

I. CALL TO ORDER

Chair Nancy Backus called the virtual meeting to order at 1:02 PM.

Welcome to SKHHP Advisory Board member and liaison, Amy Kangas.

a. ROLL CALL/ESTABLISHMENT OF QUORUM

Executive Board members present: Nancy Backus, City of Auburn; Collen Brandt-Schluter, City of Burien, Joseph Cimaomo, City of Covington; Traci Buxton, City of Des Moines; Sarah Bridgeford, City of Federal Way; Eric Zimmerman, City of Normandy Park; Ryan McIrvine, City of Renton; Sunaree Marshall, King County; Cynthia Delostrinos-Johnson, City of Tukwila; Merina Hanson, City of Kent.

Other attendees: Angela San Filippo, SKHHP; McCaela Daffern; King County; Laurel Humphrey, City of Tukwila; Hannah Bahn Miller, City of Renton; Amy Kangas, SKHHP Advisory Board; Nicole Nordholm, City of Des Moines; Matt Torpey, City of Maple Valley; Dafne Hernandez, City of Covington; JC Harris, City of Des Moines; Amy Arrington, City of Normandy Park; Brian Lloyd, Beacon Development Group; Amanda DeFisher, FuseCorps; Nora Gierloff, City of Tukwila; Jason Gauthier, SSHA3P

II. REVIEW AGENDA/AGENDA MODIFICATIONS

No agenda modifications.

III. APPROVAL OF JUNE 17, 2022 MINUTES

Ryan McIrvine moved to approve the June 17, 2022 minutes as presented; Traci Buxton seconded the motion. Motion passed unanimously (10-0).

IV. EDUCATIONAL ITEM

a. Affordable Housing 101

Angela San Filippo introduced Brian Lloyd, Vice President of Beacon Development Group. Brian agreed to join us again to share his extensive knowledge and experience in affordable housing finance and development. Brian's presentation is particularly important this year as SKHHP embarks on the first funding cycle from the SKHHP Housing Capital Fund. Later this year the SKHHP Executive Board will be reviewing applications and will be tasked with making a funding recommendation to member Councils. Very important to continue to build our collective understanding so that the Board is able to make informed and effective decisions.

Brian asked the group for input into how the presentation is structured, and provided a brief overview of Beacon Development Group, their experience and role in affordable housing development.

Starting point with definition and income thresholds and acknowledge the presentation is focused on rental housing because that is what they do and generally the resources available to subsidize affordable housing are focused on rental market. Question about area median income, how it is averaged across the County.

Overview of Low Income Housing Tax Credit (LIHTC) and history of support from both sides of the aisle. LIHTC are tax incentives to encourage business-based and market-based private investments. Tax credits are the primary vehicle for low-income rental housing construction and rehabilitation in the US.

The tax credit is a reduction in the company's tax liability for a period of 10 years with a 15 year compliance period. After their compliance obligation and benefit is over they typically exit the project. The original sponsor takes over and owns and operates that project moving forward.

Two types of tax credit – 9% - limited amount of State tax credit authority per capita. The Washington Housing Finance Commission (WSHFC) allocates that credit based on an application process that includes considerations such as geographic areas, sustainability, lowest incomes being served. The 9% program is a deeper subsidy that raises more equity and typically goes towards extremely low-income households.

Question regarding sustainability indicators as part of WSHFC scoring. All projects use an evergreen design standard, like the LEED program but slightly modified, on top of that WSHFC will give extra points for going above the baseline sustainability measures – solar panels, highly efficient water systems, heat recovery ventilators. Every funder underwrites the project and asks if the project is sustainable over the next 15-20 years, will the project be able to break even over time. this a sustainable project?

Equity that comes from tax credit is not debt, the investors get paid in the form of tax credit.

The majority of operating subsidies come in the form of section 8 vouchers but there are also state programs for operations. Each project has to fill the operations funding gap on a year to year basis in order to achieve sustainability and ensure a project can breakeven over time.

Question about the dependence on the IRS, and whether there is a local or regional solution that does not require intervention of the federal government.

When asked about the cost of developing affordable housing, it is important to look at the long term nature of projects. Buying something today that will last 50-75 years, when you look at an asset that lasts that long it isn't as daunting to think about the expense. The expense of affordable housing needs to be coupled with the benefits.

V. NEW BUSINESS

a. SKHHP Performance metrics

Since SKHHP's inception we have issued quarterly progress reports. Revisit how we are tracking progress and think about annual performance metrics that help SKHHP to communicate our organization's progress towards achieving the mission 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.

SKHHP has identified 3 overarching objectives that inform and provide the framework for our annual work plan. These include: Housing Policy and Planning, Affordable Housing Investment, and Outreach, education, and advocacy. Potential performance metrics have been organized into these three areas.

As we talk through each of these areas and potential performance measures keep in mind that we not only want to create meaningful metrics that communicate SKHHP's progress we also need these to be based on available and/or easy to collect information.

Affordable housing investment

Recommendation to report on the geographic spread of projects. With regard to leverage – it is important to think about how whether or not we are funding a lot of projects shallowly or providing deeper subsidies that might enable project to be successful.

Housing policy and planning

Recommendation to align with mission and objectives and opportunity to help people understand what we do and what we have accomplished through technical assistance provided by staff.

Question and discussion on our visibility into the effectiveness of our partners, SKHHP is one organization in a larger system working to address these issues.

The question about larger system and outcomes may be a good question for our academic institutions, and is a large body of work to understand individual household outcomes. The West Coast Poverty Center is doing some outcome-oriented research around affordable housing and homelessness.

Discussion around accountability within the system and proving the theory of change, how other factors may be impediments to the solution. Need for data and evidence to justify this is the right investment to be making, or are there other areas (recovery, other services) that we should be focusing on. Answer is likely that the housing system needs to be focused on both, not an either or.

Outreach, education, advocacy

Recommendation to indicate data gathering activities and explanation of the interaction and outreach to investors, gathering of support, relationship building that is a substantial amount of work.

Reflecting back on all of the bullets and question about whether they are tied to an ability to receive grant funds and channel resources.

b. SKHHP Advisory Board stipend proposal

During development of the 2022 budget, SKHHP Executive Board included a line item for advisory board compensation with the intention of establishing a structure for compensation before implementing such compensation. Since that time SKHHP staff conducted additional research, including interviews with peer organizations across the region. This research indicates that compensation for participation in advisory boards is a best practice and key element to full and equitable participation.

During the recruitment process for our inaugural advisory board we did not reach out to individuals with lived experience of housing instability and/or homelessness because our research also indicated that without some form of compensation for their time, asking them to participate and volunteer to share their significant experience would be a significant barrier and potentially cause unintentional harm both to those individuals and our organization.

In order to fully realize SKHHP's mission, we need to be incorporating input from people that will be impacted the greatest, therefore we need to create equitable pathways for them to participate in the process. Unpaid time is a significant barrier to engagement, especially for people impacted by housing instability and homelessness. With that in mind the staff work group and Advisory Board recommend a \$75 per meeting stipend for advisory board members that are not already being compensated for their time by their employer.

This proposal is on the lower end of what other peer organizations are providing, essentially it is a compromise that reflects SKHHP's limited budget while also recognizing and valuing our advisory board members' time, experience, and knowledge that they bring to our organization and work to reduce barriers to full and equitable participation.

Question about how long meetings last and how to determine who qualifies for compensation. Meetings are two hours and advisory board members would need to attend the majority of the meeting to receive the stipend.

Discussion ensued on the definition of volunteer and other city boards and commissions that are not paid for their time. