

Seattle Office of Housing

Annual Investments Report - 2019

March 2020



Mayor Jenny A. Durkan

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LETTER FROM MAYOR JENNY DURKAN

As we face this unprecedented era in Seattle's history, with the global COVID-19 pandemic impacting the lives of residents throughout our City, the urgent need for safe, healthy, affordable housing for all families and individuals continues to be of utmost importance. While at the time of writing we are working to slow the spread of the virus and support communities disproportionately affected at this moment, we recognize the impacts of this pandemic will be long-term, and the financial hardship felt by many Seattle residents will not end when the virus is contained. We must continue the work of preserving and increasing the City's supply of affordable housing, in order to ensure Seattle residents are stably housed and not displaced or forced into homelessness.

The Office of Housing's **2019 Annual Investments Report** and **2019 Housing Levy Report** describe the City investments made in the past year to address Seattle's affordable housing and homelessness crisis. In 2019 alone, the City invested over \$110 million to create over 1,700 new affordable rental and for-sale homes in neighborhoods across Seattle, the largest investment and the largest number of affordable homes ever created in Seattle in one year in our City's history. Taken together with affordable housing funded prior to 2019, more than 6,000 City-funded affordable homes have been completed or are anticipated to be completed between 2018 and 2022. Homes supported by City funds are affordable to individuals and families earning at or below 80 percent of the Area Median Income (AMI) – \$46,500 for an individual and \$66,400 for a family of four (based on Office of Housing's 2019 Income and Rent Limits).

Through the Incentive Zoning (IZ), Mandatory Housing Affordability (MHA), and Multifamily Tax Exemption (MFTE) programs, market-rate development has also contributed to the City's supply of housing affordable for low- and moderate-income families and individuals. In 2019, cash contributions made through the MHA program will support 844 affordable homes that are currently in development. In addition, 578 new MFTE units in market-rate buildings were placed in service in 2019. More information about the affordable housing supported by these programs can be found in the **2019 Incentive Zoning/Mandatory Housing Affordability Annual Report** and the **2019 Multifamily Tax Exemption (MFTE) Annual Report**.

In addition to the City's historic investments in, and market-rate development's contribution to, affordable housing in 2019, we achieved several major accomplishments that will go a long way toward meeting Seattle's affordable housing needs now and in the future. These 2019 accomplishments include:

Adopting policies that advance the City's affordability and anti-displacement goals

- Citywide Implementation of Mandatory Housing Affordability (MHA) – The expansion of MHA added capacity for an additional 72,000 homes near high-quality transit with access to jobs, education and culture in 27 urban villages throughout the City. In addition, all multifamily and commercial development now contributes to rent- and income-restricted housing – an estimated 6,000 new affordable homes in the first 10 years – making MHA the largest new contributor to affordable housing since the establishment of the voter-approved Seattle Housing Levy in 1981.
- Community Preference – My Executive Order established Community Preference as a tool to allow residents in areas at high risk of displacement to be prioritized during tenant selection in certain City-funded affordable housing developments.
- Multifamily Tax Exemption (MFTE) – The four-year renewal of the City's MFTE program included legislative improvements, such as limiting rent increases to ensure MFTE units continue to be affordable for middle-income tenants.
- Accessory Dwelling Units (ADUs) – My Executive Order called for the reduction of regulatory, permitting, and financial barriers impeding the production of backyard cottages and in-law

apartments, which can provide homeowners with flexible opportunities to earn rental income, live intergenerationally, or age in place.

Making use of underutilized public properties to support affordable housing development

- Mercer Street – The sale of this underutilized City property resulted in nearly \$300 million in public benefits, including investments in City housing priorities and the development of a mixed-income community in the heart of South Lake Union.
- Seattle City Light sites in North Seattle – Permanently affordable ownership homes will be developed in Phinney Ridge and Loyal Heights, thanks to the no-cost transfer of utility-owned land for affordable housing development.
- Fort Lawton Army Reserve – The rezone and redevelopment of Fort Lawton will create a mixed-income community, including supportive housing for seniors and veterans, apartments for low-income households, and homeownership opportunities, as well as parks and recreation space.

Expanding revenue sources for affordable housing investments

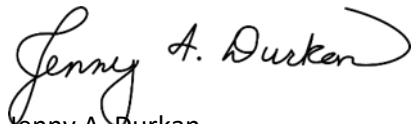
- Fare Share – A modest tax on Uber and Lyft rides will amount to \$52 million in affordable housing investments over five years near high-quality transit.
- State Resources to Support Affordable Housing – Seattle was one of the first cities in Washington to take advantage of a new state law allowing cities to retain more sales tax to fund affordable housing development and operations. Similarly, the City took advantage of new changes in state law giving cities the flexibility to use funds from Real Estate Excise Taxes (REET) II to build affordable housing. Without levying new taxes, local access to these state resources added over \$45 million to the Office of Housing’s 2019 funding awards.

Increasing public awareness of affordable housing development and rental regulations

- “Affordable Housing Under Development” Dashboard – This new online tool shows the location and development status of forthcoming affordable housing projects planned throughout Seattle, including City-funded affordable housing developments, properties participating in the MFTE program, and other long-term affordable housing units regulated by the City.
- “Renting in Seattle” Web Portal – This centralized online resource offers renters and landlords support navigating Seattle’s rental regulations.

2019 was a historic year for affordable housing investments in Seattle, and we made great strides toward ensuring all residents have access to a variety of affordable housing options across the City. Now, in these uncertain and unprecedented times, we must continue to work with urgency to provide safe, stable, affordable housing for all.

Sincerely,



Jenny A. Durkan
Mayor of Seattle

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- 1. Seattle Housing Levy**
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OFFICE OF HOUSING ANNUAL INVESTMENTS REPORT – 2019 EXECUTIVE SUMMARY

Over six 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.

Over 6,700 new City-funded affordable units have been or will be produced between 2018 and 2022. These comprise 1,147 new apartments that opened in 2018 and 2019; 1,731 apartment units in projects that were newly funded in 2019; 3,755 previously-funded apartment units that are currently in development or under construction as of December 31, 2019; and 150 permanently affordable homeownership units. The City’s incentive programs – Incentive Zoning (IZ), Mandatory Housing Affordability (MHA), and Multifamily Tax Exemption (MFTE) – produce additional affordable units, the vast majority of which are located in market-rate developments. 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 38 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 development in 2019:

- 6 OH-funded rental housing buildings were completed, providing 785 affordable rent- and income-restricted homes;
- 17 OH-funded rental buildings were under construction and will lease over 1,600 apartments in 2020 and 2021; and
- an additional 890 previously funded apartments were in predevelopment and slated for completion by 2022.

The MFTE program also had robust activity during 2019:

- 28 market-rate buildings were issued Final Certificates of Tax Exemption, for a total of 578 rent- and income-restricted apartment units made available to renters in 2019; and
- 62 additional renter-occupied buildings' initial applications for participation in MFTE were approved by the Office of Housing, with Final Certificates of Tax Exemption pending further review closer to construction completion.

In addition to the rental projects underway, six affordable homeownership developments awarded funding in prior years are presently in permitting or under construction. These developments comprise approximately 16 townhomes, 10 condos, and 68 limited equity co-op homes.

2019 Housing Investments

As prior-year funding was delivering completed affordable housing, OH housing programs set a new round of affordable homes in motion with 2019 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.

- \$107 million awarded for rental housing production and preservation
- 1,731 units -- affordable rental housing created
- \$614 million in total housing investment: \$4.70 leveraged for each City dollar

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

- \$2.44 million for permanently affordable homeownership development
- 26 new construction homeownership units and three acquisition/rehab projects
- \$550,000 awarded to make downpayment assistance purchase loans to low-income, first-time homebuyers
- Nearly \$3 million invested that will use City funds to leverage between four and five dollars of other public and private investments

OH also made investments in housing rehabilitation and sustainability. The projects were completed during in 2019 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 \$740,000 provided as loans and grants
- 67 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

- \$4.74 million in grant funds expended
- Completed upgrades in 97 single family homes, benefiting low-income owners or renters
- Completed upgrades in 9 affordable apartment buildings, with a total of 469 affordable units

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 2019 totaled \$14 million¹
- 578 MFTE units completed and newly available to renters in 2019

¹ As detailed in the **2019 Office of Housing MFTE 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 been realized absent the MFTE program.

