Yesler Terrace Affordable Housing

Summary of Housing Components of the Cooperative Agreement and Land Use Code

City Council - June 2012

Outline

1. Summary of Housing Production Plan
2. Replacement and 60%-AMI Housing
3. 80%-AMI Housing
4. Metering – Conditions in Land Use Code
5. Phase I and Phase II Housing
6. Monitoring and annual reports

1. Summary of Housing Production Plan

Yesler Terrace Cooperative Agreement

Unit Type	Term of Affordability	Units to be Produced
Replacement Housing	50 years	561
60%-AMI Housing	50 years	290
80%-AMI Housing	50 years	160*
80%-AMI Housing**	20 years	790*
Market Rate Housing	Not applicable	3199*

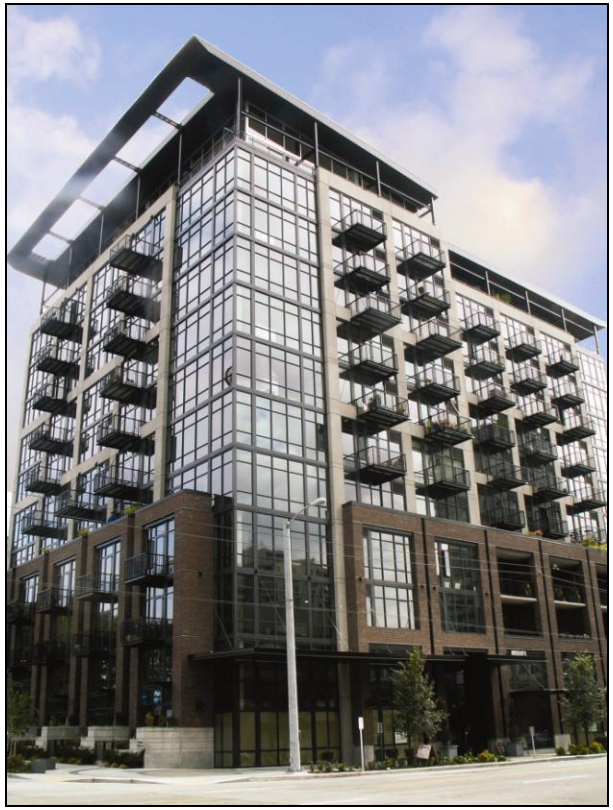
* Estimates based on development of maximum permitted residential floor area in the redevelopment area, producing 5,000 units. Actual development may produce fewer units. Production of 80%-AMI Housing must be proportional to actual market rate housing development.

** Up to 100 units at 30% of AMI may be substituted for 80% of AMI/20-year units

2. Replacement Housing

- All 561 units replaced in redevelopment area
- Offered first to residents who must relocate
- Serve households below 30% of median income for at least 50 years
  - $18,500/single person, $23,800/3-person household
- Developed and owned by SHA or nonprofit agencies
- SHA provides land and federal operating subsidy, tenants pay 30% of income

Replacement Housing – cont.



- Bedroom mix to match existing housing
  - 228 one-BR
  - 228 two-BR
  - 86 three-BR, minimum
  - 19 four-BR, minimum
- Minimum 50 units in each of 5 blocks (of 7 total)
- At least 281 units operational at all times

60%-AMI Housing

- All 290 units in redevelopment area
- Serve households below 60% AMI for at least 50 years
  ($36,960/single person, $47,520/3-person hh)
- Developed, owned by SHA or nonprofit, SHA provides land
- Expect development along with replacement housing
- Bedroom mix to match existing housing
  - 120 each, one-BR and two-BR units
  - 86 three-BR, 19 four-BR units, minimum

3. 80%-AMI Housing

- Amount depends on total housing production, excluding replacement and 60%-AMI housing
  - 4.5% of units affordable for 50 years
  - 22% of units affordable for 20 years
- If maximum development achieved:
  - 160 units with 50-year term, 790 units with 20-year term
- Serve households below 80% AMI
  - $49,280/single person, $63,360/3-person household
- Bedroom mix same as market rate housing in project

80%-AMI Housing – cont.

