million for one affordable housing preservation project. The Rental Production and Preservation Program has already exceeded its 7-year goals and will continue to utilize remaining funds for maximum impact so in the final year of the 2016 Housing Levy program period.

Operating and Maintenance

From the inception of the 2016 Housing Levy through 2022, Operating and Maintenance contracts have been executed for seven Levy-funded buildings, serving extremely low-

income and homeless residents. In 2022, no additional Operating and Maintenance contracts were executed. However, as of the end of 2022, six years into the 2016 Housing Levy program period, the Operating and Maintenance Program is 94% of the way to meeting its 7-year goal and on track to meet it by the end of the 2023.

OH has made preliminary commitments to two buildings that have been awarded Rental Production and Preservation Program funds, including one in 2022, but that have not yet been completed. Those preliminary commitments include up to 205 homes that may be supported through this program. These preliminary commitments are provided as an “up to” amount demonstrating OH commitment to the project but recognizing that other operating subsidies may be secured.

Homelessness Prevention and Housing Stability Services

In 2022, the King County Regional Homelessness Authority (KCRHA) assumed management of Housing Levy-funded Homelessness Prevention and Housing Stability Services from the City of Seattle Human Services Department (HSD), while HSD retained administration of funding as a grantor. Utilizing \$2.07 million in Levy funds, the program assisted 414 households at imminent risk of eviction and homelessness to maintain stable housing, and 129 households to move into housing after living in their car, shelter, or on the street. As of the end of 2022, six years into the 2016 Housing Levy program period, the Homelessness Prevention and Housing Stability Services Program is 86% of the way to meeting its 7-year goal.

Homeownership

In 2022, the Homeownership program awarded \$5.8 million for housing development and over \$122,000 in home repair grants. These investments will result in the construction of 58 new permanently affordable for-sale homes that will be available for purchase by low-income, first-time buyers over the next few years. Eight low-income, first-time homebuyers achieved homeownership through Levy-funded purchase assistance loans and seven new homebuyers were able to purchase permanently affordable homes that had received OH investment in the past. The Homeowner Stabilization Fund helped four existing homeowners avoid foreclosure. The program also provided 19 grants for urgent home repairs to low-income homeowners, ensuring they can remain safely and affordably in their current homes.

The Homeownership Program has exceeded its 7-year goals in the sixth year of the 2016 Housing Levy program period. In 2023, the Office of Housing will continue to support low-

income homeowners and first-time homebuyers through the Homeownership Program, while preparing for a potential renewal and expansion of the Housing Levy.

Acquisition and Preservation Loans

No new Acquisition and Preservation loans using Levy funds were closed in 2022 and the loans currently outstanding satisfy the requirements and goals of the Acquisition and Preservation program.

Over the course of the 2016 Levy reporting period thus far, OH has made twelve loans under the Acquisition and Preservation Program totaling approximately \$77.7 million, \$36.8 million of which have been repaid to date. In total, these loans, which closed between 2017 and 2021 inclusive, will support the creation of 1,827 affordable apartments.

Administration

The Housing Levy ordinance sets aside 9% of Levy proceeds for administration. In 2022, OH expended \$3.7 million for overall Levy administration. Unspent funds will be used in the final year of the Levy and help offset inflation, which is expected to push administrative costs above the annual allocation.

2016 Housing Levy Funding Allocations and Housing Outcomes

Levy Program	Funding		Housing Outcomes	
	6-year Funds Committed 2017-22	7-year Funds Allocated 2017-23	6-year* Outcomes 2017-22	7-year* Goals 2017-23
Rental Production and Preservation	\$193.7 M	\$201 M	2,741 units added 530 units reinvestment	2,150 units added 350 units reinvestment
Operating and Maintenance¹	\$35.4 M contracted / up to \$15.1 M committed	\$42 M	481 units contracted, up to 205 units with preliminary commitments of funding support	510 units
Homelessness Prevention / Housing Stability Services	\$9.6 M	\$11.5 M	3,854 households	4,500 households
Homeownership²	\$18.6 M	\$14.3 M	370 households	280 households
Acquisition and Preservation³	\$77.7 M total / \$36.8 M loans repaid	No separate allocation for this program	1,827 units	No 7-year goal associated with this program

