

**SKHHP Executive Board**  
**June 17, 2022, 1:00 – 3:00 PM**  
**Virtual – Zoom Meeting**

**Video conference:** <https://zoom.us/j/99857398028?pwd=eXFiMmJpQm1abDZmMmRQbHNOYS8ydz09>

**OR by phone:** 253-215-8782

**Meeting ID:** 998 5739 8028 | **Password:** 085570

**Or in person public attendance at:**

City of Auburn Annex  
1 East Main Street | Annex Conference Room 2  
Auburn, WA 98001

---

<b>I.</b>	<b>CALL TO ORDER</b>		1:00
	ROLL CALL		
	INTRODUCTIONS OF ADVISORY BOARD MEMBERS AND OTHER ATTENDEES		

---

<b>II.</b>	<b>REVIEW AGENDA/AGENDA MODIFICATIONS</b>		
------------	---	--	--

---

<b>III.</b>	<b>APPROVAL OF MAY 20, 2022 MINUTES</b>	<a href="#">Page 3</a>	
	(ATTACHMENT A)		
	<b>Motion is to approve the May 20, 2022 SKHHP Executive Board meeting minutes</b>		

---

<b>IV.</b>	<b>EDUCATIONAL ITEM</b>		
	<b>a. Housing Connector</b>		1:10 – 1:40
	<u>Purpose:</u> Create awareness of opportunities and programs that help to reduce uncertainty for private property owners and managers while helping tenants access affordable housing.		
	<u>Background:</u> Housing Connector partners with property owners and managers to lower barriers to housing and increase our region’s affordable housing capacity.		
	<b>For informational purposes only, no action is proposed</b>		

---

<b>V.</b>	<b>OLD BUSINESS</b>		
	<b>a. SKHHP HOUSING CAPITAL FUND GUIDELINES</b>	<a href="#">Page 7</a>	1:40 – 2:10
	(ATTACHMENT B)		
	<u>Purpose:</u> Final review, discussion, and adoption of SKHHP Housing Capital Fund guidelines, including a recommendation from the SKHHP Advisory Board on 2022 funding priorities.		
	<u>Background:</u> During 2021 the Executive Board developed draft funding guidelines in preparation for holding the first application round for SKHHP Housing Capital Funds in 2022. With the		

---

establishment of the SKHHP Advisory Board, they provided recommendations for funding priorities.

Attachment B is the culmination of Executive Board development of funding guidelines, Advisory Board recommended priorities reviewed at the April 15 and May 20 Executive Board meetings. Changes made since the last review are shown in red with additions underlined and deletions struck out.

Staff presentation: Angela San Filippo

**Motion is to approve SKHHP Housing Capital Fund Guidelines**

---

**VI. NEW BUSINESS**

---

a. **2023 SKHHP WORK PLAN AND BUDGET**

[Page 19](#)

2:10 – 2:45

(ATTACHMENT C)

Purpose: Initial review and discussion of 2023 work plan and budget.

Background: The SKHHP Interlocal Agreement requires adoption of an annual work plan and budget. The staff work group and Advisory Board have provided initial review of the work plan. The intention is to get preliminary feedback from the Executive Board, followed by review and input by each member jurisdiction, adoption by the Executive Board, and approval by each member jurisdiction by the end of the year.

Staff presentation: Angela San Filippo

**For discussion and gathering feedback only, no action is being proposed.**

---

**VII. PSRC VISION 2050 AWARD PRESENTATION**

2:45 – 3:00

---

**VIII. UPDATES/ANNOUNCEMENTS (as time allows)**

---

**IX. ADJOURN**

3:00

---



## **I. CALL TO ORDER**

Vice-Chair Dana Ralph called the virtual meeting to order at 1:02 PM.

### **a. ROLL CALL/ESTABLISHMENT OF QUORUM**

**Executive Board members present:** Collen Brandt-Schluter, City of Burien, Joseph Cimaomo, City of Covington; Traci Buxton, City of Des Moines; Brian Davis, City of Federal Way; Dana Ralph, City of Kent; Eric Zimmerman, City of Normandy Park; Mark Santos-Johnson, Alternate City of Renton until Ryan McIrvine, City of Renton joined at midway through; Kelly Rider, King County (in and out of meeting); De'Sean Quinn, City of Tukwila

**Other attendees:** Angela San Filippo, SKHHP; McCaela Daffern, King County; JC Harris, City of Des Moines; Laurel Humphrey, City of Tukwila; Nigel Herbig, King County Regional Homelessness Authority; Earnest Thompson, City of Normandy Park; Hannah Bahnmilller, City of Renton; Kaitlin Heinen, SKHHP Advisory Board Member; Marty Kooistra, Civic Commons; Mark Santos-Johnson, City of Renton; Merina Hanson, City of Kent; Nicole Nordholm, City of Des Moines; Adria Buchanan, Fair Housing Center of Washington; Amanda DeFisher, Fuse Corps; Isaac Horwith, King County; Matt Torpey, City of Maple Valley

## **II. REVIEW AGENDA/AGENDA MODIFICATIONS**

No agenda modifications.

## **III. APPROVAL OF APRIL 15, 2022 MINUTES**

Joseph Cimaomo moved to approve the April 15, 2022 minutes as presented; De'Sean Quinn seconded the motion. Motion passed unanimously (8-0).

## **IV. OLD BUSINESS**

### **1. Election of Chair and Vice-Chair officer positions to serve for the remainder of 2022**

City of Auburn Mayor, Nancy Backus indicated interest in continuing to serve as Chair. Hearing no other nominations for Chair, Mark Santos-Johnson moved to appoint City of Auburn Mayor, Nancy Backus to Chair, Traci Buxton seconded. Motion passed unanimously (8-0).

