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OH AF Plan + Funding Policies Ordinance Exhibit A
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Seattle Housing Levy

Administrative & Financial Plan

Program Years 2014-2016



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1. INTRODUCTION

The 2009 Seattle Housing Levy provides \$145 million over a 7-year period 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
3. Homebuyer
4. Acquisition & Opportunity Loans (NOTE: there is not a separate allocation for this program; loans may be made using fund balances from other Levy programs)
5. Rental Assistance (beginning in 2012)

The 2009 Housing Levy, approved by Seattle voters in November 2009, includes property tax levies authorized for seven years, from 2010 through 2016. The Office of Housing (OH) administers all 2009 Seattle Housing Levy programs with the exception of the Rental Assistance Program, which is administered by the Human Services Department.

Ordinance 123013, passed by City Council on June 12, 2009, placed the Levy proposition on the November ballot and directed OH to prepare a Levy Administrative and Financial Plan (A & F Plan) every two years beginning in 2010. The A & F Plan includes the funding plan for the Levy and policies governing administration of each Levy program. The A & F Plan may also include other information as the Mayor or Housing Director may deem appropriate or the City Council may request.

The Levy A & F Plan is adopted by City Council by ordinance, with such modifications as the City Council may require. A draft A & F Plan is first developed by OH with input and assistance of working groups that include representatives of housing providers, the Seattle Housing Authority, business, groups addressing homeless 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 Housing Levy programs for three years, 2014 to 2016. This A & F Plan includes Housing Funding Policies, attached, except to the extent that provisions of the Funding Policies by its terms apply only to fund sources other than the 2009 Housing Levy. 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 contents of this Plan are not intended to confer any legal rights on actual or potential project borrowers, applicants, or other persons. The terms of this Plan are subject to revision by ordinance and to the effect of applicable laws, regulations and ordinances. In particular, applicants for Levy funding should review Seattle's Consolidated Plan for Housing and Community Development for applicable housing policies.

2. LEVY FUNDING PLAN

All revenues collected from the additional taxes levied for housing are deposited in the Low-Income Housing Fund in subfunds or accounts created by the Director Finance and Administrative Services as needed to implement the purposes of the 2009 Levy.

Levy revenues in the Low-Income Housing Fund shall fund the Rental Production & Preservation, Homebuyer, Operating & Maintenance, and Rental Assistance programs. Acquisition & Opportunity Loans are not separately funded; the loans are a short-term use of funds from other levy programs that are not yet needed for projects. Table 1 below shows fund totals and annual amounts available for each program based on projected revenues from additional taxes levied for low-income housing.

Administration funding shown on Table 1 is intended to be used for administration of the use of Levy proceeds for all Levy programs except the Operating & Maintenance Program. Administration revenues shall be transferred to the Housing Operating Fund annually based on staffing and other operating costs needed to administer the these programs, as approved in the City budget.

OH will transfer to the Human Services Department revenues funding the Rental Assistance program, including funding for administration.

Administration funding for Operating & Maintenance Program, for the monitoring of funded projects over the term of all OH regulatory agreements, and for any use of loan repayments, may come from investment earnings or program income, except program income from repayment of Acquisition & Opportunity Loans, which shall be used to fund the program from which the loan funds originated. Investment earnings and program income in excess of the amount needed for such purposes shall be used to fund programs from which the investment earnings or program income is derived.

Table 1: Levy Funding Plan

	Home-buyer 6.2%	Rental Production & Preservation 71.8%	Operating & Maintenance 9.9%	Rental Assistance (HSD) 2.9%	Acquisition & Opportunity Loans* 0%	Adminis- tration 9.0%	Total
2010	1,131,000	14,689,000	3,000,000	-	-	1,894,286	\$20,714,286
2011	1,326,500	14,885,167	2,609,000	-	-	1,893,619	\$20,714,286
2012	1,326,500	15,050,167	1,760,000	849,600	-	1,728,019	\$20,714,286
2013	1,326,500	14,885,167	1,757,750	849,600	-	1,895,269	\$20,714,286
2014	1,326,500	14,885,167	1,757,750	849,600	-	1,895,269	\$20,714,286
2015	1,326,500	14,885,167	1,757,750	849,600	-	1,895,269	\$20,714,286
2016	1,326,500	14,885,167	1,757,750	849,600	-	1,895,269	\$20,714,286
Total	\$9,090,000	\$104,165,000	\$14,400,000	\$4,248,000	-	\$13,097,000	\$145,000,000

*** Not separately funded, but financed through short-term use of funding from other levy programs.**

BRIDGE LENDING

OH may use any funds derived from the 1986, 1995, 2002, and/or 2009 housing levy, alone or together with other funds, to make bridge loans to assist in the development of low-income housing. OH may provide up to \$5 million in Levy funding at any one time for bridge loans and, in addition, may provide up to \$2 million in Levy funds for bridge loans through the Equitable Transit Oriented Development Loan Program. Bridge loans funded with prior housing levy funds shall be subject to current Rental Housing Program objectives, priorities, and policies, to the extent consistent with ordinances submitted to the voters (Ordinances 112904, 117711 and 120823) and applicable State law. Repayments on bridge loans funded with prior housing levy funds will be allocated to the subfund from which the loan was made. For units funded with bridge loans using 1986, 1995, and/or 2002 levy funding, household incomes and affordability limits shall not exceed 50% of median income.

PROGRAM INCOME AND INVESTMENT EARNINGS FROM PRIOR LEVIES

The provisions of this section shall 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 from any of the 1986, 1995, or 2002 Housing Levy programs in the table below, received during the term of this A & F Plan will be used consistent with current policies for the respective programs shown in the table below. Investment earnings received during the term of this A & F Plan on the balance in any subfund or account derived from the 1986, 1995, or 2002 Levy programs shown in the table below will be used consistent with the current policies for the respective program shown in the table below, as the Director of Housing shall determine. Anything in this section notwithstanding, program income and investment earnings derived from taxes levied under RCW 84.52.105 pursuant to the 1995 and 2002 Levies shall be used only to finance affordable housing for Very low-income households.

Original Levy Program	Program policies that now apply to program income and investment earnings
1986 Levy	
<ul style="list-style-type: none"> • Small Family Program 	<ul style="list-style-type: none"> • 2009 Levy Rental Preservation & Production
<ul style="list-style-type: none"> • Large Family Program 	<ul style="list-style-type: none"> • N/A Units in SHA’s inventory
<ul style="list-style-type: none"> • Downtown Preservation 	<ul style="list-style-type: none"> • 2009 Levy Rental Preservation & Production
<ul style="list-style-type: none"> • Special Needs Housing 	<ul style="list-style-type: none"> • 2009 Levy Rental Preservation & Production
1995 Levy	
<ul style="list-style-type: none"> • Rental Production 	<ul style="list-style-type: none"> • 2009 Levy Rental Preservation & Production
<ul style="list-style-type: none"> • Homeowner Rehabilitation 	<ul style="list-style-type: none"> • Home Repair and Weatherization
<ul style="list-style-type: none"> • Homebuyer Assistance 	<ul style="list-style-type: none"> • 2009 Levy Homebuyer Program
2002 Levy	
<ul style="list-style-type: none"> • Rental Preservation and Production 	<ul style="list-style-type: none"> • 2009 Levy Rental Preservation & Production
<ul style="list-style-type: none"> • Homebuyer Assistance 	<ul style="list-style-type: none"> • 2009 Levy Homebuyer Program
<ul style="list-style-type: none"> • Neighborhood Housing Opportunity 	<ul style="list-style-type: none"> • 2009 Levy Rental Preservation & Production
<ul style="list-style-type: none"> • Rental Assistance 	<ul style="list-style-type: none"> • N/A 2002 Levy funds spent---do not revolve

3. LEVY PROGRAM POLICIES

Each Levy-funded program is administered according to program policies, which include fund allocation process, allowable use of funds, and other requirements, as follows:

RENTAL PRODUCTION & PRESERVATION

Program Goal: 1,670 homes

The Levy Rental Production & Preservation Program funds construction or rehabilitation of housing that serves Low-income individuals and families including seniors, people with disabilities, formerly homeless individuals and families, and people working for low wages. The majority of funding is directed to housing that will serve Extremely low income households below 30 percent of median income; remaining funds may serve households up to 60% or 80% of median income. Program policies, including affordability requirements, are contained in the Office of Housing Funding Policies, Rental Housing section.