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 third round of funding awards in 2019. 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 citywide 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.

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.



Groundbreaking at Filipino Community Village, Filipino Community of Seattle

I. RENTAL HOUSING OPENING AND UNDER CONSTRUCTION

Six OH-funded rental housing projects leased up and began operations in 2019, comprising 783 affordable apartments. Another 17 developments with active building permits are scheduled to open this year and next, representing an additional 1,600 apartments opening in 2020 with more to follow in 2021. These buildings provide a mix of housing for working families and individuals, seniors and people with disabilities on fixed incomes, and people experiencing homelessness.

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 2019. 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 or more months from start to finish depending on the scale and complexity of the project.

Table 1: OH-Funded Housing Opened in 2019

Project Name <i>Project Sponsor</i> <i>Neighborhood</i>	Description
Clement Place <i>Downtown Emergency Services Center</i> Greenwood	98 units of supportive housing for homeless adults
Compass Broadview <i>Compass Housing Alliance</i> Broadview	58 units for extremely low- and low-income renters, including families
Liberty Bank Building <i>Capitol Hill Housing and Africatown CLT</i> Central Area	114 units for extremely low- and low-income renters, including families
Mercy Magnuson Place <i>Mercy Housing Northwest</i> Sand Point	148 units for extremely low- and low-income renters, including families
Red Cedar <i>Seattle Housing Authority</i> Yesler Terrace	118 units for extremely low- and low-income renters, including families
Thai Binh Apartments <i>Inland Group</i> Chinatown/International District	247 units for low-income renters, including families

Table 2: OH-Funded Housing Under Construction and Anticipated to Open in 2020 or 2021

Project Name <i>Project Sponsor</i> <i>Neighborhood</i>	Description
Rainier Court IV <i>SEED</i> Rainier Valley	81 units for low-income seniors
Eng House <i>Plymouth Healing Communities</i> Beacon Hill	8 group home units for chronically mentally ill individuals
Judkins Junction <i>Community House Mental Health</i> Central Area	74 units for low-income individuals and families
Patricia K <i>Community House Mental Health</i> Central Area	52 units for individuals with chronic mental illness
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
501 Rainier <i>Plymouth Housing Group</i> North Rainier	102 units of supportive housing for homeless individuals
Encore Apartments <i>GMD</i> Belltown	60 units for low-income individuals
Lake City Townhomes (Phase I) <i>Habitat for Humanity of Seattle King County</i> Lake City	8 resale-restricted, permanently affordable townhomes for low-income homebuyers
22nd Ave Supportive Housing <i>Downtown Emergency Service Center</i> North Rainier	85 units of supportive housing for individuals experiencing homelessness and individuals with chronic mental illness
Belmot Avenue <i>Pioneer Human Services</i> Capitol Hill	90 units for a mix of low-income, extremely low-income, formerly incarcerated, and formerly homeless individuals
Patricia K <i>Community House Mental Health Agency</i> Central Area	52 units for individuals with chronic mental illness
Station House (Broadway TOD) <i>Capitol Hill Housing</i> Capitol Hill	110 units for low-income individuals and families
Polaris Apartments <i>Inland Group</i> Rainier beach	305 units for low-income families and individuals, with 20% set aside for people with disabilities

II. FUNDS AWARDED IN 2019

The Office of Housing awarded approximately \$107 million in 2019 to build and preserve 1,731 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 \$2.44 million to develop 26 permanently affordable homes for first-time homebuyers and support the acquisition and rehabilitation of three homes that are now permanently affordable. OH's Home Repair Program provided over \$741,000 provided in loans and grants to low-income homeowners to address critical health, safety, and structural issues. OH's HomeWise Weatherization Program expended \$4.74 million to provide energy efficiency and indoor air quality improvements in affordable apartment buildings serving low income tenants and single family homes with low-income owners or tenants.

Table 3: Rental Housing Program Funds

Fund Source	2019 Funding	Description
Seattle Housing Levy	\$29.21 M	The voter-approved Seattle Housing Levy avails approximately \$29 million per year for the rental housing program.
Incentive Zoning / Bonus payments	\$10.78 M	Density bonuses availed through the City's Incentive Zoning program continue to generate affordable housing payments from residential and commercial developers whose developments received permits prior to MHA implementation.
Mandatory Housing Affordability (MHA) payments	\$11.74 M	In March 2019, MHA requirements were adopted in 27 urban villages throughout Seattle, adding to the areas already subject to MHA requirements. Payment proceeds represent residential and commercial developers' financial contributions toward affordable housing.
City-Owned Property	\$12.27 M	Proceeds from the disposition of City-owned property, including Mercer Mega Block
HB 1406	\$13.3 M	Approved by the WA State legislature in 2019 (HB 1406), this local sales and use tax credited against the state sales tax was made available for investments in affordable housing.
REET II	\$28.07 M	Real Estate Excise Tax (REET)
Federal HOME and CDBG	\$2.05 M	Projected amount, pending federal budget allocation
Total	\$107.42 M	

Table 4: Homeownership Development Funds

Fund Source	2019 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 5: Home Repair Program Funds

Fund Source	2019 Funding	Description
Seattle Housing Levy (program income)	\$23,449	Loans made with 1995 Levy home repair loan repayments
Community Development Block Grant	\$418,817	Loans made with CDBG home repair loan repayments
Seattle Housing Levy	\$218,364	Grants made with 2016 Levy funding
Other (program income)	\$80,587	Loans made with repayments from other local funds
Total	\$741,217	

Table 6: Low-Income Weatherization Program Funds

Fund Source	2019 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	\$74,224	Oil to electric heat conversions; funding from 1995 Housing Levy home repair loan repayments
Washington State Capital Budget	\$848,500	Energy efficiency, asthma reduction and indoor air quality improvements in homes and apartments; funding from State Energy Matchmaker
Federal	\$1.93 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	\$327,415	Energy efficiency and health and safety improvements for gas heated buildings
Total	\$4.74 M	

* Indicates capital funds expended in 2019 at grant closure. Grants may have been awarded in an earlier year.

Mandatory Housing Affordability (MHA)

In 2019, MHA was adopted in all areas zoned for commercial and multifamily residential development throughout Seattle that were not already subject to MHA. In total, 35 market-rate development projects made affordable housing contributions through the MHA program in 2019. Approximately \$15.61 M in MHA payments was collected, and 64 units of affordable housing committed using the performance option. For a complete report on MHA program production in 2019, please see the **2019 Incentive Zoning and Mandatory Housing Affordability Report**.

Housing Development on Publicly Owned Sites

The Office of Housing published Requests for Proposals for two Seattle City Light owned sites in north Seattle and permanently affordable homeownership developers were selected for each. A site in Phinney Ridge will be the home of no fewer than 19 permanently affordable homes for ownership and seven permanently affordable homes will be developed on the site in the Loyal Heights neighborhood. Development partners, Homestead Community Land Trust and Habitat for Humanity of Seattle-King County, respectively, are moving their developments through permitting now.

Commercial, Community, and Cultural Spaces

In addition to providing housing, City-funded affordable housing development provides the opportunity to achieve other community objectives. Planning for ground floor uses is well underway in several developments funded in 2019, including:

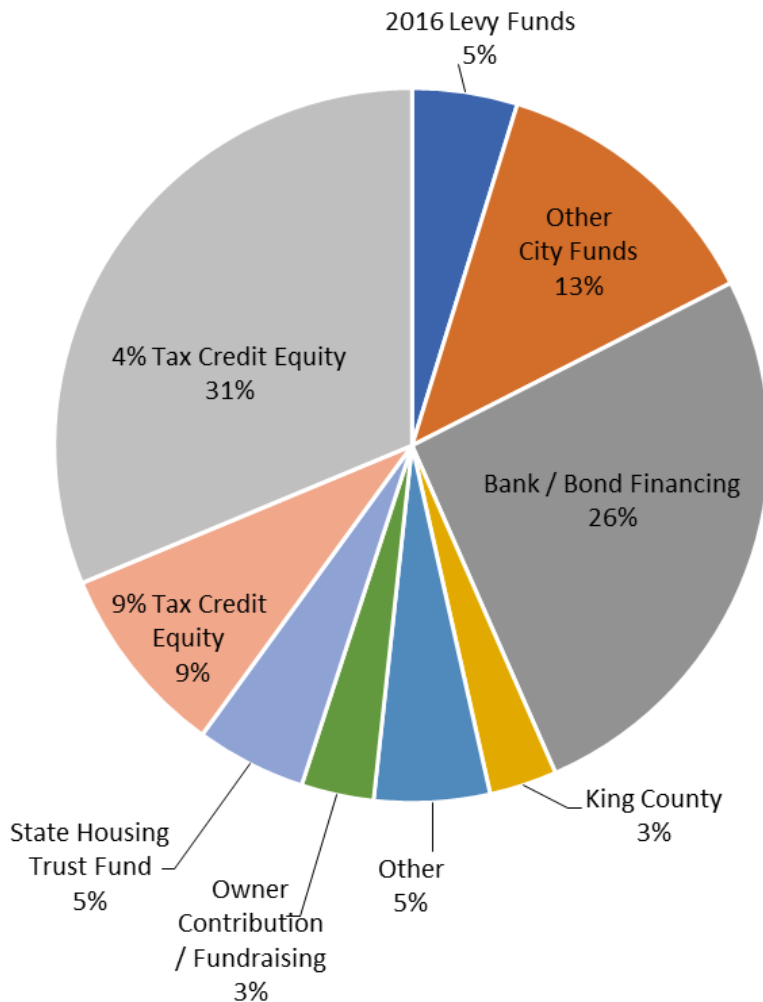
- Community-oriented commercial space at Africatown Plaza,
- Childcare and office space for Muslim Housing Services at Rose Street Apartments II,
- LGBTQ community and health services center operated by GenPRIDE at The Eldridge,
- Primary care and behavioral health clinic at Hobson Place II,
- Coffee shop, multi-purpose meeting rooms, and expansion of existing Ethiopian Community in Seattle (ECS) community center at Ethiopian Village,
- Program space operated by St. Francis House at 12th & Spruce Supportive Housing,
- Community Food Center operated by Rainier Valley Food Bank at Via7, and
- Program for All-inclusive Care for the Elderly (PACE) operated by AiPACE at North Lot.

Capital Funds Leveraged

Rental Housing Development: Of the City’s total capital investment in rental housing production and reinvestment, \$107 million is dedicated to new housing development. This \$107 million in OH investment will result in a total investment of \$614 million in new low-income housing, not including funds that pay for ground floor commercial or community spaces. The \$507 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. Other sources of funding in 2019 include: funds from the Real Estate Excise Tax (REET), a local sales and use tax credited against the state sales tax for affordable housing, and one-time proceeds from the sale of surplus City land known as the Mercer Megablock. These new sources of funding allowed for a historic increase in rental housing production. 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 2019
12 projects / 1,731 units



2019 Highlights

- \$614 million total investment in low-income housing development
- \$4.70 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 HUD's Self-Help Homeownership, Program (SHOP) are generally limited, however some projects also leverage significant philanthropic and volunteer contributions.

Development of homeownership housing typically leverages between \$4 and \$5 per dollar spent of City funding. The homebuyer's mortgage, borrowed from a conventional mortgage lender, and their downpayment amount constitutes the largest share of that leverage, averaging roughly two-thirds of the cost of each home. In addition to sources referenced prior, projects will additionally leverage philanthropic and volunteer labor contributions.

III. PROJECTS FUNDED IN 2019

Table 7: Rental Housing Program, New Development Projects – Permanent Funding, 2019

Project Name <i>Project Sponsor</i> <i>Neighborhood</i>	Project Description	Total Funded Units	Levy Units	MHA Units	Capital Funding			
					Total City \$	Levy \$	MHA \$	Other \$
Africatown Plaza <i>Africatown Community Land Trust / Capitol Hill Housing Central Area</i>	<ul style="list-style-type: none"> • Construction of studios, one-, two-, and three-bedroom apartments serving families and individuals with incomes between 30% to 60% AMI • Emphasis on serving African American and other families of color • Other community benefits include community-oriented ground floor commercial space 	134	--	134	\$12.05 M	--	\$0.08 M	\$11.97 M
Rose Street Apartments – Phase II <i>Bellwether Housing Rainier Beach</i>	<ul style="list-style-type: none"> • Construction of studios, one-, two-, three-, and four-bedroom apartments serving families and individuals with incomes up to 50% and 60% AMI • Emphasis on serving large families with children • Other community benefits include: childcare, Muslim Housing Services office space, outdoor and gardening space, community room 	185	--	185	\$7.71 M	--	\$6.71 M	\$1 M
Madison/Boylston <i>Bellwether Housing / Plymouth Housing First Hill</i>	<ul style="list-style-type: none"> • Construction of studio apartments serving seniors and veterans experiencing chronic homelessness (0-30% AMI) • Construction of studios, one-, two-, and three-bedroom apartments serving families and individuals with incomes up to 60% AMI • Other community benefits include ground floor retail space 	364	364	--	\$11.93 M	\$1.63 M	--	\$10.3 M

Project Name <i>Project Sponsor</i> Neighborhood	Project Description	Total Funded Units	Levy Units	MHA Units	Capital Funding			
					Total City \$	Levy \$	MHA \$	Other \$
The Eldridge <i>Capitol Hill Housing</i> Capitol Hill	<ul style="list-style-type: none"> Construction of studio and one-bedroom apartments serving LGBTQ seniors with incomes up to 30%, 50%, and 60% AMI Other community benefits include: LGBTQ community and health services center operated by GenPRIDE, ground floor retail space 	125	125	--	\$8.56 M	\$7.21 M	--	\$1.35 M
Hobson Place II <i>Downtown Emergency Service Center (DESC)</i> North Rainier	<ul style="list-style-type: none"> Construction of permanent supportive housing (studio apartments) serving individuals experiencing chronic homelessness (0-30% AMI) Other community benefits include a primary care and behavioral health clinic 	92	92	--	\$5.56 M	\$2.56 M	--	\$3 M
Ethiopian Village <i>Ethiopian Community in Seattle / HumanGood</i> Rainier Beach	<ul style="list-style-type: none"> Construction of studio and one-bedroom apartments serving seniors with incomes up to 30%, 50%, and 60% AMI Emphasis on serving East African community Other community benefits include: expansion of existing Ethiopian Community in Seattle (ECS) community center, coffee shop, multi-purpose meeting rooms, offices, computer lab 	89	89	--	\$7.73 M	\$7.73 M	--	--
Nesbit Family Housing <i>Low Income Housing Institute</i> Licton Springs	<ul style="list-style-type: none"> Construction of studio, one-, and two-bedroom apartments, and three-bedroom townhomes serving families and individuals with incomes up to 30% and 60% AMI Other community benefits include community space and pedestrian-friendly right-of-way improvements 	117	117	--	\$10.71 M	\$2.05 M	--	\$8.66 M

Project Name Project Sponsor Neighborhood	Project Description	Total Funded Units	Levy Units	MHA Units	Capital Funding			
					Total City \$	Levy \$	MHA \$	Other \$
Via7 Mount Baker Housing Association Rainier Beach	<ul style="list-style-type: none"> Construction of studio, one-, two-, and three-bedroom apartments serving families and individuals with incomes up to 60% AMI Other community benefits include: Community Food Center operated by Rainier Valley Food Bank, ground floor retail space 	220	--	220	\$14.33 M	--	\$2.25 M	\$12.08 M
12th and Spruce Supportive Housing Plymouth Housing First Hill	<ul style="list-style-type: none"> Construction of permanent supportive housing (studio apartments) serving individuals experiencing chronic homelessness (0-30% AMI) Other community benefits include program space operated by St. Francis House 	100	100	--	\$8.03 M	\$8.03 M	--	--
North Lot Seattle Chinatown-International District Public Development Authority (SCIDpda)	<ul style="list-style-type: none"> Construction of studios, one-, two-, and three-bedroom apartments serving seniors and families with incomes up to 60% AMI Emphasis on serving intergenerational households and residents at risk of displacement in North Beacon Hill and the Chinatown-International District Other community benefits include: Program for All-inclusive Care for the Elderly (PACE) operated by AiPACE, a partnership between International Community Health Services (ICHS) and Kin On Health Services 	153	--	153	\$10.3 M	--	\$0.98 M	\$9.32 M
Lam Bow Apartments Seattle Housing Authority (SHA) Delridge	<ul style="list-style-type: none"> Construction of one-, two-, and three-bedroom apartments serving families and individuals with incomes up to 30% and 60% AMI Redevelopment will replace and increase the number of affordable homes on this site Other community benefits include indoor and outdoor activity areas for residents 	79	--	79	\$3.5 M	--	\$1 M	\$2.5 M