Mayor of Kent, Dana Ralph indicated interest in continuing to serve as Vice-Chair. Hearing no other nominations for Vice-Chair, Santos-Johnson made a motion to appoint City of Kent Mayor, Dana Ralph to Vice-Chair, Cimaomo seconded. Motion passed unanimously (8-0).

### **2. SKHHP Housing Capital Fund Guidelines**

During 2021 the SKHHP staff work group and Executive Board developed capital fund guidelines, working through individual sections in great detail.

With the formation of the Advisory Board, held off on setting funding priorities so that we could incorporate the Advisory Board's voice and perspective into this process. Advisory Board was formed and members appointed specifically to bring voices of those most impacted by the housing crisis into the SKHHP decision making process.

Because of the in depth work done by the Executive Board in 2021, Angela San Filippo provided a high level review of the guidelines including an overview of the process and schedule and opportunities for communication and involvement from SKHHP member jurisdictions and specifically jurisdictions where projects are being proposed. The intention is to communicate with member Councils through the Executive Board, and staff work group to keep everyone apprised of the process and potential projects.

In addition to using the combined funders application, the proposed application contents include a letter of consistency from staff of jurisdiction where project is sited demonstrating consistency with community priorities and plans, and a letter of community support from a community organization, church, community center, or school that serve the community where the project is located. Suggestion to broaden language to religious institution rather than church.

Discussion ensued regarding establishing jurisdiction support during the application process. Some of the questions and comments that came up during the Board's discussion regarding demonstration of jurisdiction support included:

- Communication and coordination built into the process allows for substantial opportunities for jurisdictions to weigh into process
- Concern that legislative body may not need/want to take the level of ownership for a project that a letter of support implies
- Intent that projects would not be funded by SKHHP without support from the jurisdiction where the project is sited
- Concern regarding application timeline, alignment with other public funders, and feasibility of requiring a letter of jurisdiction support within that timeline
- Concern regarding relationship between SKHHP and member jurisdictions if jurisdictional support is not established as part of the overall funding process

In addition, there were concerns shared regarding calling out specific populations within the funding priorities and a recommendation was proposed to use low-income households as a clearer and more inclusive beneficiary target.

San Filippo will follow-up with a summary of the conversation, solicit additional Executive Board feedback, as well as have conversations with the staff work group and Advisory Board with the intention of coming up with a recommended path forward to be presented at the June meeting. The funding guidelines will need to be adopted in June, in order to keep the application timeline on track.

## **V. NEW BUSINESS**

### **1. 2023 SKHHP Work Plan and Budget**

San Filippo provided an overview of the process and timeline for developing the 2023 work plan and budget. This meeting was intended for initial review which will be followed up by engaging each member jurisdiction's Council to provide feedback on the work plan and budget. The work plan and budget will be brought forward for approval by the Executive Board in August with final adoption by partner jurisdictions during the fall and winter.

The work plan identifies 5 goal areas for the upcoming year that build upon and add to previous work. Within each goal area staff have identified work plan items that are critical, important, and in some cases desirable. Given SKHHP is a staff of one right now, it was important to draft a work plan that created space for flexibility based on staff capacity, this also recognizes there are emerging needs and opportunities that come before us during the year and we wanted to make sure that there was space to be able to address those and establish expectations around which work plan items are of highest priority.

**Critical** work plan items are those necessary to carry out SKHHP's ILA or to fully execute work plan items that began in previous years

**Important** work plan items are those that are a priority but not absolutely necessary, this means they may need to be delayed based on staff capacity or other emerging needs

**Desirable** work plan items would be nice to be able to get to during 2023 but are not as high on the priority list.

Suggestion to incorporate measures of success that go along with the work plan to help assess whether we are achieving what we set out to achieve and track progress in meeting the goals.

## **VI. EDUCATIONAL ITEM**

### **1. Fair Housing Center of Washington**

San Filippo introduced the fair housing education topic and the importance of understanding fair housing laws in the context of the history of the United States and the discrimination and segregation that are also deeply ingrained in our local history. Access to housing was historically a key tool to perpetuate segregation, and will be critical for its undoing.

Very excited to welcome Adria Buchanan, Executive Director of the Fair Housing Center of Washington to help us to collectively better understand fair housing laws.

The Fair Housing Center of Washington is a fully operational qualified fair housing organization serving western and central Washington by accepting and investigating complaints of housing discrimination, and educating housing providers and housing consumers to help prevent and address discrimination.

Adria Buchanan introduced the Fair Housing Center of Washington. They work in several key areas: investigate allegations of discrimination in conjunction with Washington Human Rights Commission, conduct various types of fair housing testing including testing on rental housing providers and mortgage lenders, education and outreach presentations and trainings for housing providers and housing authorities, and research and reports including analysis of impediments to fair housing choice.

Buchanan provided some background on the Fair Housing Act, Washington State Landlord Tenant Act, and Americans with Disabilities Act. Buchanan also provided an overview of the seven key federal protected classes (race, color, national origin, religion, sex, familial status, and disability). Additional protections from Washington State include: marital status, military veteran status, and citizenship and immigration status. There may also be additional local protections depending on where you are located. Buchanan reviewed the types of testing done on protected classes and types of fair housing violations.

Overview of housing provider responsibility and the applicability to all types of dwellings – nursing homes, time share properties, homeless shelters, group homes. There is an exception to owner occupied units as long as they have no more than three units and are not using a third party to advertise. For folks with disabilities there are additional requirements for reasonable accommodations or modifications. Buchanan also reviewed the broader fair housing definition of an assistance animal versus the American with Disabilities Act definition.

Jurisdiction's that receive CDBG funds have a responsibility to affirmatively further fair housing, and they must regularly certify they are in compliance with the Fair Housing Act through conducting an analysis of impediments. The last analysis of impediments for King County was conducted in 2019. Field testing conducted found violations in about half of all tests and black residents are half as likely to apply for a home loan but twice as likely to be denied. New round of testing is going to be done this year and results will likely be available this summer. In South King County about half of all testing resulting in some type of discrimination, including more than half for national origin and more than half for race.

Recommendations included doing further testing, and make violators aware of actions and bring into compliance. Ten goals in King County including investing in programs that provide fair housing education, enforcement, and testing; engage underrepresented communities on an ongoing basis; provide more housing for vulnerable populations; provide more housing choice for large families; support efforts to increase housing stability; preserve and increase affordable housing in communities at high risk of displacement; review zoning laws to increase housing options and supply in urban areas; invest in historically underserved communities; support the Affordable Housing Committee's efforts to promote fair housing; and report annually on Fair Housing Goals and progress.

Other recommendations include ensuring new housing units are affirmatively marketed; assuring housing information is available in different languages; ensuring landlords, realtors, and HOAs are educated in fair housing laws; fight NIMBYism, holding banks accountable for lending practices; advocating for housing in a range of sizes; and advocating for acceptance of different types of housing income.

## **VII. UPDATES/ANNOUNCEMENTS**

The South King County Subregional Housing Action Framework received a Vision 2050 Award! PSRC will be announcing the winners at their May 26 General Assembly and we anticipate the award will be presented to the SKHHP Executive Board this summer.

Recognize Mark Santos-Johnson, this is Mark's last meeting with us as he moves on to the next phase and enjoys much deserved retirement.

Mark has served on the SKHHP staff work group and as an alternate on the SKHHP Executive Board since the very beginning of SKHHP and his advocacy and vision were instrumental in the formation of SKHHP.

As Mark steps into retirement we are also happy to welcome Hannah BahnMiller who serves on the SKHHP staff work group as Renton's appointed alternate to the SKHHP Executive Board.

## **VIII. ADJOURN**

Ralph adjourned the meeting at 2:56 pm.



## SOUTH KING HOUSING AND HOMELESSNESS PARTNERS

### Housing Capital Fund – funding guidelines

#### INTRODUCTION AND PURPOSE

The Cities of Auburn, Burien, Covington, Des Moines, Federal Way, Kent, Normandy Park, Renton, and Tukwila, and King County have entered into an interlocal agreement to cooperatively plan for and provide affordable housing in south King County through an organization called SKHHP (South King Housing and Homelessness Partners). To accomplish this, SKHHP member cities provide funding to affordable housing projects through the SKHHP Housing Capital Fund.

SKHHP welcomes all groups or agencies considering preserving or adding to inventory of affordable housing available to low-income households. We encourage interested parties to contact SKHHP as early in the process as possible. SKHHP welcomes all inquiries, and our goal is to help project proponents connect to partners and leverage funding to move forward in as coordinated an approach as possible. The general purpose of the Housing Capital Fund is to create and preserve affordable housing that meets the needs of low-income households earning up to 60% of area median income.

#### AVAILABLE FUNDING

Approximately **\$1.5** in total funding is anticipated to be available for the 2022 application round. This total is comprised of local funds from sales tax funds authorized by Substitute House Bill (SHB) 1406.

#### FUNDING PRIORITIES

SKHHP has established the following priorities for Housing Capital Funds in 2022:

**Disproportionate impact.** Projects that ensure housing proactively meets the needs of and is available to ~~the following populations~~populations most disproportionately impacted by housing costs while complying with relevant federal, state, and local fair housing laws:.

- ~~Black, Indigenous, and people of color historically denied housing~~
- ~~Caregivers~~
- ~~Communities at risk of displacement~~
- ~~Communities disproportionately experiencing cost burden~~
- ~~LGBTQ+~~
- ~~People disproportionately impacted by COVID-19~~
- ~~People exiting behavioral health treatment~~
- ~~People exiting the criminal justice system~~
- ~~People experiencing domestic violence or survivors of domestic violence~~
- ~~People with disabilities~~
- ~~Seniors~~
- ~~Students~~

- Undocumented immigrants
- Veterans

- Young adults and youth aging out of foster care

**Collaboration.** Project sponsors working in collaboration/partnership with local community-based organizations are a high priority.

**Community Connections and Engagement.** Project sponsors that demonstrate connections and direct experience with populations they are proposing to serve, and proven success in community engagement and involvement in decision-making are a high priority.

**Extremely Low Income and Supportive Housing.** Proposals that provide rental housing for individuals and families earning 0-30% AMI and proposals that incorporate supportive services are a high priority.

**Geographic Equity.** The SKHHP Housing Capital Fund has a long term objective to produce housing across SKHHP member jurisdictions through the creation of a broad distribution in the location of all types of affordable housing over time to maximize choice for individuals and families seeking affordable homes within SKHHP's geographic purview.

**Homeownership.** Projects that are able to provide homeownership opportunities for individuals and families earning up to 60% AMI.

**Leverage of Private and Public Investment.** SKHHP encourages project sponsors to pursue private and public investment that provides maximum leverage of local resources. Projects that already have funding secured and/or leverage private and public investment are a high priority.

**Preservation.** Projects that preserve housing at risk of conversion to market-rate housing are a high priority. This includes housing units with expiring affordability requirements or preservation of residential rental properties that are affordable to households earning 60% AMI but do not have affordability requirements.

**Racial Equity.** SKHHP encourages proposals that advance racial equity through strategies that intentionally dismantle the racially disparate impacts of our current housing system. Strategies may include, but are not limited to: preserving communities at risk of displacement; creating project partnerships that give voice and ownership to communities of color; affirmatively marketing new housing opportunities to populations disproportionately experiencing cost burden and housing insecurity; and addressing historic inequities in access to homeownership.