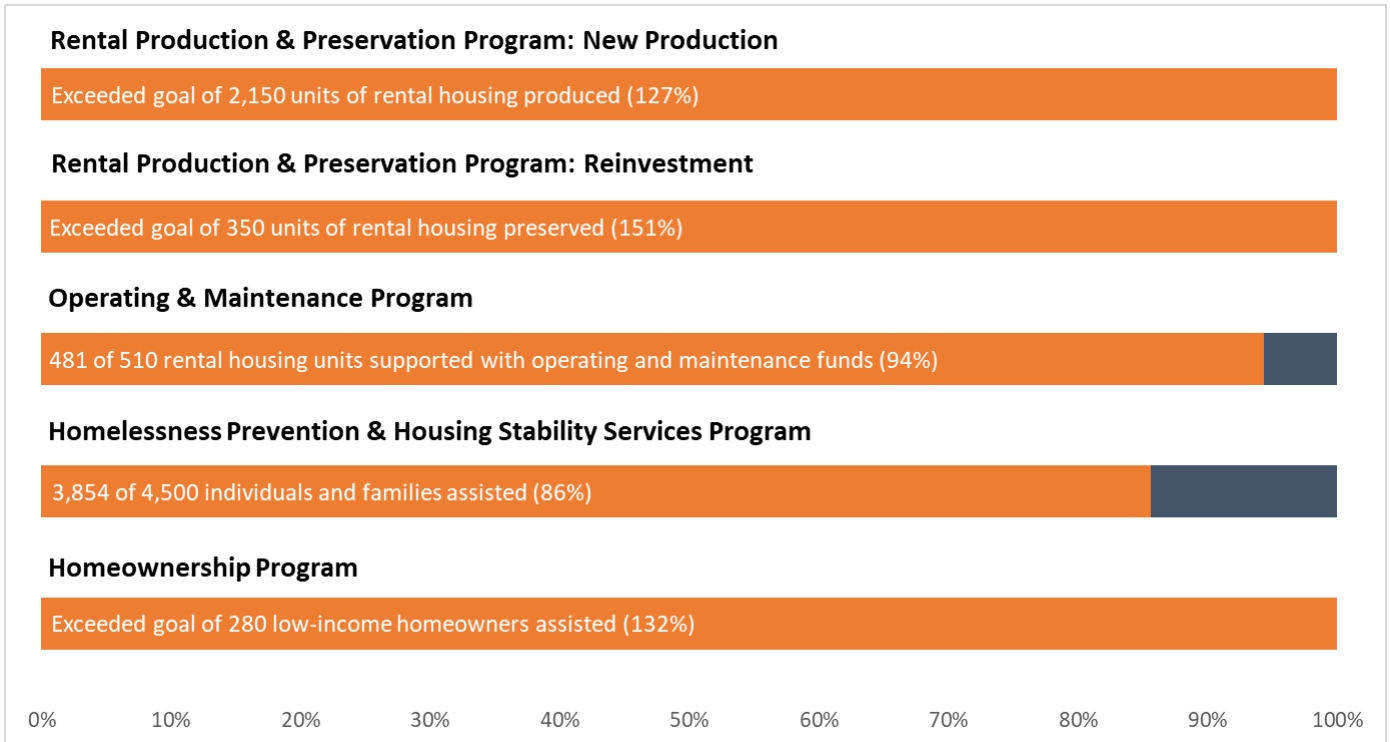
*This 6-year Outcomes column represents a summary of progress toward goals at the end of 2022. The 7-year Goals column represents the goals the Housing Levy is expected to meet by the end of 2023.

¹ Operating and Maintenance Program makes preliminary funding commitments to enable projects to proceed with pre-development. For some projects, the final number of supported units and the funding amount will change as rental vouchers and other operating subsidies are secured.

² Homeownership Program funding includes \$9.5 million in 2016 Levy funds and \$4.5 million carried forward from the 2009 Levy; additional funds often become available from loan repayments.

³ The Acquisition & Preservation Program makes short-term loans for acquisition of buildings or development sites, using other Levy program funds that are not yet needed for their ultimate use.

Summary of 6-Year Progress Toward 7-Year Housing Levy Goals (2017-2022)



Rental Production and Preservation Program

Rental Production and Preservation is the largest Levy program and provides approximately \$29 million annually in capital funds to support development and preservation of affordable rental housing. Levy funds provide affordable opportunities in neighborhoods throughout the city and leverage other public and private investment for housing development and operations.

**Housing Levy Impact
Rental Production &
Preservation**

2022 Outcome: 321 new homes produced; 62 existing homes preserved.

Progress Toward 7-year Goal: Goal exceeded

The program funds new construction, building acquisition and rehabilitation to preserve low-cost housing, and reinvestment in affordable housing when major upgrades are needed. The housing serves eligible residents for a minimum of 50 years.