Project Name <i>Project Sponsor</i> Neighborhood	Project Description	Total Funded Units	Levy Units	MHA Units	Capital Funding			
					Total City \$	Levy \$	MHA \$	Other \$
Madison Apartments <i>Southport</i> First Hill	<ul style="list-style-type: none"> • Preservation of studio and one-bedroom apartments serving families and individuals with incomes up to 50% and 60% AMI 	73	--	73	\$7 M	--	\$0.72 M	\$6.28 M
Total – New Development, Permanent Funding		1,731			\$107.41 M	\$29.21 M	\$11.74 M	\$66.46 M

Table 8: Rental Housing Program, New Development Projects – Acquisition Only, 2019

Project Name <i>Project Sponsor</i> Location	Project Description	Total Funded Units	Levy Units	MHA Units	Capital Funding			
					Total City \$	Levy \$	MHA \$	Other \$
Willow Crossing <i>GMD Development</i> Othello	<ul style="list-style-type: none"> • Acquisition loan to purchase land and some entitlements. Construction began in 2019, at which time the City of Seattle acquisition loan was fully repaid. • Development will include studio, one-, and two-bedroom apartments serving families and individuals with incomes up to 60% AMI 	211	--	--	Loan Repaid	--	--	--
Total – New Development, Acquisition Only		211	--	--	Loan Repaid	--	--	--

Table 9: Homeownership Program, New Development Projects, 2019

Project Name <i>Project Sponsor</i> Location	Project Description	Total Funded Units	Levy Units	MHA Units	Capital Funding			
					Total City \$	Levy \$	MHA \$	Other \$
Loyal Heights Townhomes <i>Habitat for Humanity, Seattle-King County</i> Loyal Heights	<ul style="list-style-type: none"> Development on surplus Seattle City Light property, transferred at no cost for affordable housing Development will include 7 three-bedroom townhomes 	7	7	--	\$0.63 M	\$0.63 M	--	--
Phinney Ridge Condominium <i>Homestead Community Land Trust</i> Phinney Ridge	<ul style="list-style-type: none"> Development on surplus Seattle City Light property, transferred at no cost for affordable housing Condominium development will include 19 homes 	19	19	--	\$1.51 M	\$1.51 M	--	--
Total		26	26	--	\$2.14 M	\$2.14 M	--	--

Table 10: Home Repair Program, Loans and Grants, 2019

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.	35	\$522,852	\$14,939
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.	32	\$218,364	\$6,823
Total		67	\$741,216	

Table 11: Low-Income Weatherization Program, Completed Projects, 2019

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: \$11,912	97	\$1,155,465
Cascade Court Apartments	Bellwether Housing	Ventilation, air sealing	99	\$56,348
Rose Street Apartments	Bellwether Housing	Centralized energy recovery ventilation, air sealing, common area lighting, common area ductless heat pump	71	\$240,111

Project Name	Owner	Project Description	Units	Funding
Gilmore Apartments	Bellwether Housing	New high efficiency boiler, rooftop fans, air sealing, led fixtures and lamps	64	\$109,628
Elizabeth James House	Capitol Hill Housing	Domestic hot water system replacement, common area ductless heat	60	\$186,676
Island View Apartments	Seattle Housing Authority	Common area ductless heat pump	48	\$8,000
Gideon-Matthews	Seattle Housing Authority	Common area ductless heat pump and heat pump water heater	45	\$11,138
South Park Manor	Seattle Housing Authority	Common area ductless heat pump and heat pump water heater	27	\$12,019
Joe Black Apartments	Capitol Hill Housing	In-unit ductless heat pumps, air sealing, ventilation, insulation, led fixtures	24	\$242,993
The Broadview	Solid Ground	Boiler replacement	31	\$26,000
TOTAL			566	\$2,048,378

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.

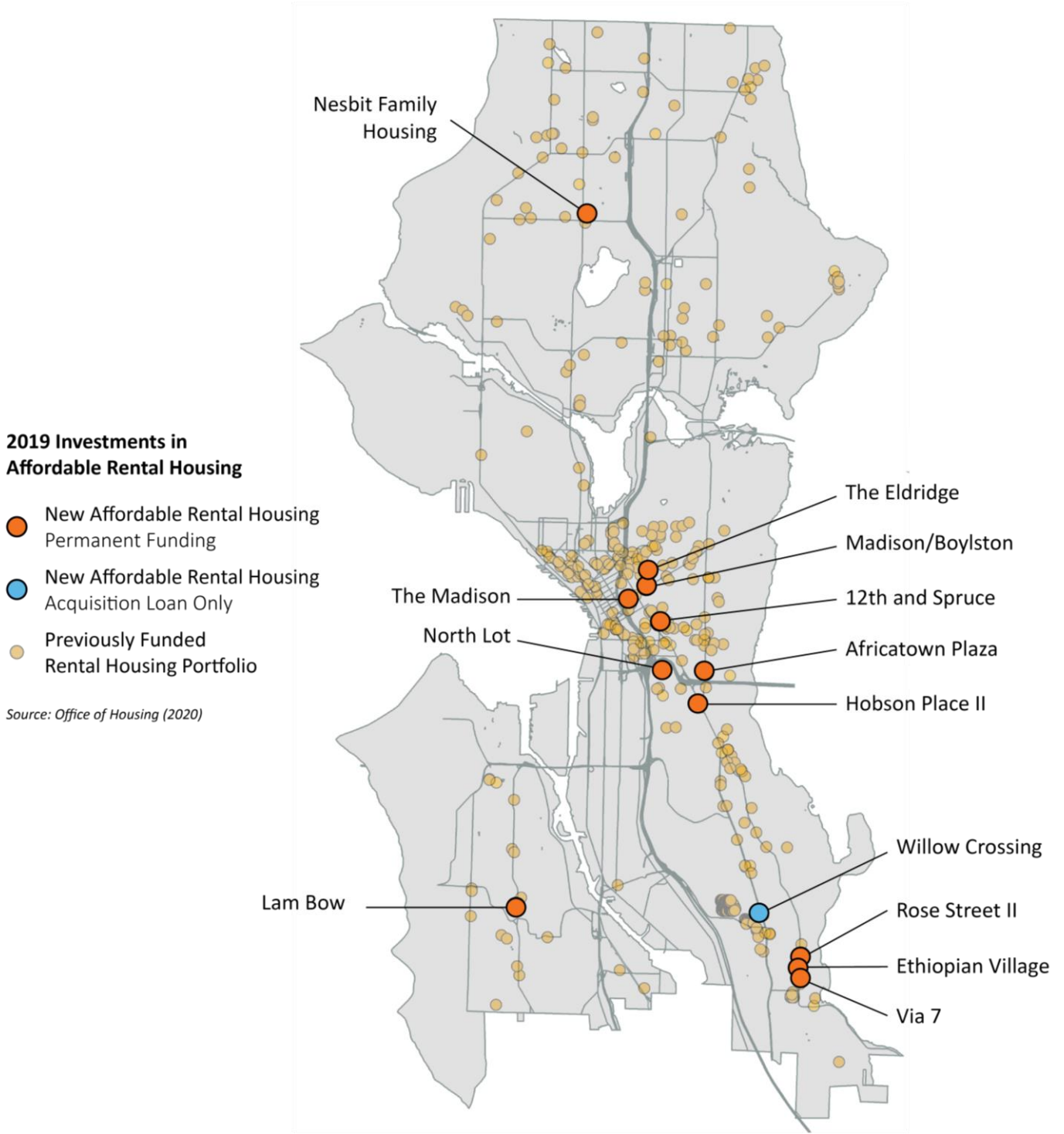
The following maps and table illustrate how the location of OH-funded affordable housing addresses City priorities.

- 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
 - Table 12: 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.