**Transit-Oriented Development.** Projects located within ½ mile of an existing or planned high capacity transit station, defined as fixed rail (light rail or Sounder train), bus rapid transit, or other high frequency bus stop are a high priority. Transit-oriented development is designed to support dense, walkable, communities that increase access to employment, services, and other opportunities.

**SCHEDULE**

The following schedule is anticipated for the 2022 Housing Capital Fund application round:

<del>May</del> <del>June</del> – <del>July</del> 2022	Provide intent to apply statement (optional)
June 2022	Application package available
By <del>July 30</del> <u>August 31</u> , 2022	Pre- <u>funding</u> application meeting (mandatory)
September <u>15</u> , 2022	Applications due
December 2022	SKHHP makes recommendation to cities
January – March 2023	SKHHP recommendation reviewed by City Councils

**NOTICE OF INTENT TO APPLY**

Proponents of affordable housing projects within south King County who are planning a development and are interested in benefitting from coordinated funding are asked to submit a notice of intent to apply. **Notice of intent forms are optional but strongly encouraged and are due by July 30, 2022**, please submit your intent to apply information as early as possible. A pre-application meeting is required in order to be eligible to apply to the funding round.

[INSERT INFO FOR INTENT TO APPLY FORM]

**PRE-APPLICATION MEETING**

**Applicants are required to schedule a Pre-funding Application Meeting to identify and discuss potential issues prior to submitting an application for funding. Pre-funding Application Meetings will include SKHHP staff as well as staff from the jurisdiction where the project is proposed to be located.**

First-time applicants will benefit from meeting early and often with SKHHP. Applicants should be prepared to provide a project description identifying the population to be served, approximate number of units, income and affordability, type of construction (rehabilitation or new), neighborhood issues, whether relocation or displacement will be required, team members (developer, architect, property manager), likely funding sources, and demonstration of how the proposed project meets SKHHP’s goals and priorities.

To set up a pre-application meeting, email Angela San Filippo, [asanfilippo@skhhp.org](mailto:asanfilippo@skhhp.org)

**ELIGIBLE APPLICANTS**

Housing Capital Funds may be applied for by applicants or a group of applicants that are:

- Non-profit organizations
- Private for-profit organizations
- Public housing authorities

- Public development authorities
- Units of local government

Partnerships involving combinations of the above groups are encouraged, especially in the case where a private for-profit organization and/or applicants with less experience looking to build affordable housing development skills and abilities applies for funding. Partnerships are seen as opportunities to build organizational capacity, achieve community outcomes, and reduce investment risk for Housing Capital Funds.

### ELIGIBLE BENEFICIARIES

The general purpose of the Housing Capital Fund is to create and preserve affordable housing that meets the needs of low-income households earning up to 60% of median income. SKHHP uses the United States Department of Housing and Urban Development income limits and rent limits developed for the Seattle-Bellevue Metro Area.

### 2022 Income and Rent Limits – King County Area Median Income \$115,700

#### Maximum 2022 Household Income for Multifamily Rental Properties

% of AMI	Household Size							
	1-person	2-person	3-person	4-person	5-person	6-person	7-person	8-person
20%	\$18,120	\$27,180	\$23,300	\$25,880	\$27,960	\$30,040	\$32,100	\$34,180
30%	\$27,180	\$31,080	\$34,950	\$38,820	\$341,940	\$45,060	\$48,150	\$51,270
35%	\$31,710	\$36,260	\$40,775	\$45,290	\$48,930	\$52,570	\$56,175	\$59,815
40%	\$36,240	\$41,440	\$46,600	\$51,760	\$55,920	\$60,080	\$64,200	\$68,360
45%	\$40,770	\$46,620	\$52,425	\$58,230	\$62,910	\$67,590	\$72,225	\$76,905
50%	\$45,300	\$51,800	\$58,250	\$64,700	\$69,900	\$75,100	\$80,250	\$85,450
60%	\$54,360	\$62,160	\$69,900	\$77,640	\$83,880	\$90,120	\$96,300	\$102,540

#### Maximum Rent and Utilities for Projects Based on Unit Size\*

% of AMI	Number of Bedrooms					
	Studio	1-bedroom	2-bedroom	3-bedroom	4-bedroom	5-bedroom
20%	\$453	\$485	\$582	\$673	\$751	\$828
30%	\$679	\$728	\$873	\$1,009	\$1,126	\$1,242
35%	\$792	\$849	\$1,019	\$1,177	\$1,314	\$1,449
40%	\$906	\$971	\$1,165	\$1,346	\$1,502	\$1,657
45%	\$1,019	\$1,092	\$1,310	\$1,514	\$1,689	\$1,864
50%	\$1,132	\$1,213	\$1,456	\$1,682	\$1,877	\$2,071
60%	\$1,359	\$1,456	\$1,747	\$2,019	\$2,253	\$2,485

\*Includes the cost of basic utilities paid by resident. Unless the property pays ALL utilities, property must allow for the estimated amount the resident pays for utilities when calculating rent charges, so that both together do

not exceed the rent limits. Most properties use public housing authority utility allowances. [King County Housing Authority energy assistance supplements \(formerly called utility allowances\)](#).

### ELIGIBLE ACTIVITIES

SKHHP funds may be used for the following activities:

- Acquisition, and related costs such as appraisals, financing costs, and transaction costs
- Rehabilitation and new construction costs
- Site development
- Off-site development only when necessary to assure utility service to the project site
- Mixed-income projects so long as Housing Capital Fund dollars assist units affordable at or below 60% of area median income

At this time, SKHHP does not have funds to support early technical assistance or predevelopment costs. Applicants in very preliminary stages are encouraged to apply to Impact Capital for predevelopment funding.