- Produced via land sales, recorded agreements
- Primarily for-profit developers, may include nonprofits
- No subsidy except MFTE, tax exempt bonds, 4% tax credits; subsidy would require lower incomes
- May be rental or ownership
- Up to 100 units at 30% of AMI may substitute for 20-year units

4. Housing Conditions in Land Use Code

- Metering-- Residential development capacity provided in four tiers
- 1.4 million square feet allowed outright
- Subsequent tiers, SHA must reach thresholds:
  - Replacement units
  - 60% of AMI units
  - 80% of AMI/50-year units
- MUPs approved only if housing is produced or land secured via recorded agreements

Housing Conditions in Land Use Code

Tier	Affordable housing production before moving to next tier (cumulative)	Maximum residential floor area (cumulative)
Tier 1 (base)	187 - Replacement units 80 - 60% of AMI units 4.5% of additional housing - 80% of AMI units	1.4 million square feet (approx. 1,600 units)
Tier 2	374 - Replacement units 160 - 60% of AMI units 4.5% of additional housing - 80% of AMI units	2.75 million square feet (approx. 3,125 units)
Tier 3	561 - Replacement units 290 - 60% of AMI units 4.5% of additional housing - 80% of AMI units	3.35 million square feet (approx. 3,810 units)
Tier 4	Not applicable	3.95 million square feet (approx. 4,500 units)

5. Phase I and II – Housing

Legend **Replacement Housing Site**

Phase I and II - Housing

- Phase I – East of Boren – 2012-2016
  - $2.4 million City funding proposed, plus up to $300,000 weatherization – 2012/13
  - SHA housing
    (98 replacement units, 20 units at 60% of AMI)
  - Private market
    (80 market rate units, 20 at 80% of AMI/20-year term)

- Phase II – West of Boren – 2013-2019
  - $5.22 million City funding proposed – 2014 and 2016
  - SHA housing
    (104 replacement units, 70 units at 60% of AMI)
  - Private market (TBD)

Phase I and II – City Housing Funds

- Total about 7.6% of available funds over 5 years
- Contingent on HUD funding, City approval of development budgets/project applications
- No additional funds unless approved in Cooperative Agreement

Year	Seattle Housing Request	Estimated Total OH Rental Housing Funds*	% of OH Funds
2012	$2.4 million	$20 million	12%
2013		$20 million	
2014	$1.8 million	$20 million	9%
2015		$20 million	
2015	$3.42 million	$20 million	17%
5 Year Total	$7.62 million	$100 million	7.62%

*$14.7m/year Levy funds plus estimated HOME, CDBG, Bonus program funds

Phase I and II - Housing

- Addresses HUD funding priorities
  - $10.27 million secured, $19.73 million requested
  - Priorities: local funding commitments, replacement housing production, services for the surrounding neighborhood
- Provides housing choice for Yesler residents
  - 161 units demolished (includes 40 units YWCA transitional housing - additional demolition will occur as Phase III proceeds)
  - 202 replacement units produced in the redevelopment area

6. Monitoring and Reporting

- Development Metering
  - Residential development tracked with each MUP application
  - Replacement, 60% and 80% of AMI units confirmed by OH
- Seattle Housing Authority Annual Reports
  - Unit production, affordability, location, bedroom mix
  - Resident relocation
- Future Funding Requests
  - Compliance with Housing Production Plan
  - Reports on land sales proceeds, grants secured and development costs
  - Amendment to Cooperative Agreement