OPERATING & MAINTENANCE

Program Goal: 220 households

The Operating & Maintenance (O&M) Program funds building operating support to owners of Levy-funded housing for 20 years, supplementing rental income in buildings that serve Extremely low income residents below 30 percent of median income. Program policies for O&M funds are contained in the Office of Housing Funding Policies, Operating & Maintenance section.

HOMEBUYER

Program Goal: 180 home purchases

The Levy Homebuyer Program assists Low-income, first-time homebuyers to purchase a home in Seattle. Assistance may be in the form of deferred loans that are repaid when the owner sells or refinances the home, with funds revolving to assist more buyers. Loans are also made to first-time buyers purchasing resale-restricted homes, which remain affordable to eligible buyers upon resale for 50 years or longer. Program policies for the Homebuyer funds are contained in the Office of Housing Funding Policies, Homeownership section.

ACQUISITION & OPPORTUNITY LOANS

Program Goal: 175 households

The Acquisition and Opportunity (A&O) Loan Program provided short-term funding to permit strategic acquisition of sites for low-income housing development consistent with the objectives and priorities of the Levy Rental Production and Preservation and Homebuyer programs. Loans were made with 2009 Housing Levy funds that were not yet needed for other Levy programs; upon repayment the funds return to the initial Levy program. Loans made during the first four years of the Levy exceeded goals, and the A&O Loan program is now completed.

RENTAL ASSISTANCE

Program Goal: 3,025 households

The Rental Assistance Program serves vulnerable families and individuals who are at risk of homelessness or experiencing homelessness. The Program addresses those housing related barriers that put a household at risk of homelessness or keep a household homeless. The Program is the financial assistance part of the Human Services Department's homelessness prevention strategy. The City's homelessness prevention approach can include combining financial assistance (funded with Levy dollars) with housing stabilization support services (funded by the City's General Fund and Federal Community Development Block Grant). Housing stabilization support services (case management) include: landlord negotiations, financial and tenancy skills, housing search and placement, and referrals to mainstream benefits and to resources such as utility assistance. A case manager assessment is required to determine the level of need and assistance required to maintain or obtain permanent housing for people at risk of homelessness.

Consistent with the goals of the Ten-Year Plan to End Homelessness in King County, the Rental Assistance Program focuses resources to prevent homelessness and/or immediately house those who do experience homelessness. This program is structured to be flexible to meet the different financial and service needs of those at risk of homelessness. This is consistent with current national promising practices and local experience that point to the need for a more holistic and flexible approach to homelessness prevention.

A. Eligible households

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

- reside in Seattle City limits
- 50% of Median income or below
- homeless or at risk of homelessness
- inadequate financial resources to maintain stable housing

B. Eligible use of funds

Financial assistance is available for:

- Rent payments
- Move in costs (background check fees, first and last month's rent)
- Security and/or utility deposits
- Limited rent or utility arrears needed to obtain or retain secure, stable housing

C. Program requirements

Levy funds will be administered by contractors, selected via a competitive process, who demonstrate ability to do the following:

- Provide short-term (1 to 3 months) or medium-term (4 to 6 months) financial assistance to prevent homelessness
- Provide case management services
- Monitor housing stability outcomes for participants 6 months after all program assistance has ended
- Enter data directly into the region's Homelessness Management Information System, Safe Harbors

4. REPORTING

OH will provide an annual program progress and performance report to the Mayor and City Council no later than February 28 of each year, covering activity for the previous year. Reports will be reviewed in draft by the Housing Levy Oversight Committee. The annual report will include, but not be limited to:

- Accomplishments / production for each Levy program, including actual unit production and households assisted compared to goals:
 - Rental Production and Preservation -- units funded and funding reserved for those units, location of funded projects, populations served by projects
 - Operating & Maintenance -- units funded and their funding level
 - Homebuyer -- number and value of loans approved; number, value and location of closed loans; income and demographics of assisted homebuyers; average length of repaid and outstanding loans; and number and term of affordability for land trust and other housing units with resale restrictions.
 - Acquisition & Opportunity Loans – loans approved along with loan amounts and due dates, loans repaid, and projected units assisted
 - Rental Assistance -- number of households provided housing assistance and success at stabilizing households
- Affordability levels served, actual compared to goals;
- Leverage achieved for each Levy program;
- The extent of Section 8 vouchers linked to Levy-funded projects;
- Any additional information that the Housing Levy Oversight Committee believes should be included.

Appendix A: Housing Funding Policies

[See Exhibit B to Ordinance]