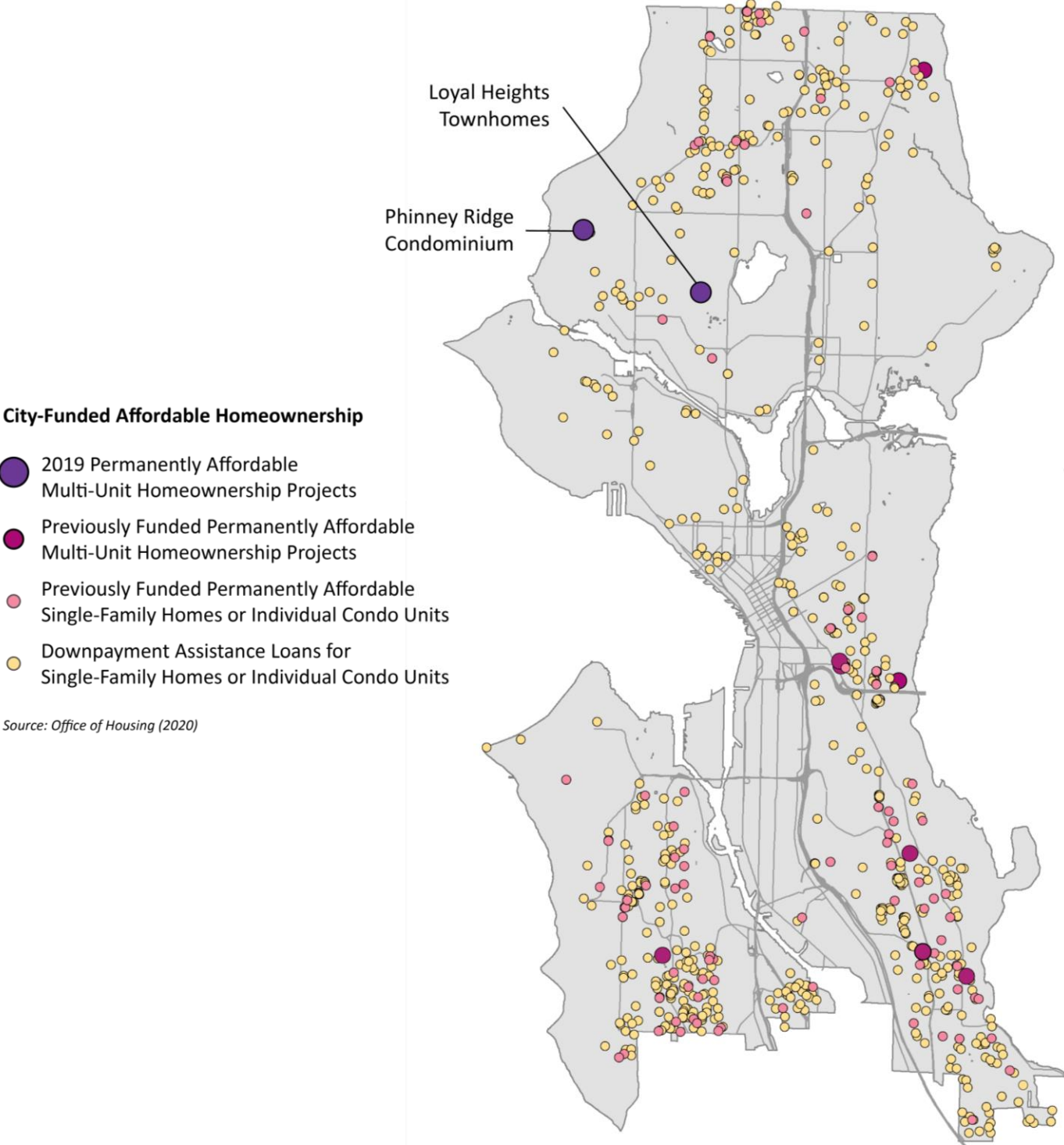
Map A: Rental Housing Investments

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



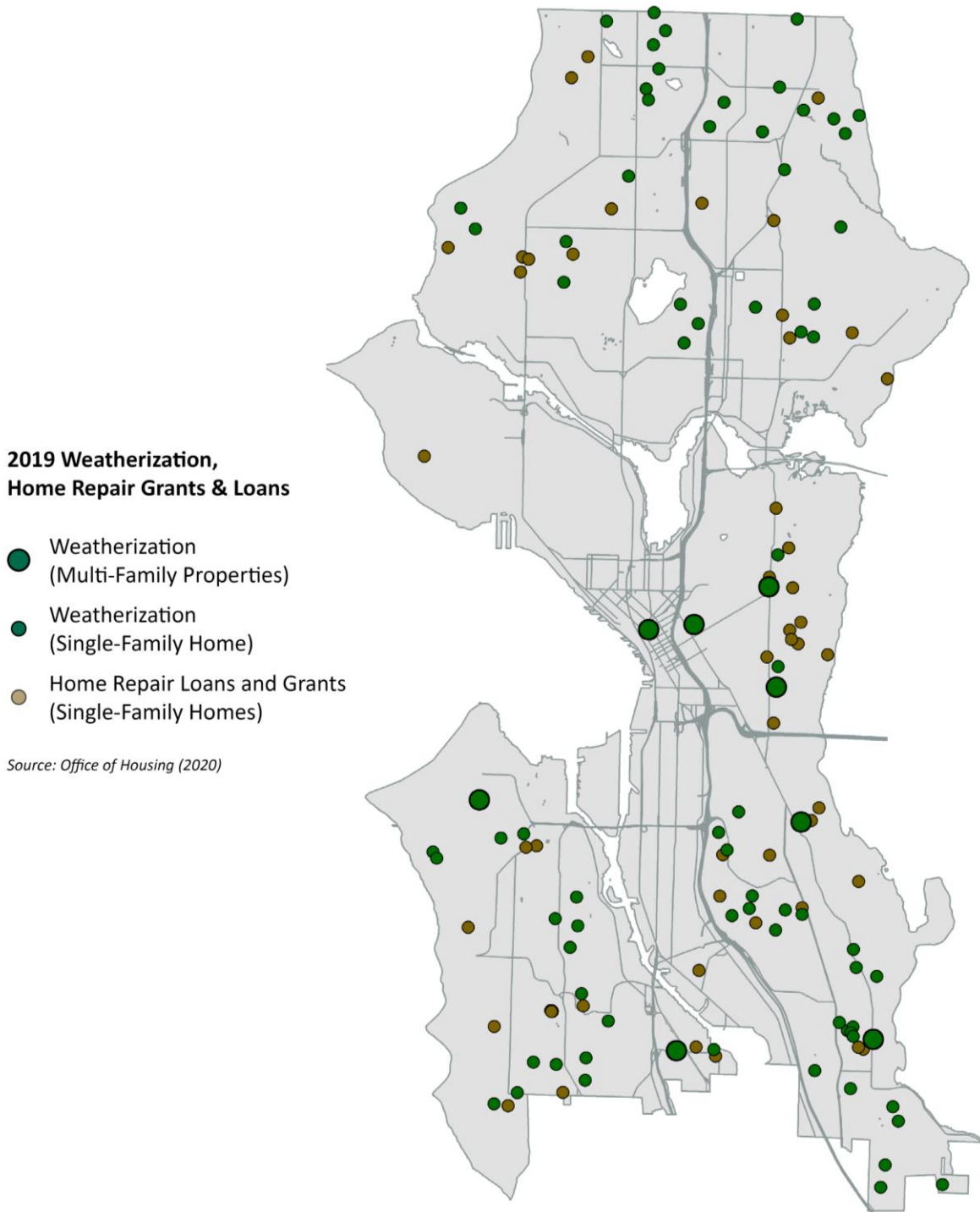
Map B: Homeownership Investments

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.



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.