Yesler Terrace

Seattle HOUSING AUTHORITY

Bringing home a better future

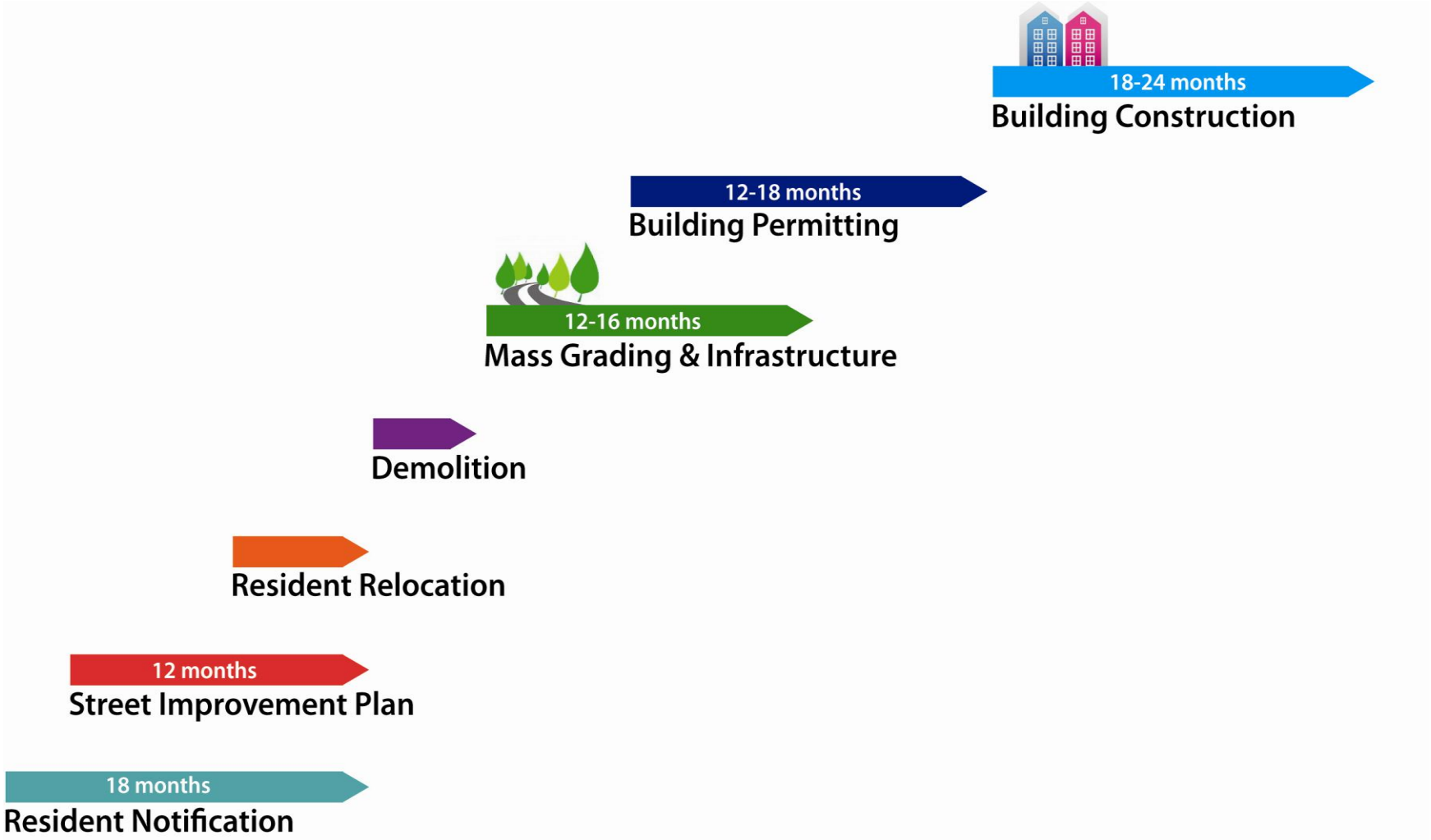
Yesler Terrace Phasing Criteria

- **Infrastructure requirements**
- **Resident retention on site**
- **Replacement housing location**
- **Funding availability**
- **Minimizing debt**