At least 60% of total Rental Production and Preservation and Operating and Maintenance housing funds must serve extremely low-income households defined as those below 30% AMI. This policy is met by reserving all Operating & Maintenance funds to serve this income group and awarding at least 52% of Rental Production and Preservation funds to housing set-aside for extremely low-income residents.

Physical inspections and annual compliance reporting ensure that the housing is well maintained, serves the intended resident population, and remains financially viable.

2022 Summary

In 2022, this program awarded \$13.8 million in Levy funds to five housing development projects that will provide 321 affordable apartments, as well as \$3.2 million for one preservation project representing 62 affordable apartments.

The Rental Production and Preservation Program has exceeded its 7-year goals by 27% in the sixth year of the 2016 Housing Levy program period. Over the next year, the Office of Housing will continue to seek opportunities to invest in the production and preservation of rental housing while planning for a proposed renewal and expansion of the Housing Levy in 2023.



Affordable Housing Rental Production

Mercy Housing Northwest's Gardner House, a 95-apartment family project in the heart of the Mount Baker neighborhood opened in early 2021 with financing from the Seattle Housing Levy. The building serves lower wage working families and families leaving homelessness. Molly, a current resident of Gardner House, was homeless and pregnant with her baby, Miracle, when she learned about Gardner House. She put in her application and moved into the building just as the pandemic hit. "I love it. I'm attached to the people here. The staff makes it feel like it's home. I worked very hard to get into Gardner House and I'm proud of myself."

Project Name <i>Project Sponsor</i> Location	Project Description	Affordability (Units)			City Capital Funding		
		<30% AMI	<50% AMI	<60% AMI	Total City \$M	Levy \$M	Other \$M
New Production and Acquisition							
15th Avenue <i>DESC</i> Interbay	Construction of permanent supportive housing (studio apartments) serving individuals with disabilities and experiencing chronic homelessness	53	52	--	14.4	1.8	12.6
Bellwether Greenwood <i>Bellwether Housing</i> Greenwood	Construction of studio, one-, two-, and three-bedroom apartments serving families and individuals with incomes up to 50% and 60% AMI	--	41	17	7.0	2.0	5.0
The Clay Apartments <i>Low Income Housing Institute</i> Capitol Hill	Acquisition of newly constructed studio and loft apartments serving veterans and people experiencing homelessness	45	20	10	10.1	5.0	5.1
Beacon Hill 15th <i>Sea Mar Community Health Center</i> Beacon Hill	Acquisition of newly constructed studio apartments serving people who have experienced homelessness, with a focus on Latin(x)(a)(o) and people of color	19	--	18	5.6	1.0	4.5
Squire Park Plaza <i>Low Income Housing Institute</i> Central District	Acquisition and preservation of affordable studio, one-, and two-bedroom apartments serving families and individuals with incomes up to 30% and 50% AMI	17	29	--	5.0	4.0	1.0
TOTAL, New Production		134	142	45	42.1	13.8	28.2
Preservation and Reinvestment							
Devonshire Apartments <i>Community Roots Housing</i> Downtown	<ul style="list-style-type: none"> Reinvestment and rehabilitation of existing building, preserving 62 permanently affordable homes 	1	61	--	7.6	3.2	4.4
Total, Preservation		1	61	--	7.6	3.2	4.4
Grand Total, Rental Production, Acquisition, and Preservation		135	203	45	49.7	17.0	32.6

Selected 2022 Income Levels AMI = Area Median Income			
	30% AMI	50% AMI	60% AMI
Single Person	\$27,200	\$45,300	\$54,350
3-person Household	\$34,950	\$58,250	\$69,900

Funding Commitment to Extremely Low-Income Households

Under the Levy ordinance, at least 60% of the sum of Rental Production and Preservation funds, combined with Operating and Maintenance funds, must support housing affordable to people with incomes at or below 30% AMI. Over half of the funding awarded through the Rental Production and Preservation program in the first six years of the 7-year 2016 Levy will primarily serve extremely low-income households. Taken together with Operating and Maintenance Program funds, which are wholly dedicated to units regulated for extremely low-income tenants, as of the end of 2022, over 64% of total program funds have been allocated to support housing for people with incomes at or below 30% AMI.