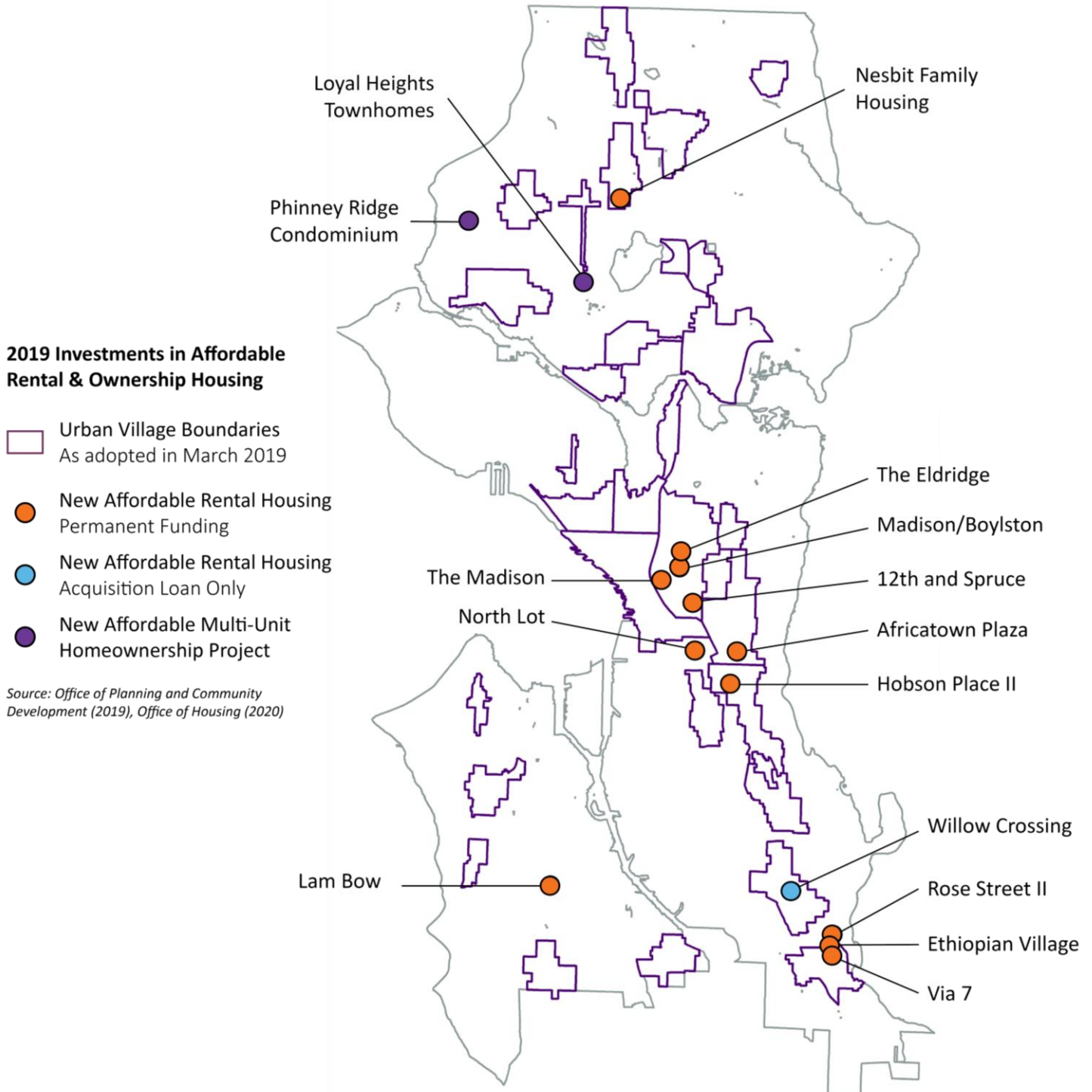


Table 12: OH Investments by Urban Center/Urban Village

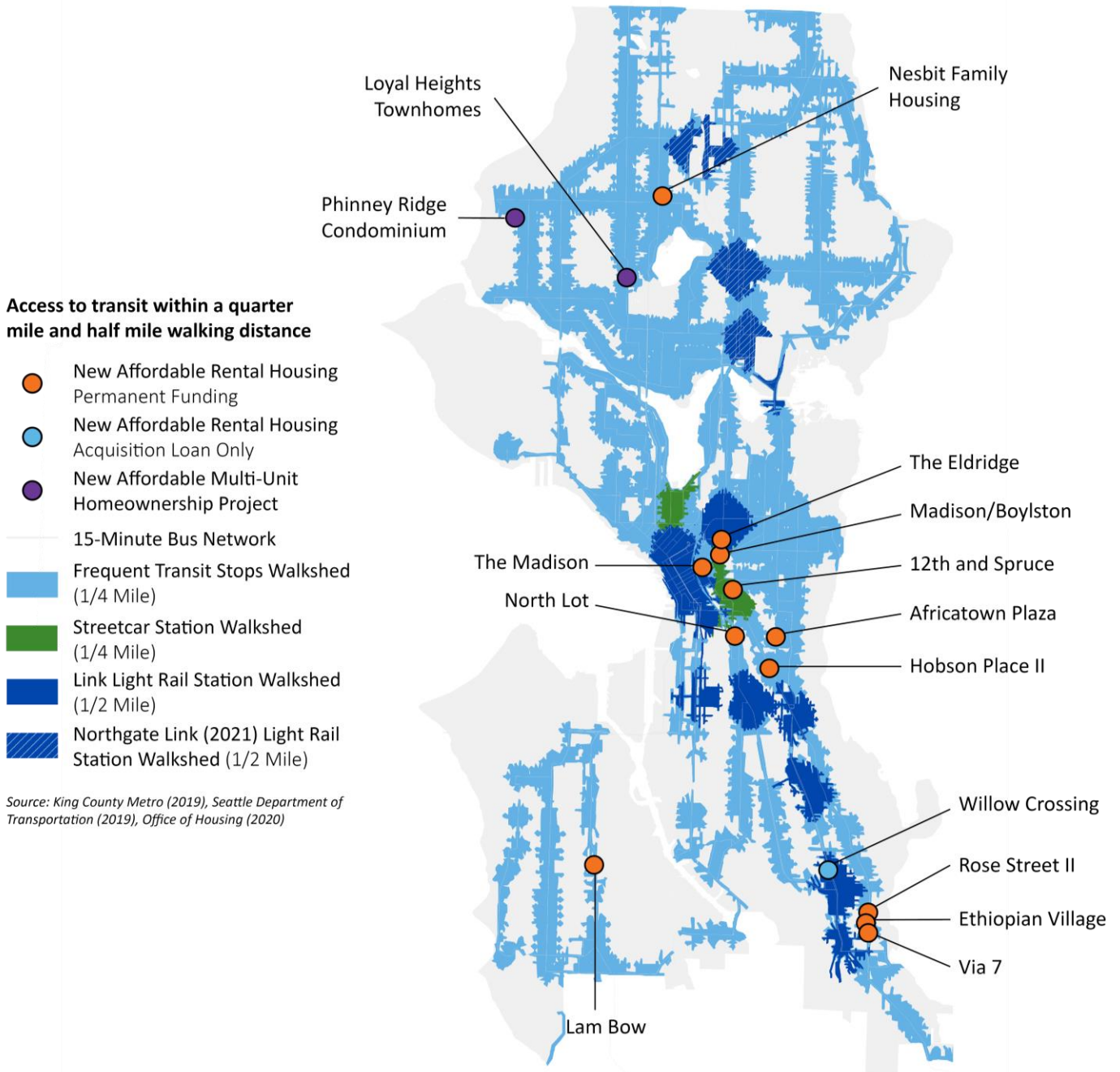
Investments include rental, homeownership, and acquisitions

Urban Center and Urban Village Groupings ¹	Projects Funded in 2019		
	Project Name(s)	Total Funded Units	Total City \$
Downtown	North Lot	153	\$10.3 M
South Lake Union			
First Hill/Capitol Hill	Madison/Boylston The Eldridge 12 th & Spruce The Madison	662	\$35.52 M
Northgate			
University District			
Uptown & Upper Queen Anne			
West Seattle Junction Admiral Morgan Junction Westwood-Highland Park South Park	Lam Bow	79	\$3.5 M
Mt. Baker North Beacon Hill Columbia City Othello Rainier Beach	Hobson Place II Rose Street II Ethiopian Community Village Via 7	586	\$35.33 M
23rd & Union-Jackson Madison- Miller Eastlake	Africatown Plaza	134	\$12.05 M
Wallingford Fremont Roosevelt Green Lake			
Crown Hill Ballard Greenwood-Phinney Ridge	Loyal Heights Townhomes Phinney Ridge Condominiums	26	\$2.23 M
Lake City Bitter Lake Village Aurora-Licton Springs	Nesbit Family Housing	117	\$10.71 M
Total		1,731 rental units 26 ownership units	\$109.64 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.

