



Seattle
Office of Housing

**Seattle Housing Levy
Administrative & Financial Plan**

Program Years 2024-2026

As Adopted by Ordinance 127051

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I. Introduction

The 2023 Housing Levy, approved by Seattle voters in November 2023, authorized an increase in property tax levies for the seven-year period from 2024 through 2030. The 2023 Housing Levy is estimated to raise approximately \$970 million to provide, produce, and/or preserve affordable housing in Seattle and to assist low-income Seattle residents. The Levy funds five programs:

1. Rental Production and Preservation
2. Operating, Maintenance, and Services (OMS)
3. Homeownership
4. Short-Term Loans¹
5. Homelessness Prevention and Housing Stability Services

Ordinance 126837, passed by City Council on June 13, 2023, placed the Housing Levy proposition on the November 2023 ballot and directed the Office of Housing (OH) to prepare a Housing Levy Administrative and Financial Plan (A&F Plan) every two years beginning in 2024. The ordinance calls for the A&F Plan to include: dollar amounts allocated to each Levy program, criteria for selecting projects to receive Levy funds, guidelines for administering loans or grants, and requirements for project sponsors. The A&F Plan may also include other information as deemed appropriate by the Mayor or Housing Director, or as requested by the City Council.

The Levy A&F Plan is adopted by City Council by ordinance, with such modifications as the City Council may require. The draft A&F Plan is developed by OH and informed by stakeholder and community engagement, including input from representatives of housing providers, partner public funders, businesses, groups addressing homelessness and other human service issues, and other interested community members. The Housing Levy Oversight Committee reviews the draft and makes recommendations to the Mayor and City Council.

This A&F Plan governs implementation of Housing Levy programs in 2024 and 2025 and will remain in effect until amended or superseded by ordinance. This A&F Plan incorporates the Housing Funding Policies (Funding Policies), except to the extent that provisions of the Funding Policies apply exclusively to fund sources other than the 2023 Housing Levy. The contents of this A&F Plan are not intended to confer any legal rights on actual or potential project borrowers, applicants, or other persons.

Capitalized terms used in this A&F Plan that are defined in the Funding Policies have the meanings set forth in the Funding Policies unless the context otherwise requires. The terms of this Plan are subject to revision by ordinance and to the effect of applicable laws, regulations, and ordinances. To the extent that the terms of this A&F Plan, including incorporated terms of the Housing Funding Policies, may be

¹ The Short-Term Loans program was previously known as Acquisition and Preservation Loans. The Short-Term Loans program does not receive a dedicated allocation of Housing Levy funds.

considered to add to or change any of the programs as described in Exhibit A to Ordinance 126837, the adoption of this A&F Plan makes those additions to and changes in programs.

II. Levy Funding Plan

All Levy revenues collected for housing are deposited in the Low-Income Housing Fund, the Office of Housing Operating Fund, and the 2023 Levy OMS Fund and may be placed in subfunds or accounts created by the City's Director of Finance and Administrative Services as needed to implement the purposes of the 2023 Levy. Table 1 below shows annual amounts allocated to each program based on projected revenues from additional taxes levied pursuant to the Levy. If revenues collected in any year are lower than the amounts levied, that does not affect the amount that may be committed from the allocation to any program unless OH determines that the availability of funds when required to meet commitments might reasonably be impaired. The Short-Term Loan Program is not separately funded; funds allocated to other Levy programs that are not yet needed for projects may be used for short-term loans, which may include acquiring options.

Administration funding shown on Table 1 is intended to be used for administration of the use of Levy proceeds. Administration funds shall be utilized for staffing, holding costs of OH-owned properties, and other operating costs needed to administer the programs, as approved in the City budget. OH will work closely with Council during the annual City budget process to communicate proposed and actual uses of administration funds. Administration funds include up to a total of \$10M over the seven-year period for Pre-Development costs, as defined in the Housing Funding Policies.

Due to inflation, OH staffing costs will increase over the life of the Levy. Revenue is expected to be received evenly over the seven years, but expenditures for administration will be slightly lower in the early years of the Levy and slightly higher in the later years. The unspent balance in the early years will be preserved in the fund balance of OH's Operating Fund.

On a quarterly basis, the Human Services Department (HSD) will submit a reimbursement request to OH for expenses related to the Homelessness Prevention and Housing Stability Services program, including funding for HSD's administration of the program.