External Leverage

From 2017 through 2022 inclusive, on average each City dollar invested in Levy-funded projects has been matched by over \$3.50 from other sources of public and private capital investment such as State and County funds, debt, and equity generated by the federal Low Income Housing Tax Credit program. As in past years, co-investment in Levy-funded projects from other public and private sources of capital will add to the purchasing power of Levy proceeds. Private equity investment through the 9% and 4% Low Income Housing Tax Credit programs continues to be the largest external fund source, with the Levy-funded projects collectively anticipating equity investment of over \$47 million from this source. Other external sources of public capital investment in 2022 include funding from King County and the Washington State Housing Trust Fund.

Operating and Maintenance Program

The Operating and Maintenance (O&M) Program provides annual subsidies for buildings that serve extremely low-income and formerly homeless residents who pay very low rents. Levy funds, along with other critical operating subsidies, help ensure the housing is well maintained and financially viable.

**2016 Housing Levy Impact
Operating & Maintenance**

2022 Outcome: New preliminary long-term O&M commitments for 205 homes.

Progress Toward 7-year Goal: 94% complete

Funds are available only to housing that received Housing Levy capital funds. O&M funds are typically matched with other funding for building operations and resident services.

Affordable housing projects receive a 20-year operating support commitment. Funds are allocated each year to fill the gap between a building's income and expenses, up to a maximum of \$2,500 per unit in the first year, with annual adjustments thereafter for inflation.

2022 Summary

In the sixth year of the 7-year 2016 Housing Levy program period, the Operating and Maintenance Program is 94% of the way to meeting its goals for finalized O&M contracts, with 481 of 510 units supported across seven buildings. The estimated funding award over 20 years for these seven buildings is \$35.6 million. Over the next year, the Office of Housing will continue to finalize contracts to meet, and likely exceed, the 7-year goals.

Finalized O&M Contracts

In 2022, no additional O&M contracts were finalized. However, two preliminary commitments totaling as much as \$14.9 M in funding to support as many as 200 affordable rental homes are in place and are likely to be finalized in 2023.

Preliminary O&M Commitments

In advance of executing an O&M contract, OH makes preliminary commitments to projects that have been awarded Levy funds under the Rental Production and Preservation Program. Providing preliminary O&M funding commitments earlier in the development process is intended to assist project sponsors to secure other capital and operating funding. These funding commitments set the maximum number of housing units that will be supported; the final awards may be lower and will be based on the final number of eligible units affordable at or below 30% of median income, other operating subsidies secured, and projects' operating budgets.



Operating and Maintenance Support in Action

Eighty-five formerly homeless single adults now have permanent housing at DESC's Hobson Place I. Most contended with chronic mental illness or other special needs while unhoused. A Levy-funded operating and maintenance subsidy of about \$212,500 per year helps DESC keep the building in good working condition even though the residents can pay little to no monthly rent. Though the O&M support provides only a shallow subsidy, at Hobson Place I it combines with 63 vouchers committed to the building by Seattle Housing Authority. These combined funds allow DESC to maintain the building in peak condition, ensuring that this housing can help residents have a safe alternative to tents, tarps, and emergency rooms.

In 2022, one Levy-funded building serving extremely low-income and homeless residents was identified for a preliminary O&M funding commitment. One additional project that received capital funding in 2021, but is not yet complete, also received a preliminary commitment of O&M funding. Together, these preliminary commitments of up to \$14.9 M could provide annual operating subsidies for up to 200 rental units. The figures shown below represent the number of housing units that would be supported under these preliminary commitments; however, final awards will change as projects may ultimately secure other operating subsidies. Any remaining Levy resources will be allocated accordingly and in compliance with program requirements.

Project Name Project Sponsor	Population Served	Supported Units (maximum)	First Year Funding Estimate	Funding Award (20 years)
Preliminary Commitment (2022)				
15th Avenue <i>DESC</i>	Individuals experiencing homelessness	105	\$262,500	\$7.8 M
Preliminary Commitments (2021)				
DESC Woodland <i>DESC</i>	Individuals experiencing homelessness	95	\$237,000	\$7.1 M
TOTAL		200	\$499,500	\$14.9 M

Operating Support Using Seattle Housing Authority Vouchers

In addition to Levy O&M Program funds, some projects that receive Levy capital funding also apply for vouchers from Seattle Housing Authority (SHA). SHA committed 300 Section 8 vouchers to Levy-funded projects at the inception of the 2016 Housing Levy. These vouchers are “project-based,” meaning that they will provide ongoing operating subsidies to buildings rather than to individual tenants. Levy vouchers are generally awarded the year before the building will begin operations – one or two years following the capital funding award.