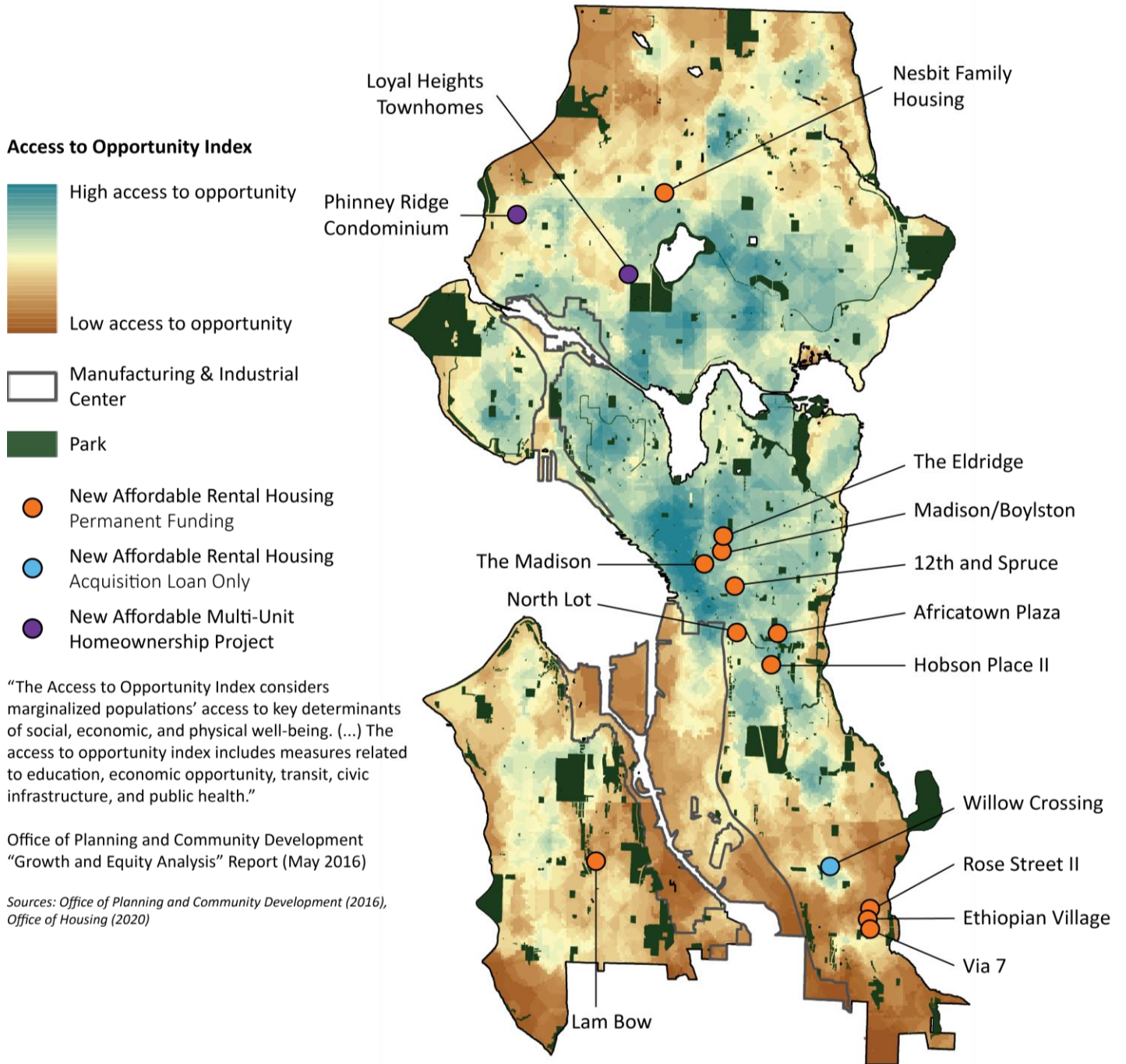
Map E: Access to Frequent Transit Service

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.



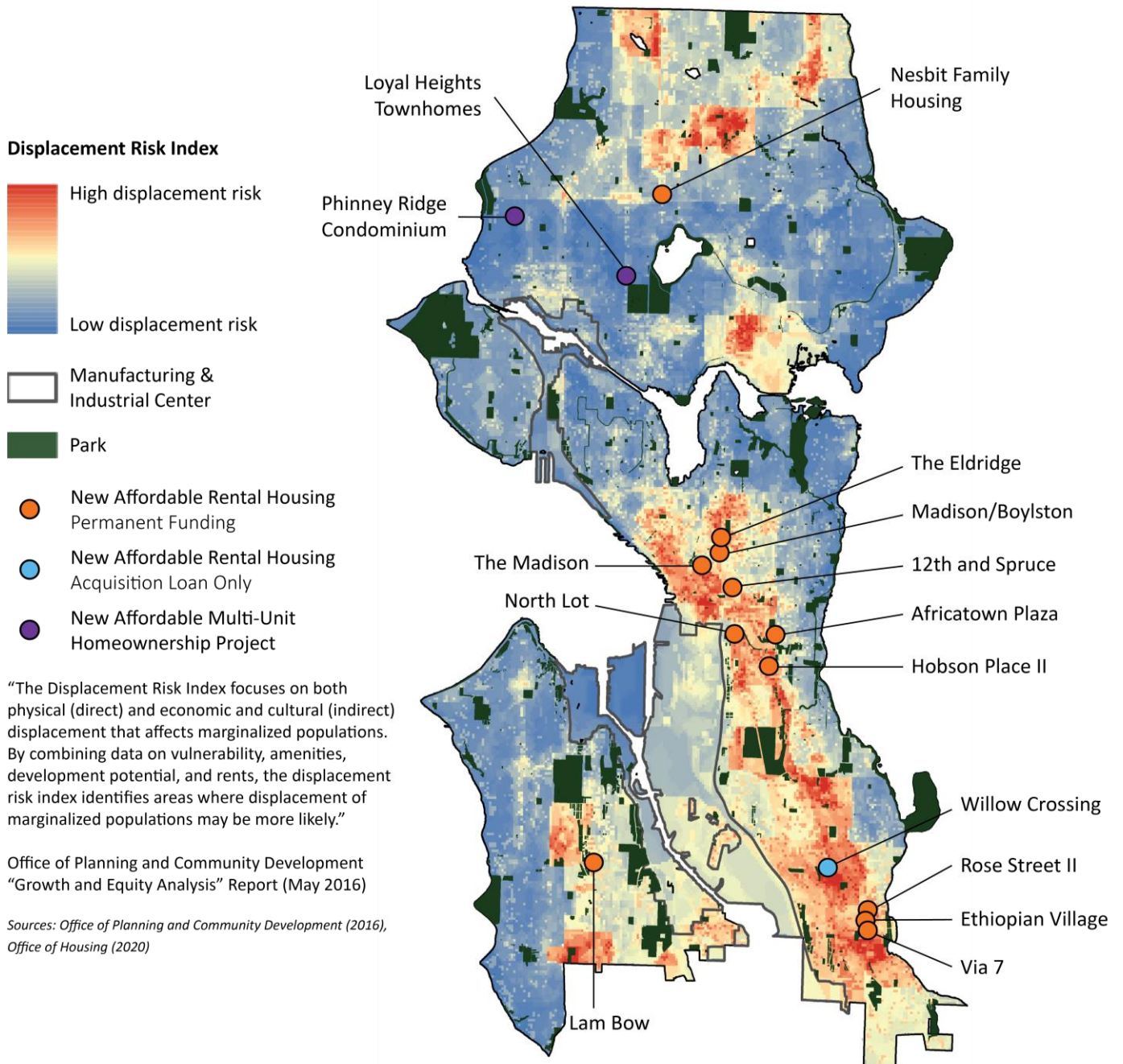
Map F: Access to Opportunity Index

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

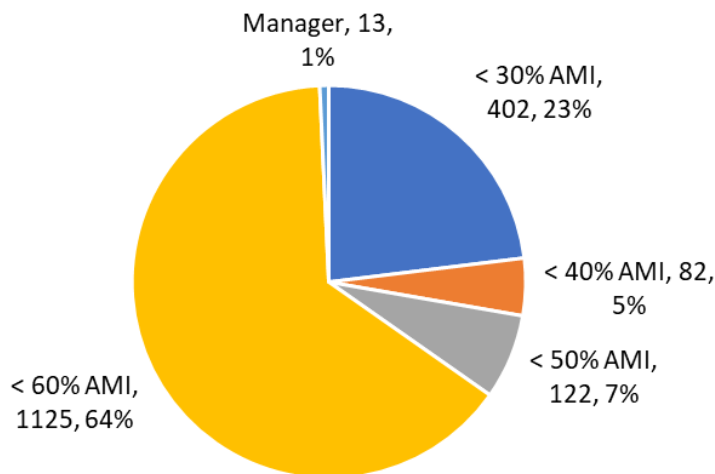
Funding Priorities

Rental housing projects funded in 2019 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:** 3 buildings to serve people experiencing homelessness;
- **Seniors and people with disabilities:** 4 buildings to serve seniors and people with disabilities, including 3 buildings with on-site healthcare and social services;
- **Low-wage working families and individuals:** 7 buildings with a mix of apartments sizes serving a range of household incomes