Table 1

Annual Funding Plan, 2024-2030

Program	Total Levy Revenue	Annual Levy Revenue
Rental Housing Production and Preservation	\$707,270,389	\$101,038,626
Operating, Maintenance, and Services ²	\$122,300,000	\$17,471,429
Homeownership	\$50,689,796	\$7,241,399
Homelessness Prevention and Housing Stability Services/Rapid Rehousing (HSD) ³	\$16,990,000 (Homelessness Prevention) \$3,010,000 (Rapid Rehousing)	\$2,427,143 (Homelessness Prevention) \$430,000 (Rapid Rehousing)
Homelessness Prevention and Housing Stability Services (OH) ⁴	\$10,000,000	\$1,428,571
Short-Term Loans	N/A	N/A
Administration ⁵	\$60,000,000	\$8,571,429
Total	\$970,260,175	\$138,608,596

Budget Authority

The budget allocation for OH does not include amounts specifically for Short-Term Loans or for any forward commitments of Rental Production and Preservation Program funds. OH is authorized to make such loans and forward commitments, consistent with the Funding Policies, in advance of a specific budget allocation. In the event that Short-Term Loans and/or advance funding commitments require

² Includes \$34M over the total Levy specifically for agency workforce support.

³ Program is administered by the Human Services Department (HSD) and is specifically for Homelessness Prevention and Housing Stability Services; all other programs are administered by OH. Referred to as "Prevention and Housing Stabilization" in Attachment A to Ordinance 126837.

⁴ Program is administered by OH and is for Resident Services. Referred to as "Prevention and Housing Stabilization" in Attachment A to Ordinance 126837.

⁵ Includes up to \$10M over the total Levy for Pre-Development costs

additional budget authority in a given year, OH will request additional authority through a supplemental budget ordinance in the year that the funding award is made.

Program Income and Investment Earnings (Current and Prior Levies)

The provisions of this section govern the use of Program Income and investment earnings to the extent consistent with provisions that remain in effect of applicable City ordinances submitting Housing Levy measures to the voters and with state law.

Program Income received and investment earnings accumulated during the term of this A&F Plan from any of the 1986, 1995, 2002, 2009, 2016, or 2023 Housing Levies will be used for direct programmatic purposes only (not administration). Program Income received from Rental Production projects will be added to the Rental Production program, and Program Income received from Homeownership projects will be added to the Homeownership program.

Investment earnings in Rental Production funds will be used to support the homelessness prevention program that assists households at imminent risk of homelessness. The investment earnings in Homeownership funds will be used for the Homeownership program. OH will estimate investment earnings that will be available for the homelessness prevention program and include the estimate in the proposed budget.

Investment earnings for O&M programs authorized in the 1986, 1995, 2002, 2009 and 2016 Levies are accumulated and will remain along with the original Levy allocation in discrete O&M subfunds to support 20-year subsidy awards, as well as any Short-Term Loans as authorized in the Funding Policies or otherwise by ordinance.

III. Levy Program Policies

Each Levy-funded program is administered according to program policies, which include goals and priorities, fund allocation process, allowable use of funds, and other requirements. These policies are contained in the Housing Funding Policies. However, policies for the Workforce Stabilization element of the OMS Program, as well as the Homelessness Prevention and Housing Stability Services Program elements are included in this section.

Rental Production and Preservation

Goal: Produce or preserve 3,516 affordable homes

The Rental Production and Preservation Program funds acquisition, construction, and rehabilitation of property to provide housing that serves Low-Income households, including families with children, older adults, people with disabilities, individuals and families who have experienced homelessness, and people working for low wages. Over the term of the Levy, at least 60% of the sum of program funds, combined with Operating, Maintenance, and Services Program funding, will support housing with rents affordable to individuals and families with incomes at or below 30% of Median Income; remaining funds may serve households up to 60% of Median Income. Program funds may be used according to the Housing Funding Policies, Chapter II, and Chapter VIII where applicable.

OH intends to apply Community Workforce Agreements (CWAs) to four to six OH-funded new rental construction projects. OH will pursue CWAs for additional projects pending review of project data and analysis, which will be conducted by a third party.