SKHHP member cities understand that certain County, State, and Federal housing programs require some level of matching by local resources. The SKHHP Housing Capital Fund is encouraged to be used as a local match for these programs.

### INELIGIBLE ACTIVITIES

Housing Capital Funds may **NOT** be used for:

The development of any non-residential use. Housing capital funds may be used in a mixed use development only for that portion of the development that is specific to the residential use. This restriction also applies to site development and off-site development costs for non-residential uses.

- The cost of any program operating expenses
- The cost of any political or lobbying activities or materials
- Rehabilitation of single-family housing units in a manner that would duplicate participating jurisdictions' housing repair assistance programs
- Uses that are public capital facilities such as correctional facilities or inpatient treatment facilities

### PROJECT LOCATION

All projects funded under this program must be located within the SKHHP sphere of influence (**see ATTACHMENT A**).

**LOAN AND REGULATORY TERMS**

Housing Capital Fund dollars will be made available as either secured grants or loans. SKHHP has flexible terms designed to accommodate a range of projects and loan terms will vary based on the financial needs of the project. Applicants should indicate in the application whether they are applying for a grant or loan, and what loan terms are proposed for the project. Loan applicants will not receive priority over grant applicants.

**PERIOD OF AFFORDABILITY**

SKHHP expects that projects will commit to providing long-term affordability in the form of a 50-year regulatory agreement. A covenant will be recorded against the property that requires continued use of the property for low-income housing for the period of affordability. During this period the owner or property manager will be required to do annual reporting of tenant incomes and rents to ensure that affordability requirements are met, and SKHHP will monitor those reports to ensure compliance. If the project is converted to an alternative use or is otherwise not meeting the agreed upon terms in the regulatory agreement any time during the projects agreed-to term of affordability, the SKHHP Housing Capital Fund contribution to the project will be subject to immediate repayment, and potentially a proportionate share of appreciation.

**OTHER AWARD TERMS/REPORTING REQUIREMENTS**

Additional funding conditions will be spelled out in an award letter to successful applicants. At a minimum, the following reporting requirements shall apply during development and occupancy:

*Quarterly Status Reports*

Quarterly status reports are required from all Housing Capital Fund funded projects during the development stage (from the time funds are awarded until completion and occupancy of the project). The quarterly reports will minimally include the status of funds expended and progress to date. A final budget must be prepared and submitted at the time of construction start and project completion. SKHHP will rely on the quarterly reports to determine if satisfactory progress is being made on the project. Additionally, SKHHP staff will inspect the project site at least once during the development/construction stage.

*Ongoing Monitoring*

After occupancy, the project sponsor or manager will submit an annual report to SKHHP summarizing the number of project beneficiaries, housing expenses for the target population, and the proportion of those beneficiaries that are low- and/or moderate-income, and that meet other eligibility criteria established in the SKHHP regulatory agreement. In addition, for projects with loan payments, financial information must be reported annually which will be used for assessing contingent loan payments and project health. All projects will also be evaluated periodically for long term sustainability. The annual reports will be required for the full duration of affordability.

## APPLICATION CONTENTS

SKHHP uses the Combined Funders Application forms, developed jointly with other public funders including the State of Washington Department of Commerce and King County. Application forms are available on SKHHP's website at [\[insert website info\]](#) or using the links provided below.

[Rental Applications: 2021 Multifamily Applications Documents](#)

[Homeownership Applications: 2021 Homeownership Application Documents](#)

### *Letter of consistency*

Projects that are selected for funding have to demonstrate consistency with community priorities and plans. Applicants must include a letter of consistency from the jurisdiction where the project is located affirming the project is consistent with the Consolidated Plan, local comprehensive plan, and its housing element, and any local housing action plans.

### *Letter of community support*

Projects that are selected for funding must demonstrate community support. Applicants must include at least one letter of support from a community organizations, church, community center, or school that serves the

The following materials are to be submitted for each application:

- One complete electronic application on a flash drive that includes a letter of consistency, a letter of community support, and Combined Funders Application that meets the following:
  - Attachments under each Tab should be placed in a separate folder labeled with the Tab number.
  - The Project Workbook must be in Excel format with linked sheets unlocked and formulas visible.
  - Narrative responses must be in Word format
  - Attachments must be in PDF format.

**Complete applications are to be submitted by 5:00 pm on September 15, 2022 to:**

SKHHP  
ATTN: Angela San Filippo  
25 W. Main Street  
Auburn, WA 98001

If you are delivering in person, please reach out to SKHHP staff in advance to confirm a time for application delivery.

If you have any questions about application requirements, please contact Angela San Filippo at (253-329-7394 or email [asanfilippo@skhhp.org](mailto:asanfilippo@skhhp.org))

## REVIEW PROCESS

Proposals will be reviewed using the following process:

**Step 1.** An initial screening will be conducted by SKHHP staff and staff of the jurisdiction where the project is proposed to be located to determine the completeness of each application. Staff reserves the right to deny applications that are incomplete.

**Step 2.** SKHHP will evaluate the applications and develop a recommendation to the respective City Councils. SKHHP's recommendation will be made by its Advisory Board and approved by its Executive Board.

**Step 3.** SKHHP member City Councils that have contributed funding will review, ~~and~~ approve, and provide a statement of support for the funding recommendation submitted by SKHHP, or will return the recommendation, with comments, for further investigation before a final decision is made. SKHHP member City Councils where the project is proposed to be located that have NOT contributed funding to the project via the SKHHP Housing Capital Fund will be asked for a letter of support prior to a final funding decision being made.