OH and SHA have assigned all 300 vouchers, which will support operations in eight buildings receiving funding through the 2016 Housing Levy. Separately, SHA allocated additional vouchers to Sawara Apartments, which was awarded Levy capital funding in 2021. Funding for Sawara Apartments fulfills Office of Housing commitments in the Yesler Terrace Cooperative Agreement with SHA.

Homelessness Prevention and Housing Stability Services Program

The Homelessness Prevention and Housing Stability Services Program serves families and individuals who are either at imminent risk of homelessness (Prevention) or experiencing homelessness (Rapid Rehousing). In 2022, management of the Homelessness Prevention and Housing Stability Services Program was transferred from the Seattle Human Services Department (HSD) to the King County Regional Homelessness Authority (KCRHA). However, HSD continued their involvement in the administration of funds.

The Homelessness Prevention and Housing Stability Services Program provides case management and rental assistance for eligible households at or below 50% of area median income (AMI). Program funding can be used for case management that includes landlord negotiations, connection to mainstream benefits, budgeting, direct referrals to legal eviction prevention resources, and financial assistance as needed. Financial assistance can include rental assistance, security and utility deposits, move in costs, rent and utility arrears, and moving fees paid directly to landlords and/or organizations, not households.

The Program funds two distinct interventions:

- **Homelessness Prevention** serves households at imminent risk of homelessness to maintain their housing. Households seeking homeless prevention services access services via referrals from 2-1-1, walk in, or direct contact with the agencies.
- **Rapid Rehousing** serves households experiencing homelessness to move into stable housing after living in a car, shelter, or a place not meant for human habitation. Household access Rapid Rehousing via the Coordinated Entry for All (CEA) System

Program activities and performance are monitored with the region's Homelessness Management Information System (HMIS) called Clarity.

2022 Summary

In 2022, KCRHA contracted with 7 different community-based nonprofit agencies for \$2.07 million in Housing Levy funds. Each agency offers rich culturally and linguistically relevant services, targets services to historically underserved communities and communities with emerging needs and provides specialized programs for a range of household types.

2016 Housing Levy Impact Homelessness Prevention & Housing Stability Services

2022 Outcome: 542 households supported

Progress Toward 7-year Goal: 86% complete

In total, 542 households received case management and rental assistance, as needed, in six homelessness prevention and two rapid rehousing programs. In 2022, 341 households exited the programs, and 207 were still enrolled going into 2023.

In the sixth year of the 7-year 2016 Housing Levy program period, the Homelessness Prevention and Housing Stability Services Program is 86% of the way to meeting its goals for number of households assisted. Over the next year, KCRHA will continue to contract with nonprofit agencies to meet the 7-year goals.

Homelessness Prevention

The programs offered by the following community-based nonprofit agencies assisted 414 households who were at imminent risk of homelessness. Households were enrolled an average of 92 days from initial case management appointment until both case management and rent assistance ended. Direct financial assistance averaged \$3,184 per household.

Homelessness Prevention	Contracted Levy Investment
Neighborhood House	\$491,173
InterIm Community Development Association	\$373,714
YWCA	\$256,849
Muslim Housing Services	\$160,300
St. Vincent de Paul	\$150,000
El Centro de la Raza	\$144,813
Homelessness Prevention Total	\$1,576,849

Performance measures for Homelessness Prevention include:

- **Housing stability at 6 months:** Of those households who received prevention assistance in 2022 alone, 99% retained their housing during the 6-month period after receiving that assistance.^[1]

^[1] Based on HMIS data of the number of households that exited a Prevention program and maintained their current housing situation at least 6 months after their exit from that program. The 6-month return rate could increase up until 6/30/2023 as this is a full 6 months after the last possible exit to permanent housing in 2022. Data capture if a household subsequently enrolls in a program in HMIS which indicates they are experiencing homelessness (e.g. enrolls in an emergency shelter). This number only includes individuals who consent to sharing their personally identifiable information in HMIS.

- **Housing stability at 12 months:** Of those households who maintained their housing after receiving prevention assistance in 2021, 96% retained their housing during the 12-month period after receiving that assistance.
- **Retention of permanent housing:** 98% of households successfully maintained their housing when they exited the program.

