



I. CALL TO ORDER

Chair Nancy Backus called the virtual meeting to order at 1:00 pm.

a. ZOOM MEETING PROTOCOL – Angela San Filippo went through Zoom etiquette.

b. ROLL CALL/ESTABLISHMENT OF QUORUM

Executive Board members present: Chair Nancy Backus, City of Auburn; Brian Wilson, City of Burien; Joseph Cimaomo, City of Covington; Brian Davis, City of Federal Way; Dana Ralph, City of Kent; Sunaree Marshall, King County; Mark Hoppen, City of Normandy Park; Mark Santos-Johnson, City of Renton; Tom McLeod, City of Tukwila.

Other attendees: Angela San Filippo, SKHHP; Nicole Nordholm, City of Des Moines; Eric Lane, City of Des Moines; McCaela Daffern, King County; Hannah Bahnmilller, City of Renton; Minnie Dhaliwal, City of Tukwila; Brittany Julius, City of Federal Way; Sarah Bridgeford, City of Federal Way; Merina Hanson, City of Kent; Marty Kooistra, HDC.

I. REVIEW AGENDA/AGENDA MODIFICATIONS

No modifications to agenda.

II. APPROVAL OF July 24, 2020 MINUTES

Joseph Cimaomo made a motion to approve the July 24, 2020 minutes as presented, Brian Davis seconded the motion. Motion carried unanimously (9-0).

III. OLD BUSINESS

a. AHC shared principles and possible revenue tools. Angela San Filippo provided an overview of the presentation by King County staff at the last meeting and reiterated that the shared principles will guide possible revenue recommendations and advocacy for future revenues to support the production and preservation of affordable housing in King County to meet the overall need to produce 44,000 affordable units by 2024. She also reviewed housing needs in South King County.

San Filippo asked the Board to respond to the following questions: (1) Should the AHC should advocate for new revenue tools, why or why not. She also asked (2) What are the most important considerations for South King County? (3) What concerns do you have?

There was general support for pursuing new funding sources with the following concerns and comments expressed.

- The recession provides an opportunity to reimagine funding and revenue sources.
- Without additional revenue households earning 0-30% will continue to be underserved.

- Concern over ambiguity in understanding the impacts of the pandemic.
- Uncertainty in timing of pursuing new funding sources because of the economic impacts of the pandemic.
- If possible, prioritize funding from other sources before pursuing additional taxes.
- Reprioritizing the revenue we already have is not going to meet the revenue needed.

Members of the Board suggested using the following criteria to evaluate new sources of revenue for affordable housing: look at other sources of funding before increases taxes, build a diversity of revenue sources that help to build overall resilience in revenue for affordable housing, prioritize equity, and flexibility of funding in order to meet needs of specific communities/areas.

Members of the Board shared the following additional considerations:

- Ability to use funds for affordable homeownership, homeownership helps address racial inequities and provides opportunity for intergenerational wealth building. Recommendation to put more resources into affordable homeownership and reevaluate the cap on funds per unit for affordable homeownership.
- Concern that the County's continued focus on the majority of funds spent on permanent supportive housing does not provide needed workforce housing in South King County. Increasing displacement shows there is critical need for low-income workforce housing in SKC.
- Concern in how to provide flexibility for TOD funds for anti-displacement and affordable homeownership while also recognizing homelessness crisis and the need for permanent supportive housing.
- Concern over inequities in funding related to transit, TOD funding doesn't serve many places in SKC, specifically southeast.
- Concern that there are racial and equity disparities in where funds have been spent historically. Distribution of region's resources does not reflect the disproportionate amount of poverty in SKC. Recommend looking at distribution of funds based on poverty and race.
- Champion infrastructure solutions along with revenue tools for affordable housing.
- Revenue tools should reflect the needs and priorities of different communities.
- Reference to Sound Transit and challenge to balance the loss of revenues, ridership, and debt capacity.
- Concern about the status of the eviction moratorium and uncertainty of what will happen if/when the eviction moratorium is lifted.
- Local jurisdictions need to support new revenue tools at the county and state level.

- Region was in a housing crisis before the pandemic which greatly impacted the ability to deal with the pandemic.
- Federal funding concerns including inequitable distribution of 9% LIHTC and inability of other cities to compete with the City of Seattle based on current distribution.
- Concern about landlords during pandemic (especially smaller building owners) without access to financial support.

The next steps will be to submit feedback to King County staff and the Housing Interjurisdictional Team (HIJT), AHC will review a draft of the shared principles on September 30 with possible adoption in November. San Filippo will bring a draft of the shared principles back to the SKHHP Board for further review and comment to the October 23 Board meeting.