## EVALUATION CRITERIA

### General

Evaluation of applications will focus on an overall evaluation of all of the following key areas:

- **Advancing the goals of equity**, including the extent that projects are community-driven and/or reduce or undo disproportionate harm to communities most impacted by historic injustice and displacement, including extremely low-income households with incomes at or below 30 percent of area median income and Black, Indigenous, and People of Color (BIPOC) communities
- **Feasibility, timeliness, and cost effectiveness** (i.e., SKHHP Housing Capital Fund award per unit/square feet, total development cost per unit/square feet, reasonableness of schedule, budgets, and proforma, adequacy of resources and ongoing sustainability, and site control to ensure timely completion).
- **Relevance of the project to local housing needs and funding priorities**, including the extent to which the project is consistent with the local plans (e.g., Consolidated Plan, Housing Element, or area plans), and the extent to which housing need will be met and help to achieve SKHHP's stated priorities.
- **Suitability of the project sponsor and development team**, including any track record and/or housing development for success, adequacy of management plans, duration of

affordability, ongoing sustainability, adequacy of support services, and firmness of financial commitments or likelihood of receiving those commitments.

### **Specific**

The following specific information areas will be evaluated for data to support the key focus areas described above.

#### **A. Development and Operating Budgets**

Projects will be evaluated for cost effectiveness on a per unit and per square foot basis. Higher up-front development costs may be justified to create long-term operational efficiencies (e.g., through use of high-efficiency building systems), provided that those increased costs have a relatively short payback period. Higher land costs may be justified to account for strategic location such as proximity to transit or other local amenities. SKHHP may use third party reviewers to evaluate estimated construction costs. Development and operating budget forms should provide detailed explanation to support estimated expenses. If support services are identified as an integral part of the project, a detailed services budget must also be submitted. Proposed financing will be evaluated for feasibility based on expressed interest from lenders and investors, and applicant (or applicant team, including more-experienced consultants and partners) should have experience in obtaining financing, and other competitive criteria (e.g., estimated tax credit score if LIHTC equity is proposed).

#### **B. Project Readiness**

Projects will be evaluated for their readiness to proceed. Applicants should demonstrate full site control. Applicants should have a “letter of consistency” from the jurisdiction where the project will be located affirming the project is consistent with the Consolidated Plan, local comprehensive plan and its housing element, and any local housing action plans. Projects that propose significant fundraising should demonstrate steps taken to prepare for and implement a capital campaign, including a plan and timeline for the proposed capital fundraising and, preferably, a track record of past or current capital fundraising ability. Projects that will rely on public funding to cover the costs of ongoing operations or services should identify and describe the availability of such funding, and report on the project’s competitiveness for such funds based on discussions with likely funders.

#### **C. Development Team Track Record**

Project review will take into consideration how well experienced development teams have performed on previously funded projects and, in the interest in increasing the diversity of housing and community developers, how less experienced developers (or partners/consultants on their team) demonstrate an understanding of the steps and structures needed for success. When there is an applicable track record (for the applicant or partner/consultants), the application should identify lessons learned from those projects and describe how performance/actions have been modified as a result.

#### **D. Property and Asset Management Capacity**

The proposed property and asset management entities will be evaluated on their experience, performance, or developing capacity in managing comparable developments. Successful asset managers will have a detailed understanding of the physical and financial condition of their properties, regularly updated capital needs assessments, and thoughtful policies for balancing the objective of maintaining affordable rents and planning for healthy reserves and operating income to cover current and future expenses. If a project is in its preliminary stages, a boiler plate management plan may be submitted with the application. A final management plan will be required prior to contracting.

A successful management plan will include the following information:

- **Occupancy:** Information in the occupancy management plan must include lease information (length, tenant eligibility and selection standards, standards for termination of lease, eviction, lease renewal) and marketing strategies including local outreach.
- **Facility:** The facility management plan should include provisions for both routine and long-term building maintenance.
- **Supportive Services:** If applicable, the applicant must describe how any supportive services identified as an integral part of the project will be provided, either directly or through linkages with an existing network of service agencies and describe how those services will be in accordance with best practices for the intended population.

#### E. Displacement and Relocation

Any activity which would result in the displacement of existing residents, especially low- and/or moderate-income residents and/or BIPOC residents is discouraged. If displacement may occur, the applicant must submit, as part of the application for capital funds, a plan for providing relocation assistance to the displaced residents. (If relocation may occur, the applicant is strongly encouraged to contact the King County Housing Finance Program to discuss what relocation assistance may be available.) Relocation costs should be included in the project budget. Projects funded with federal dollars (e.g., CDBG funds) must meet all applicable federal relocation requirements.