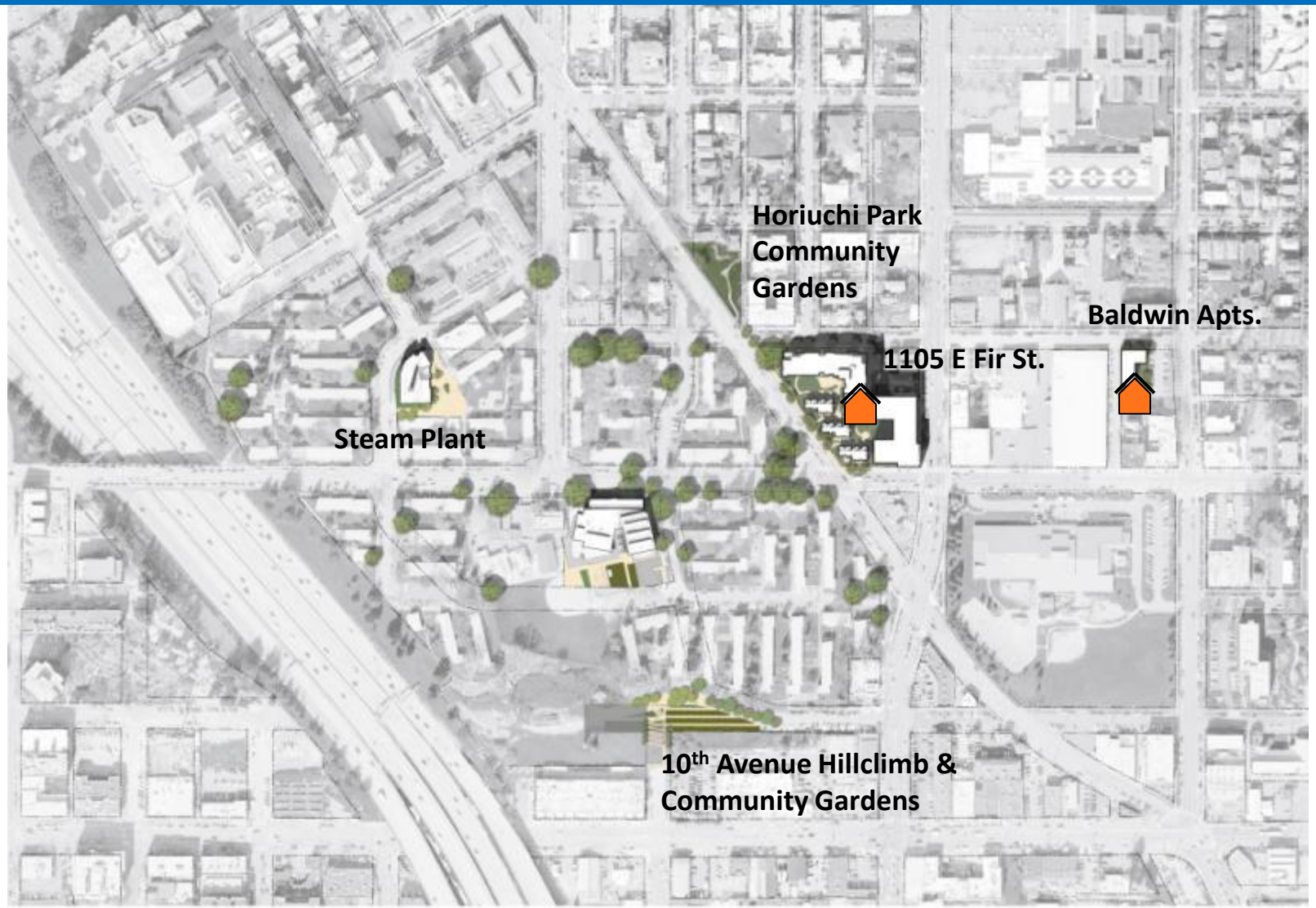
Yesler Terrace Phasing Criteria

- **Mixed-Income Environment**
- **Efficient and effective construction**
- **“Value Added” development**
- **Early low-infrastructure cost projects**