Homelessness Prevention - Household Demographics	
Households below 30% AMI	84%
Head of Household less than 25 years of age	6%
Head of Household with Race other than White	72%
Head of Household with Race as White	23%
Head of Household with Ethnicity as Hispanic/Latino	9%
Race Data Unknown, Refused, Not Collected	5%
Households with minor children	30%
Number of household members that are minor children	446

Rapid Rehousing

Two agencies assisted 129 households to move into stable housing from homelessness – living in a car, shelter or a place not meant for human habitation. Households were enrolled an average of 357 days from the initial case management appointment until rent assistance and case management ended. Direct financial assistance averaged \$2,446 of Housing Levy funds per household.

Rapid Rehousing	Contracted Levy Investment
Catholic Community Services	\$267,074
YWCA	\$229,629
Rapid Rehousing Total	\$496,703

Performance measures for Rapid Rehousing include:

- **Exits to Permanent Housing:** 81% of households successfully achieved permanent housing upon exiting the program.
- **Housing stability at 6 months after exit:** Of those households who exited to permanent housing in 2022, 100% retained their housing during the 6-month period

after their program exit. We can report on returns to the homeless system for the 2021 households in July 2022.²

- **Housing stability at 12 months:** Of those households who exited to permanent housing in 2021, 100% retained their housing during the 12-month period after their program exit.

Rapid Rehousing - Household Demographics	
Households below 30% AMI	82%
Head of Household less than 25 years of age	11%
Head of Household with Race other than White	75%
Head of Household with Race as White	22%
Head of Household with Ethnicity as Hispanic/Latino	12%
Race Data Unknown, Refused, Not Collected	2%
Households with minor children	89%
Number of household members that are minor children	262

Homeownership Program

The Homeownership Program creates and sustains homeownership opportunities for low-income Seattle residents. Approximately \$1.4 million in new funding from the 2016 Housing Levy is available annually. Additional funds often become available each year from repayments of purchase assistance loans. Funds support four program areas, the latter two of which were newly introduced under the 2016 Levy.

**2016 Housing Levy Impact
Homeownership**

2022 Outcome: 96 low-income homeowners and first-time homebuyers assisted

Progress Toward 7-year Goal:
Goal exceeded

- **Development:** Acquire or construct homes that are sold to first-time homebuyers with income up to 80% AMI. Homes are resale-restricted so that they are available and affordable for eligible buyers for a minimum of 50 years.

^[2] Based on HMIS data of the number of households that exited a Rapid Rehousing program to a permanent destination (e.g. rental by client, no ongoing housing subsidy) in 2022. The 6-month return rate could increase up until 6/30/2023 as this is a full 6 months after the last possible exit to permanent housing in 2022. Return to System data captures if a household subsequently enrolls in any HMIS. This number only includes individuals who consent to sharing their personally identifiable information in HMIS.

- **Purchase Assistance (also called Down Payment Assistance):** Assist first-time homebuyers with income up to 80% AMI to purchase a home anywhere in Seattle. Buyers access Levy funding through participating nonprofit housing agencies and mortgage lenders. Upon resale or refinancing, loans are repaid to the Program to assist additional homebuyers.
- **Home Repair:** Make grants to homeowners with income up to 50% AMI who need to make critical home repairs and are unable to access a home repair loan. Repairs improve living conditions, help owners access weatherization grants, and help preserve the home.
- **Foreclosure Prevention:** Assist homeowners with income up to 80% AMI to pay housing-related costs that are necessary to avert foreclosure and remain successfully in their homes and communities.

2022 Summary

The Homeownership Program awarded \$5.8 million for housing development, acquisition, and purchase assistance loans, and over \$122,000 in home repair grants. Demographic and income information for all assisted homeowners is reported in the **2022 Office of Housing Investments Report**. Program milestones for 2022 included:

- 58 new, permanently affordable homes will be constructed as part of one project
- 7 new homebuyers purchased a home through the resale of permanently affordable homes previously funded by the Homeownership Program
- 19 low-income homeowners received grants for urgent home repairs
- 4 current homeowners were able to avoid foreclosure and stay in their homes
- 8 new homebuyers purchased a home using purchase assistance loans

The Homeownership Program has exceeded its 7-year goals by 32% in the sixth year of the 2016 Housing Levy program period. Over the next year, the Office of Housing will continue to support low-income homeowners and first-time homebuyers through the Homeownership Program, while planning for a proposed renewal and expansion of the Housing Levy in 2023.