#### F. Supporting Equity

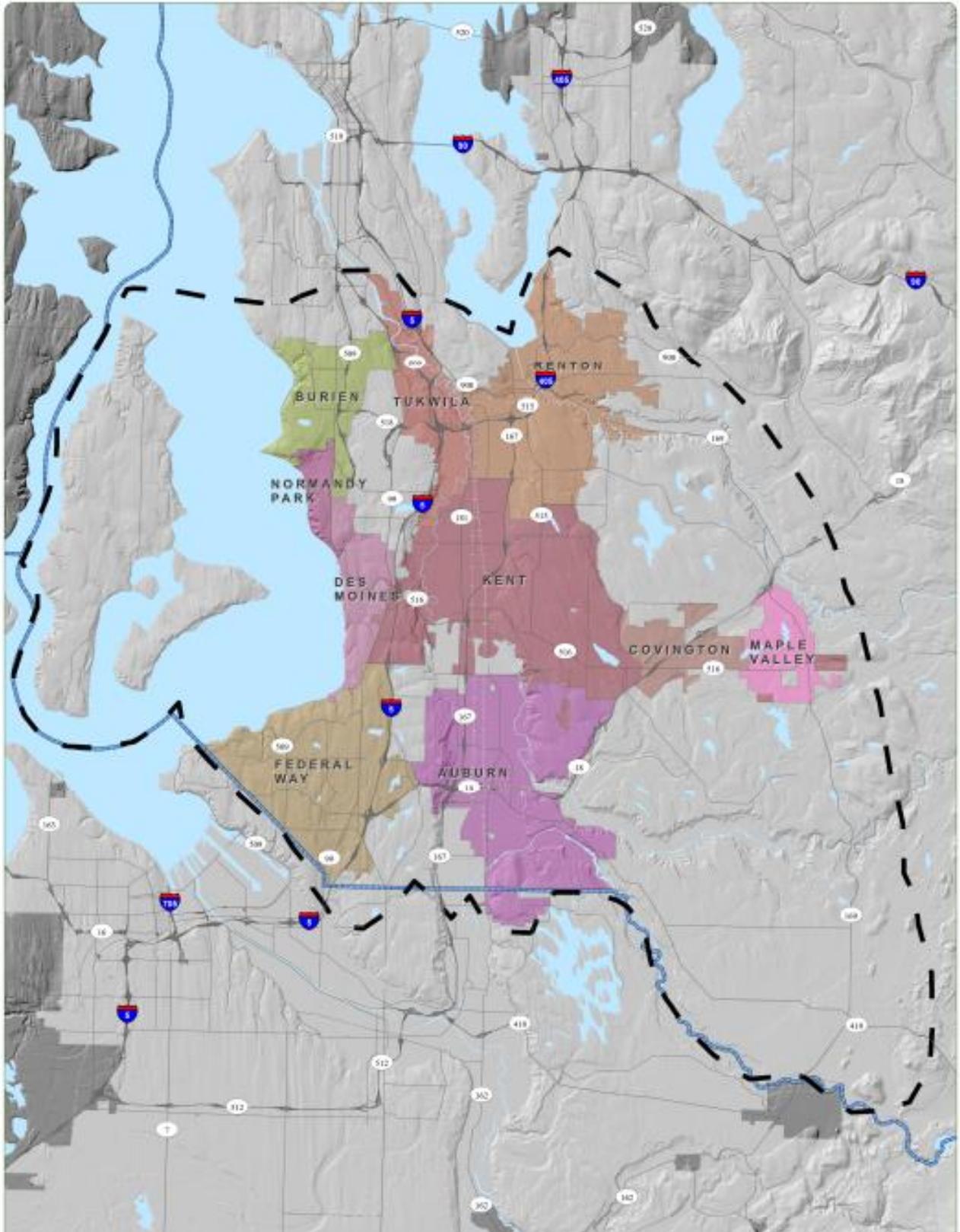
The proposed project will be evaluated based on whether the development will advance SKHHP's goals of equity, including preserving existing communities at risk of displacement (including manufactured housing communities); increasing opportunities for extremely low-income households (households with incomes at or below 30 percent of area median income); creating meaningful project partnerships (including with BIPOC-lead organizations) that give voice and ownership to residents and communities of color; affirmatively marketing new housing opportunities to communities less likely to access opportunities in South King County; providing affordable housing as a public investment – and potential catalyst – in areas that have traditionally received less services and/or public investments; and addressing historic inequities in access to homeownership.

#### G. Nature of Location

As part of the decision process, reviewers will want to understand how the proposed development fits into the neighborhood and would help further any number of public policy goals. Examples of furthering public policy goals could include:

- Locating in a “high opportunity” location, with proximity to or easy access to jobs, grocery stores, pharmacies, schools/childcare, transportation, and community or cultural centers.
- Providing affordable housing in areas at high-risk of displacement or experiencing a loss of naturally occurring affordable housing.
- Investing public dollars in areas traditionally/historically underserved or as a catalyst for further investments and development.

ATTACHMENT A: SKHHP SPHERE OF INFLUENCE



## DRAFT SKHHP 2023 WORK PLAN AND BUDGET

### SKHHP MISSION

South King County jurisdictions working together and sharing resources to create a coordinated, comprehensive, and equitable approach to increasing housing stability, reducing homelessness, and producing and preserving quality affordable housing in South King County.

### OBJECTIVES

- **Housing Policy and Planning.** Share technical information and resources to promote sound housing policy
- **Affordable Housing Investment.** Coordinate public resources to attract greater private and public investment for affordable housing in South King County
- **Outreach, Education, and Advocacy.** Provide a unified voice to advocate for South King County needs at a local, regional, and state levels

### PURPOSE

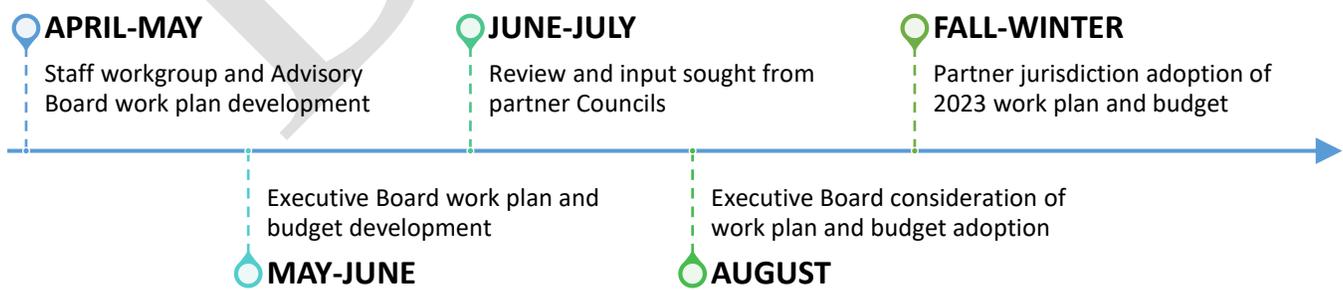
Establish a 2023 SKHHP Work Plan that is shaped by member jurisdictions, is consistent with the SKHHP Interlocal Agreement, and furthers SKHHP’s mission.