- b. SHB 1406 Update.** San Filippo reviewed the scheduled for City to amend pooling resolutions and discussed next steps. She intends to bring a draft Interlocal Agreement specific to pooling SHB 1406 funds for review and discussion to the next Board meeting.
- c. SKHHP Advisory Board update.** San Filippo provided an update on the outreach conducted to date and next steps. Outreach will continue through the fall and result in a recommendation to the Executive Board. The goal remains to have an Advisory Board in place by the end of the year.
- d. SKHHP Program Coordinator.** San Filippo provided an overview of the outreach and recruitment process. Review of applications will be the week of September 14. She encouraged Board members to share the job posting and with their contacts and people and organizations they think might be interested.

IV. NEW BUSINESS

- a. 2020 Quarter 2 Progress and Budget Report.** San Filippo reviewed the content of the progress report and asked for feedback or questions from the Board.
- b. Local response to COVID-19.** San Filippo presented a table of local response efforts to COVID-19, originally put together by King County staff with input from the Housing Interjurisdictional Team, and updated by staff from South King County jurisdictions. This is being brought to the Executive Board in response to requests to provide information on local response efforts and funding efforts.

V. EDUCATIONAL ITEM

Homestead Community Land Trust and affordable homeownership. San Filippo provided a brief overview and recap of educational topics and introduction of Kathleen Hosfeld of Homestead Community Land Trust.

Kathleen Hosfeld introduced herself and shared a story about affordable homeownership and who benefits from program like the Homestead Community Land Trust. Example was of an Amazon employee and was still cost burdened by housing.

Typically affordable homeownership serves households earning 50-80% of area median income (AMI) and there are no starter homes affordable in this category on the market. The median price of an average home in King County has gone up by 46%, income increased by only 23%.

Hosfeld provided a comparison of different homeownership models including market rate, shared appreciation, Community Land Trust (shared equity), resale restricted, and limited equity cooperatives. The Community Land Trust (CLT) works because of the deep subsidy they are able to provide and putting homeownership within reach, CLT home prices range from \$265,000 - \$315,000. She provided some background and history of the Community Land Trust model. There is a common misconception that homes are all single family detached but more than half of Homestead CLT homes are townhomes and condos. Homestead also builds market rate homes as a mechanism to cross subsidize.

Hosfeld provided examples of two projects in South King County, Willowcrest in the Sunset neighborhood of Renton and Tukwila project that will begin construction by the end of the year. She expressed one challenge is that public investments need to be grants and not loans.

Hosfeld responded to questions about CLT homeowners, she replied they have seen incomes increase as their housing stabilizes. They do not see the same equity gain that people in the open market experience but they also cannot afford to enter the open market. On average there is \$35,000 in equity for every 5 years they own the home.

Hosfeld described things that cities can do to support affordable homeownership. She encouraged recognition that homeownership has a place in the continuum of housing. Access to homeownership is a racial equity issue, when we only give low-income people the opportunity to rent we are perpetuating poverty and we need to think about the systemic issues and providing access to assets that appreciate is one way to address racial equity.

Hosfeld encouraged public investment which has historically been low for affordable homeownership projects. She encouraged King County to structure funds as grants and not loans. Public subsidies can be in the form of funds at \$30-\$50k per home, low or no cost land contributions. Cities can also advocate for specific projects and dedicate staff liaison for projects that can help facilitate the permitting process. She also encouraged zoning and incentives for townhomes, duplexes, and triplexes and the ability to build those housing types in suburban cities. Property tax exemptions and fee waivers are also helpful.

Hosfeld also encouraged streamlined subdivision and permitting processes and the challenge to fund infrastructure before a project starts. Recent legislation has reformed condominium laws which has been helpful but could use more reforms.

Mark Santos-Johnson expressed appreciation for efforts in SKC and the partnership with Renton. Santos-Johnson also expressed the limitations of funding for affordable

homeownership and encouraged support to lift the cap per project for affordable homeownership. Appreciation for the list of what cities can do and most apply to any efforts to help create affordable housing.

VI. JURISDICTION UPDATES/ANNOUNCEMENTS

- a. Governor's eviction moratorium work group has been formed and includes Carl Schroeder from AWC. The first meeting will be Friday, September 4.
- b. On September 24 12:00 pm – 1:30 pm, HDC is hosted a Learn at Lunch: Disruptive strategies for affordable housing (Blokable, Valley Cities, and City of Auburn)
- c. Marty Kooistra, HDC, provided a brief overview of a King County Surplus Property 2020 Ballot Initiative to amend the charter restriction on the County's authority to transfer, lease, or sell real property for less than fair market value when property will be used for affordable housing.

VII. NEXT MEETING – September 25, 2020

VIII. ADJOURN

Backus adjourned the meeting at 3:05 pm.