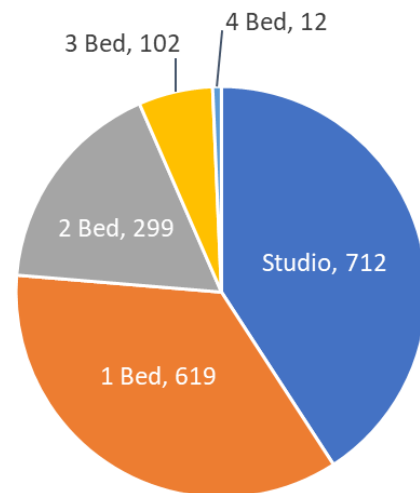
Rental Affordability

Multi-Family Rental Housing Funded in 2019
12 projects / 1,731 units
(not including Manager units)



Bedroom Size

Multi-Family Rental Housing Funded in 2019
12 projects / 1,731 units
(not including Manager units)



Selected 2019 Income Levels

AMI = Area Median Income

	30% AMI	50% AMI	60% AMI
Single person	\$23,250	\$38,750	\$46,500
3-person household	\$29,900	\$49,800	\$59,800

VI. HOUSEHOLDS SERVED IN HOUSING PROGRAMS

Through investment of Housing Levy and other housing funds over the past 38 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.

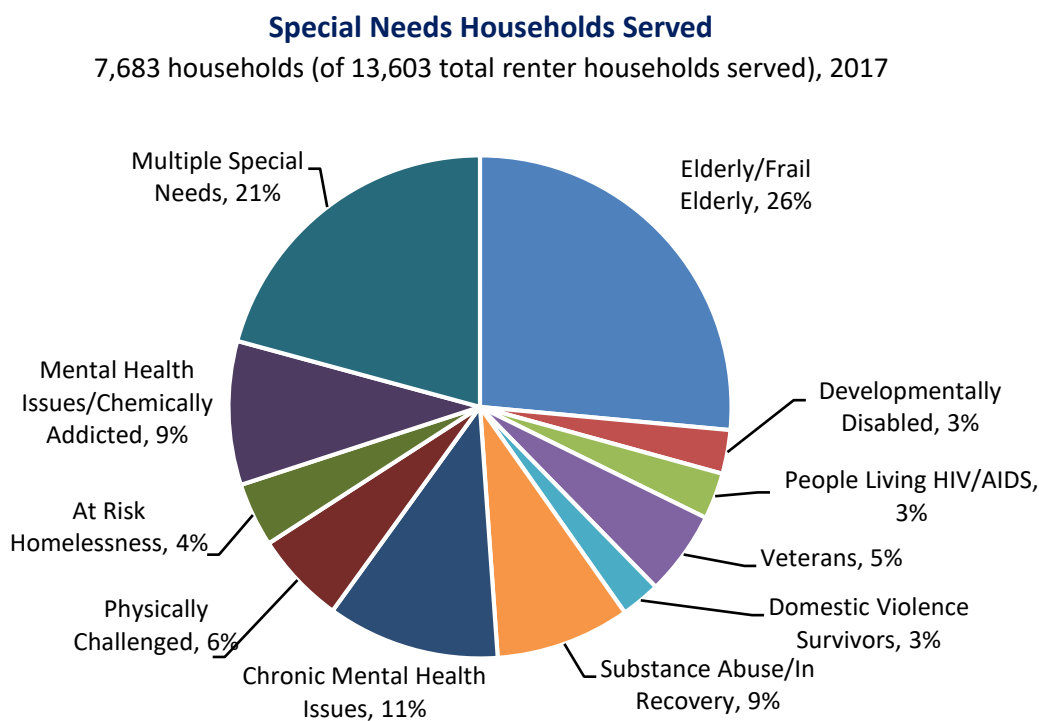
Rental Housing

In 2017, the year of the latest available data², 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 of all renter households served (7,683 households) were 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



² The Office of Housing imports racial and demographic information from a web based annual reporting application that is administered by the Washington State Housing Finance Commission. In 2019, an updated version of this application was launched which as of the date of this report has not been fully integrated into the Office of Housing internal database. As a result of this, OH is unable to produce racial and demographic information for the reporting year of 2018 but the enclosed data for 2017 should closely mirror what will eventually be reported for 2018.

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. Demographic data is based on 367 first-time homebuyers assisted over the course of the past two housing levies.

Home purchase assistance has been provided to:

- **People of color:** 44.5% of homebuyers reporting demographic data
- **Low income households:**
 - 1.4% Extremely Low-Income
 - 35.7% Very Low-Income and Low-Income
 - 62.9% Low-Income/Moderate Income

Race/Ethnicity of Homebuyer Households 2010 - 2019

- 54.5% White
- 19.3% Asian/ Pacific Islander
- 18.5% Black/ African American
- 3.8% Hispanic
- 1.6% Multi-racial
- 0.5% American Indian/ Alaska Native
- 1.6% 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 2019, the program served 67 homeowners, including:

- **People of color:** 55% of homeowners reporting demographic data
- **Low income households:**
 - 55% Extremely Low-Income
 - 28% Very Low-Income
 - 4% Low-Income
 - 12% Low-Income/Moderate Income
- **Older adults:** 72% of households had at least one member who was 60 or older

Race/Ethnicity Homeowners receiving Home Repair Grants and Loans, 2019

- 43% White
- 19% Asian/ Pacific Islander
- 18% Black/ African American
- 6% Hispanic
- 9% Multi-racial
- 1% American Indian/Alaska Native
- 3% did not report

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. Demographic data of households served is reported for buildings that passed inspections in 2019 and includes buildings that were awarded grants in prior years.

Multifamily Housing

In 2019, the program made energy and air quality improvements in 28 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 served 2,422 renter households, including:

- **People of Color:** 54% of residents reporting demographic data
- **Low-income* households** (200 Households did not report):
 - 75.8% Extremely Low-Income
 - 7.6% Very Low-Income
 - 15.6% Low-Income
 - 1.1% Low-Income/Moderate Income

Race/Ethnicity
Residents of Multifamily Homes
receiving Weatherization Grants
2,422 households, 2019

- 43% White
- 33% Black/ African American
- 14% Asian/ Pacific Islander
- 0.5% Hispanic
- 2% Multi-racial
- 2% American Indian/Alaskan Native
- 6% did not report

Single Family Homes

In 2019, the program also made energy and air quality investments in 85 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 85 single family home improvements assisted:

- **People of color:** 50% of households reporting demographic data
- **Low income* households** (10 households did not report):
 - 16% Extremely Low-Income
 - 23% Very Low-Income
 - 25% Low-Income
 - 36% Low-Income/Moderate Income
- **Older adults:** 36% had at least one household member who was 60 or older

Race/Ethnicity
Residents of Single Family Homes
receiving Weatherization Grants
85 households, 2019

- 36% White
- 9% Black/ African American
- 19% Asian/ Pacific Islander
- 4% Hispanic
- 4% Multi-racial
- 0% American Indian/Alaskan Native
- 28% did not report

*Because fund sources use different measures for income eligibility (such as federal poverty level), percentages are approximate. See page 27 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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