### BACKGROUND

The Draft SKHHP 2023 work plan, developed in consultation with the SKHHP staff work group and Advisory Board, includes five goals and corresponding actions that will facilitate implementation of the SKHHP Interlocal Agreement. The 2023 work plan builds on work done in the past few years to establish a SKHHP Housing Capital Fund through pooled public resources, increase philanthropic and corporate investment through the creation of a SKHHP 501(c)(3) fundraising branch, and establish a SKHHP Advisory Board made up of community members that will help to ground SKHHP decisions in communities needs and interests.

### NEXT STEPS

In accordance with the Interlocal Agreement, the 2023 SKHHP Work Plan will be approved by the legislative body of each member jurisdiction and the SKHHP Executive Board. The timeline for continued development and adoption of the 2023 SKHHP Work Plan is as follows:



**GOAL 1: Define strategy, direction, and long-term goals, and provide direction to staff on implementation of the SKHHP interlocal agreement.**

**Critical**

- Develop long-term funding strategy for the SKHHP Housing Capital Fund and facilitate conversations with member jurisdictions to identify and explore dedicated sources of revenue for affordable housing at the local and regional level.
- Develop annual work plan and budget.
- Generate and distribute quarterly progress reports to SKHHP Executive Board and member jurisdictions.

**GOAL 2: Build long term stability for the SKHHP Housing Capital Fund:**

**Critical**

- Facilitate final 2022 funding approvals through member Councils.
- Prepare contract documents and distribute fund allocations for awarded projects.
- Monitor funded projects including evaluating and tracking payment plans.
- Work with administering agency to maintain records and produce regular financial reports for the SKHHP Housing Capital Fund.

**Important**

- Work collaboratively with public funders at the state and local levels to promote shared affordable housing goals and equitable geographic distribution.
- Work with private investors and lenders to maximize leverage of public investment into affordable housing.
- Work with member cities and project sponsors to start developing a pipeline of projects to be funded over the next five years.
- Actively vet potential projects and lead funding policy and prioritization discussions with the SKHHP Executive Board to facilitate planning and decision-making.

**GOAL 3: Work with partner jurisdictions to enhance and develop new local policies and programs that protect existing affordable housing stock, provide housing security, and accelerate access to affordable housing.**

**Critical**

- Develop subregional housing preservation strategies.
- Continue to improve and refine and conduct regular updates to housing policy matrix and affordable housing database (being developed in 2022).

- Convene city and county land use planners to share best practices and increase coordination and collaboration on housing policy and planning.
- Support efforts to advance 5-year action plan identified by the Regional Affordable Housing Task Force.

### Important

- Develop a program to assist member cities with administering local housing incentive programs, including density bonus, multifamily tax exemption (MFTE), impact fee waivers, and other programs.

**Goal 4: Represent South King County and its unique affordable housing needs at all decision tables and foster collaboration between partners.**

### Critical

- Represent SKHHP at relevant local and regional meetings and forums that help advance SKHHP's mission and provide a voice for increasing access to safe, healthy, and affordable housing in South King County.

### Important

- Build relationships with state and federal legislators through organizing work sessions and providing progress updates.

**Goal 5: Further strengthen regional stakeholders' understanding of the spectrum of affordable housing options, the range of related needs and opportunities, and the housing system .**

### Critical

- Coordinate with housing organizations and stakeholder groups to provide education and engagement opportunities for elected officials, stakeholders, and community members.
- Conduct monthly SKHHP Executive Board educational topics on emerging housing and homelessness topics.

### Important

- Provide annual updates to non-SKHHP South King County cities and relevant stakeholder groups.

### Desirable

- Work with the Housing Development Consortium, affordable housing developers, and city and county planners to reimagine the South King County Joint Planners and Developers work group.

**DRAFT 2023 SKHHP Operating Budget**

Projected beginning fund balance - January 1, 2023	\$194,188
Projected ending fund balance - December 31, 2023	\$116,771.76

**REVENUES**

Auburn	\$34,385
Burien	\$19,838
Covington	\$9,919
Des Moines	\$9,919
Federal Way	\$44,965
Kent	\$44,965
Maple Valley	\$9,919
Normandy Park	\$5,290
Renton	\$44,965
Tukwila	\$9,919
Unincorporated King County**	\$44,965
King County**	\$30,035
Interest earnings	
Office space (in-kind donation)	\$12,000
<b>TOTAL REVENUES</b>	<b>\$321,084.00</b>
<i>Spend down balance</i>	<i>\$77,416.24</i>
<b>TOTAL</b>	<b>\$398,500.24</b>
<b>EXPENSES</b>	
Salaries and benefits	\$290,803.85
Misc - travel, phone, postage	\$12,000.00
Advisory Board compensation	\$14,400.00
Office space (in-kind donation)	\$12,000.00
Supplies	\$1,000.00
Professional development	\$5,000.00
Interfund IT	\$28,160.00
<b>Subtotal</b>	<b>\$363,363.85</b>
Administering agency – 10% Administrative Fee*	\$35,136.39
<b>TOTAL</b>	<b>\$398,500.24</b>

\*10% administrative fee is calculated as a percentage of operating costs which does not include in-kind donations, or carry forwards.

\*\*King County contribution based on the population of unincorporated King County is shown as increasing at the same rate as other partner jurisdictions and the additional allocation decreasing to maintain a total contribution of \$75,000 per year.