Operating, Maintenance, and Services

Goal: Support operations for 1,156 affordable homes

The Operating, Maintenance, and Services (OMS) Program funds supportive housing worker wage stabilization and building operations and maintenance in Levy-funded housing, supplementing rental income in buildings that serve households with incomes at or below 30% of Median Income. Wage stabilization and operating funding contracts are issued annually, but commitments are expected to continue for up to 20 years, subject to appropriations and annual reviews.

1. Operating, Maintenance, and Services Subsidies

OMS funds are matched with tenant paid rent, other operating funding and, in most cases, services funding. Operations and maintenance funding for this program will support housing developed with 2023 Levy funding, except that funds may also be used to extend OMS contracts for projects receiving O&M funds under prior levies, as described in the Housing Funding Policies, Chapter III.

2. Permanent Supportive Housing Operating, Maintenance, and Services - Workforce Stabilization (PSH OMS – WS)

PSH staff play a critical role in meeting resident needs, thereby supporting the success of PSH developments and the long-term sustainability of capital investments made by the Office of Housing. However, PSH organizations face a high volume of staff vacancies due to low wages and challenging working conditions. This program uses both Levy and JumpStart/PET funds to invest in the City's PSH portfolio to ensure the most vulnerable remain housed and adequately supported, and those working with them are also supported, including with sustainable wages and working conditions. Detailed program policies are contained in Chapter III of the Housing Funding Policies.

Homeownership

Goal: Assist 367 low-income homeowners

The Levy Homeownership program assists Low-Income homebuyers to purchase a home in Seattle and Low-Income Seattle homeowners to maintain stable housing. Loans are also made to housing organizations that will sell homes to homebuyers with incomes at or below 80% of Median Income, which homes have restriction on resale prices and may be sold only to eligible buyers for 50 years or longer. Low-Income homeowners can receive assistance in the form of home repair grants or one-time mortgage loans to prevent foreclosure.

Short-Term Loans

The Short-Term Loans Program may provide short-term loans for strategic Site Acquisition. Short-term loans can be made for acquisition of land or buildings for low-income housing preservation and development, consistent with the objectives and priorities of the Levy Rental Production and Preservation and Homeownership programs. Additionally, under the Homeownership program, short-term loans may be used for construction under conditions described in the Housing Funding Policies. Short-Term Loans may also be used by OH for strategic Site Acquisition to secure long-term low-income housing use and, if it is not already in use as housing, development for that use will be feasible within a reasonable time. Short Term Loans intended for Rental Housing development utilize funds not yet required for disbursement through the Levy OMS program. Short Term Loans intended for Homeownership development utilize available development subsidy funds for homeownership investments. Upon repayment of loans or receipt of proceeds for property acquired, the funds and any interest earned return to the initial Levy program.

Homelessness Prevention and Housing Stability Services

Goal: Assist 4,500 individuals and households

The Homelessness Prevention and Housing Stability Services Program has two elements, a Resident Services program administered by OH, and Homelessness Prevention and Eviction Prevention administered by HSD.

1. Resident Services

The Resident Services Program utilizes funding from both Levy and JumpStart/PET to assist affordable housing providers to offer resident services that support the housing stability and physical, emotional, and financial well-being of residents of non-Permanent Supportive Housing (PSH). Services should respond to residents' needs, address racial disparities, incorporate best practices in service delivery, thereby improving housing stability and contributing to positive resident outcomes. Detailed program policies are contained in Chapter III of the Housing Funding Policies.

2. Homelessness Prevention and Housing Stability Services

Homelessness Prevention and Housing Stability Services Program serves vulnerable families and individuals who are at risk of homelessness or experiencing homelessness. The program addresses housing-related barriers through a combination of housing stabilization support services and financial assistance. A housing stability assessment is required at the onset of services to determine the level of need and the amount of assistance required. Stabilization services typically include but are not limited to assistance with housing search, landlord negotiations, budget and financial coaching, assistance applying for mainstream benefits, reviewing leases, and meeting with participants to assess their ongoing level of need.

The Homelessness Prevention and Housing Stability Services Program has two distinct elements:

- Homelessness Prevention serves households who have been assessed and determined to be at imminent risk of homelessness to maintain their housing. \$2,427,143 in annual funding is provided for this program.
- Rapid Rehousing serves households experiencing homelessness to move into stable housing after living in a car, shelter, tent, or other place not meant for human habitation. \$430,000 in annual funding is provided for this program.