Homeownership Development

Project Name <i>Sponsor</i> Neighborhood	Description	Housing Units	Levy Funding
Columbia City <i>Habitat for Humanity,</i> <i>Seattle-King County</i> Columbia City	New construction of 58 resale-restricted, permanently affordable one- and two-bedroom condominium homes for low-income first-time homebuyers	58	\$5.8 M
Total		58	\$5.8 M

Permanently Affordable Homeownership Resales

Over the last 20+ years, the Office of Housing has invested in the creation of homes for ownership that are permanently affordable, or resale-restricted. First-time homebuyers with incomes at or below 80% AMI purchase these homes at affordable prices, and in exchange limit the price at which they can sell that home to another income-eligible homebuyer in the future. Seven such resales occurred in 2022, serving income-eligible homebuyers without additional City subsidy. This is the power of permanent affordability: prior-year funding can continue to serve income-eligible homebuyers upon resale and will do so well into the future.



Home Repair Grants in Action

Back in 1962 Willie and her husband bought this 1910 home in Seattle’s Central District and raised a family. After her husband’s death, Willie wanted to stay in her home of more than 50 years but one morning woke up to no hot water. An inspection showed a blocked sewer drain. Water had invisibly seeped through the clay sewer pipe, gradually damaging the adjacent porch. A \$10,000 Levy-funded grant covered the cost of the repairs and a new water heater. With City staff hiring the contractors and managing the work, Willie didn’t have to oversee the project on her own – nor watch her beloved home fall into disrepair.

Purchase Assistance Loans

Also known as Down Payment Assistance (DPA), these purchase loans are often layered with other, non-City sources of subsidy so low-income, first-time homebuyers can afford to purchase homes off the open market. In 2022, eight down payment assistance loans were closed using Levy funds, supporting eight new homebuyers in the purchase of their first homes.

Home Repair Grants

In 2022, OH awarded 19 grants totaling \$122,656 to 19 low-income homeowners. These grants funded small, urgent home repairs. The average grant was \$6,456; typical repairs addressed problems with windows, doors, roofs, electrical, plumbing, siding, exterior painting, and flooring. All homeowners served had extremely low or very low incomes (at or below 50% of area median income) and over half of the households assisted had a member who was aged 60 or above.

The Levy-funded Home Repair Grant program, introduced for the first time under the 2016 Levy, allows OH staff to serve low-income homeowners who may otherwise be displaced or endure unsafe living conditions, due to the rising costs of necessary home repairs.

Foreclosure Prevention

In the spring of 2018, OH executed a contract for \$484,000 with local nonprofit HomeSight to administer a Levy-funded foreclosure prevention program. To date, HomeSight has made a total of 13 loans, including four originated in 2022, that allowed homeowners to maintain ownership of their homes and prevent their displacement from the neighborhoods they call home.

The Office of Housing continues to work in collaboration with HomeSight and other local housing counselors to evaluate how to respond to and best meet the need of low-income homeowners facing foreclosure.

Acquisition and Preservation Program

The Acquisition and Preservation (A&P) Program provides short-term financing for strategic acquisition of sites or buildings for low-income rental or ownership housing development or preservation. Loan terms of up to five years allow for strategic planning for use of the site, community engagement, formation of development partnerships, and securing funding for housing and other building uses.

2016 Housing Levy Impact Acquisition & Preservation

2022 Outcome: No new short-term funding disbursed in 2022.

Progress Toward 7-year Goal: No 7-year goal associated with this program

The Office of Housing is authorized to issue up to \$30 million in A&P Program loans outstanding at any time, although the Director may authorize exceptions exceeding the cap when new resources become available and doing so is consistent with citywide funding needs and priorities. Because they are to be repaid within a 5-year period, A&P loans are funded from Levy proceeds dedicated to other Housing Levy programs but are not yet needed for planned projects. Housing outcomes are tracked but the program does not have a housing production goal.

Project sponsors must demonstrate that acquisition financing is necessary for the project to proceed. Loans can be made for land or buildings, including occupied buildings where low-income residents are at risk of displacement. A minimum 20-year affordability period is required.

The loans are repaid when permanent project financing is secured. If long-term City financing is invested in the property, the affordability requirement is extended to 50 years.

2022 Summary

During the 2016 Levy period, OH has made 12 loans under the A&P Program totaling approximately \$77.7 million, \$36.8 million of which have been repaid to date. No new loans closed in 2022 and one loan to Clay Apartments was in the process of being repaid in 2022 as its permanent financing was finalized.