Steps To A New Home at Yesler



Choice Neighborhoods – Phase I



Legend: Replacement Housing Site

Choice Neighborhoods – Phases I-II

Legend: **Replacement Housing Site**

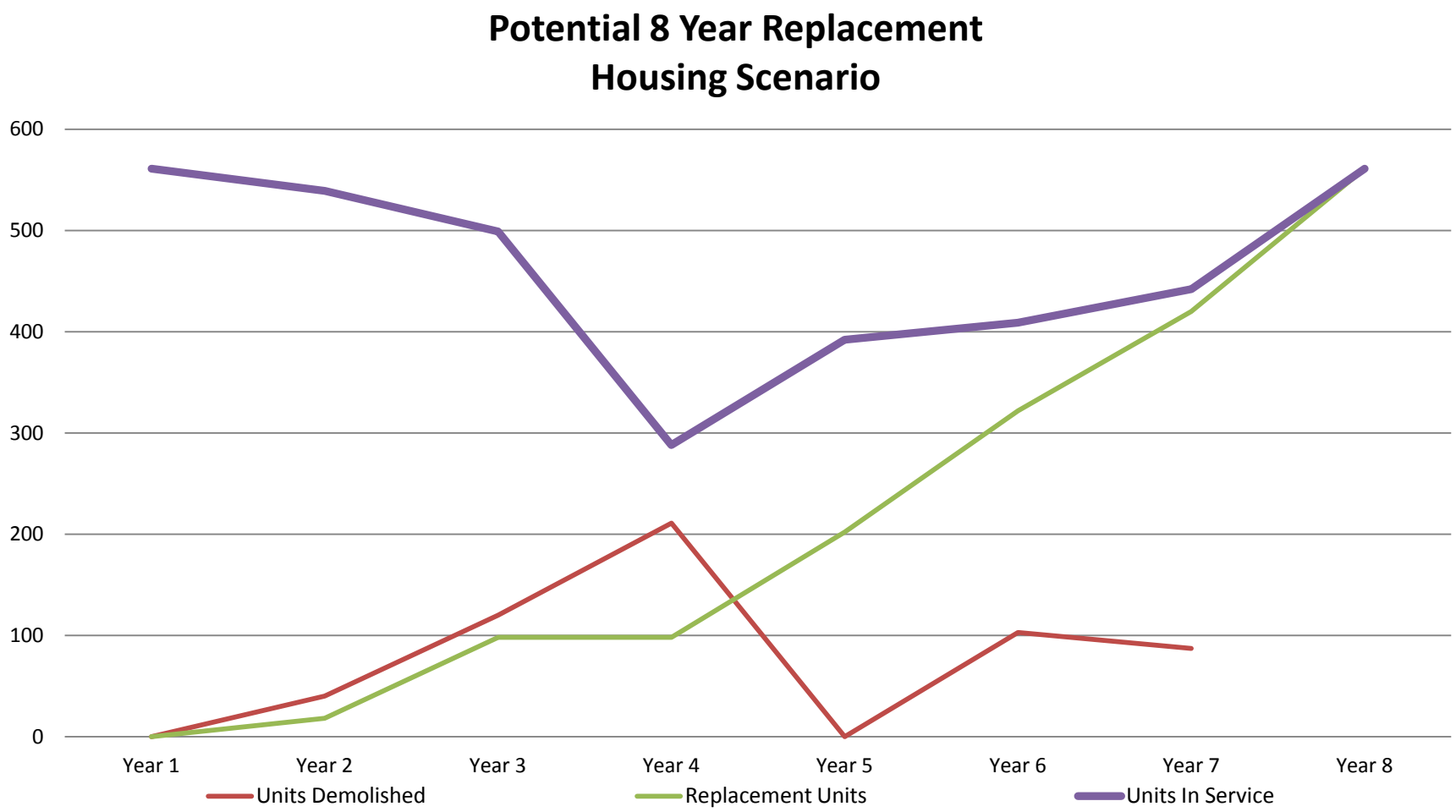
CN Phases I-II, Potential Phase III

Legend: **Replacement Housing Site** **Potential Replacement Housing Site**

CN Phases I-II, Potential Phases III-IV

Legend: Replacement Housing Site Potential Replacement Housing Site

Units in Service Over Time



Yesler of the future