This program is structured to be flexible to meet the different financial and service needs of those at risk of homelessness and people experiencing homelessness using a progressive engagement framework. This approach is consistent with current national promising practices and local experience that point to the need for a holistic and flexible approach. In serving households at risk of homelessness, the program targets resources for households at greatest risk of homelessness including formerly homeless households and households experiencing extreme overcrowding.

Contractors are required to enter data in the Homeless Management Information System (HMIS) for the purpose of overall program planning as well as performance review. A key outcome measure is ongoing

housing stability: the number of households who do not enter or return to homelessness 12 months after assistance to the household ends.

A. Eligible Households

To be eligible to apply for program funds, households must meet all the following requirements:

- Homeless or at risk of homelessness.
 - Households at risk of homelessness must have been assessed and been determined to have a housing crisis. For the purposes of this program, couch surfing or doubled up households with limited resources may be considered at risk of homelessness. Households must reside in Seattle at the time of program intake, or
 - Homeless households must be literally homeless households staying in a place not meant for human habitation and must be referred through King County's regional Coordinated Entry for All system.
- 50% of Area Median Income or below.
- Inadequate financial resources to secure or maintain stable housing without assistance.

B. Eligible Use of Funds

Financial assistance is available for:

- Rent payments.
- Rent or utility arrears needed to obtain or retain secure, stable housing.
- Security and/or utility deposits and other move-in costs (background check fees, first and last month's rent).
- Transportation assistance.
- Financial assistance may not exceed 18 months in a 36-month period.

Program and Administration Costs

- Agency staffing and associated service delivery costs required to provide housing stabilization services, including translation services needed to stop an eviction action.

C. Program Requirements

Levy funds will be administered by contractors who demonstrate ability to do the following:

- Provide housing stabilization services.
- Provide financial assistance to prevent or address homelessness using a progressive engagement framework.
- Enter data directly into HMIS for program planning and performance review.

D. Program Reporting

HSD will provide an annual program progress report to OH to be included in the Housing Levy annual report due to the City Council no later than June 30 of each year. The annual data will be provided separately for homelessness prevention assistance to households at risk of homelessness, and for assistance to households who are experiencing homelessness. The data will include but not be limited to:

- Demographic data for program participants including, but not limited to, gender, disability status, household income, and household composition.
- Program financial information including, but not limited to, average amount of assistance per household.
- The number of households served.
- Program performance outcomes including the following:
 - The number and percent of households exiting to permanent housing at program exit.
 - The number and percent of households exiting to other (homelessness, shelter, etc.) at program exit.
 - The number and percent of households stably housed at 12 months.
 - The number and percent of households stably housed at 24 months.

IV. Reporting

OH will provide an annual program progress and performance report to the Mayor and City Council no later than June 30 of each year, covering activity for the previous year and cumulative performance for the 2023 Housing Levy. Reports will be reviewed in draft by the Housing Levy Oversight Committee. The annual report will include, but not be limited to:

- General Accomplishments
 - Production for each Levy program, including actual unit production and households assisted compared to goals.
 - Affordability levels of housing produced with program funds, actual compared to goals.
- Rental Production and Preservation
 - Projects and units funded; funding reserved for the same.
 - Location of funded projects.
- Operating, Maintenance, and Services
 - Operating Funding
 - Contracts issues, buildings and units supported, and their funding level.
 - Workforce Stabilization
 - Contracts issued, buildings and units supported, and their funding level.
 - Information about the types of services and activities supported by the funds.
 - Information on workers supported, their wage levels, and staffing levels (including openings rates and turnover).
- Homeownership
 - Development Subsidy
 - Projects and units funded; funding reserved for the same.
 - Location of funded projects.
 - Down Payment Assistance
 - Number and value of loans closed.
 - Income and demographics of assisted homeowners.
 - Foreclosure Prevention Program
 - Number and aggregate value of loans approved.
 - Income and demographics of those assisted.
 - Home Repair Program
 - Number and value of grants closed.
 - Income and demographics of those assisted.
- Resident Services

- Contracts issued, description of services provided, and their funding level.
- Information on resident services staff supported.
- Staff time spent on service provision.
- Number of households served.
- Description of services provided.

- Short-Term Loans
 - Loans made and status along with funding amounts approved and due dates or expected timing for repayment of funds, as applicable.
 - Projected units to be produced or preserved.