Project Name <i>Project Sponsor</i>	Description	Affordable Housing Units	Loan Amount (\$M)	Status
Outstanding Loans				
Madison Apartments <i>Southport</i>	Acquisition and preservation of expiring tax credit building	73	7.1	Loan closed 2018
Link Studios <i>Mt. Baker Housing Association</i>	Acquisition of affordable newly constructed micro-unit building	60	3.0	Loan closed 2018
Trenton Site <i>Mt. Baker Housing Association</i>	Site acquisition for rental housing for families and individuals	234	3.5	Loan closed 2020
Golden Sunset	Acquisition of three buildings by <i>Seattle Housing Authority</i> . City of Seattle regulatory agreement recorded on top of existing SHA use restriction	57	14.8	Loan closed 2020
Martin Luther King Apartments		117		
Weller Apartments		49		
Aurora Heights Housing <i>Low Income Housing Institute</i>	Acquisition of a site in Bitter Lake for future development of affordable apartments serving individuals earning a range of incomes up to 30%, 50%, and 60% AMI	350	6.0	Loan closed 2021
Thunderbird Site <i>Mt. Baker Housing Association</i>	Acquisition of a transit-oriented site in Rainier Beach for future development of affordable apartments serving families and individuals earning at or below 60% AMI	232	6.4	Loan closed 2021
TOTAL		1,172	\$40.8 M	

Project Name <i>Project Sponsor</i>	Description	Affordable Housing Units	Loan Amount (\$M)	Status
Loans Repaid				
Gardner House <i>Mercy Housing Northwest</i>	Site acquisition for rental housing for families, including homeless families	94	3.3	OH permanent financing awarded in 2017; Loan repaid 2018
Willow Crossing <i>GMD Development</i>	Acquisition of development site	213	5.7	Loan closed 2018; Loan repaid 2020
Encore Apartments <i>GMD Development</i>	Site acquisition for rental housing for families and individuals	60	4.6	Loan closed 2018; OH permanent financing awarded 2018 and loan repaid 2019
Eclipse Fremont <i>GMD Development</i>	Acquisition of a permitted site for development of affordable rental housing	87	6.9	Loan closed 2020; OH permanent financing awarded, and loan repaid in 2020
Africatown Plaza <i>Community Roots Housing and Africatown CLT</i>	Site acquisition for rental housing, potential homeownership component for families and individuals	126	4.5	Loan closed 2017; OH permanent financing awarded in 2019 and loan repaid in 2021
Clay Apartments <i>Low Income Housing Institute</i>	Acquisition of a newly constructed multifamily residential building in Capitol Hill to rapidly serve veterans and individuals experiencing homelessness	75	11.9	Loan closed in 2021; OH permanent financing awarded, and loan repaid in 2022
Total		655	\$36.8 M	
Grand Total		1,827	\$77.7 M	

Levy Funding Policies and Administration

Administrative and Financial Plan

Housing Levy programs are guided by policies in the Levy Administrative and Financial Plan adopted by the City Council every two years. The Administrative & Financial (A&F) Plan is prepared by the Office of Housing, with the participation of the Human Services Department and the Housing Levy Oversight Committee. Community members and stakeholders for each of the Levy programs can also participate in the biennial policy review.

Allocation of Levy Funds

All Levy programs award funds through a competitive application process. The Rental Production and Preservation Program and Operating and Maintenance Program funds are awarded via Notices of Fund Availability. Homeownership funds are also awarded to housing development projects and mortgage lending programs through a competitive NOFA process.

When a publicly owned site is available for affordable housing development, Rental and Homeownership funds may be awarded through a site-specific Request for Proposal. The Office of Housing uses the competitive RFP process both to select a developer and award OH development financing. The RFP may be conducted jointly with another public agency, such as King County or Sound Transit, if that agency is making the property available.

For the Acquisition and Preservation Program, applicants submit project proposals on a rolling basis rather than a set deadline, enabling project sponsors to take advantage of market opportunities. As these short-term loans are repaid, the funds are made available as permanent financing via the other Levy programs.

Homelessness Prevention and Housing Stability Services Program funds are administered by the Seattle Human Services Department, which selects service providers via a competitive Request for Investment process. The selected agencies assist households who are homeless or at risk of homelessness by providing housing stability services and making rent payments directly to the housing owner.

Housing Levy Oversight Committee

The Mayor and City Council appoint a Housing Levy Oversight Committee to monitor the progress of Levy programs. The Oversight Committee reports to the Mayor and Council and the public regarding program accomplishments and makes recommendations for

policy changes in the Administrative and 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 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