



PRESERVATION OF AFFORDABLE HOUSING

Topics to be covered

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Affordability and preservation trends

Office of Housing – preservation resources

Examples of housing preservation

1. Acquisition/rehab of subsidized housing with expiring restrictions
2. Acquisition/rehab of private market affordable housing
3. Renovations to improve and extend the life of City-funded housing
4. Building upgrades to improve living conditions and energy efficiency of affordable housing

Challenges ahead

Planning efforts underway

Affordability and Preservation Trends

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Private Rental Housing Market

- Strong housing demand
- Increasing supply – 25,000+ net new units 2008-2013
- Rents rising faster than household incomes
- New buildings have higher rents
- Higher market rents spur renovation and rent increases in existing buildings
- Over 28,000 renter households below 50% of median income who pay more than half their income on rent

Affordability and Preservation Trends, cont.

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Subsidized Housing: over 27,000 units

- Federally-funded: 6,500 units in 104 projects; OH tracks projects with expiring mortgages and contracts
- City-funded: over 11,300 units in 290 projects with long-term affordability restrictions, some with capital needs; 3 expiring contracts in the next 10 years
- SHA-owned: over 400 sites throughout the city, including public housing, mixed-income communities and Seattle Senior Housing Program; ability to address capital needs challenged by federal funding cuts

NOTE: Units can be counted in more than one category

Office of Housing Preservation Resources

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Rental Housing Program: production and preservation

- Approximately \$20 million annually in Housing Levy, Federal, and Incentive Zoning/Bonus funds
- Funds 5-7 projects annually, typically nonprofit owners
- Serves low-income residents for 50 years or more
- Each City dollar leverages \$3 in other public and private investment
- Projects often 75-100 units due to limited funding
- Includes services when serving homeless or special needs residents

Office of Housing - continued

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HomeWise multifamily weatherization program

- Energy-saving building improvements
- Nonprofit or for-profit housing with low-income tenants
- Approximately \$4 million annually in Federal, State and utility funds

Assistance for low-income homeowners

- Health and safety improvements, weatherization
- Grants for energy-saving building upgrades
- 0% or 3% loans up to 20 years for major home repairs

1. Preservation of Subsidized Housing

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Acquisition and rehab of buildings with expiring federal subsidies

- Typically nonprofit developer/owner
- Prevents displacement of low-income residents
- Preserves federal subsidy for future residents
- Improves building conditions, extends life of building
- Three projects over the past 5 years:
 - ▣ Meridian Manor, 109 units
 - ▣ First and Vine, 82 units
 - ▣ Haines Apartments, 30 units



First and Vine Apartments, Belltown

Owned by
Bellwether Housing

Acquisition/rehab of
82-unit building
with Section 8 rent
subsidies

2. Preservation of Market-rate Affordable Housing

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Acquisition/rehab of “naturally occurring” affordable housing in the private market

- Typically nonprofit developer/owner
- Improves building conditions and energy efficiency
- Restrictions placed on future resident incomes and rents
- Project size typically up to 100 units due to available funding



Holiday Apartments, Capitol Hill

Owned by Capitol Hill
Housing

Acquisition/rehab of
30 studio, one, and two
bedroom apartments;
four units for homeless
families

3. Preservation of City-funded Housing

Major renovations to improve living conditions and extend the building's useful life

- Typically older buildings that received limited rehab at acquisition
- Owner contributes or secures matching funds (60% or more of total development cost)
- Extend term of City regulatory agreement and/or increase affordability in exchange for additional City investment
- May involve project with expiring City contract; priority for three contracts expiring in the next 10 years



Josephinum Apartments, Downtown Seattle

Owned by Catholic
Housing Services

Extensive interior
rehabilitation and
building system
upgrades to 192-unit
former hotel

4. Upgrades for Existing Affordable Housing

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Upgrade building systems to improve energy efficiency and reduce operating costs

- Priority for subsidized housing with long-term affordability requirements
- Heating systems, windows, insulation, ventilation, lighting, etc.
- Owner typically covers 10-25% of total project cost



Brighton Apartments, Rainier Valley

Owned by Southeast
Seattle Senior
Foundation

124 one and two
bedroom apartments

Challenges Ahead

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Market housing: Low vacancies, rising rents in both new and existing buildings

Subsidized housing: OH and nonprofit developers tracking expiring federal subsidies, a priority for City investment

- Must have willing seller and feasible project size and cost
- Not all projects have renewable operating subsidies or relocation assistance for tenants

Limited resources: OH can fund 5-7 projects per year

- Competition among strong projects, both new construction and preservation

Planning Efforts Underway

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Affordable Housing – including preservation – is a growing priority

- Seattle Comprehensive Plan
- Mayor and Council joint initiative: Comprehensive Housing Strategy
- Ballard Urban Design Framework – Broader discussion about development in the Ballard core, including character, mobility, access to employment, and housing affordability



Haines Apartments, Capitol Hill Housing

THANK YOU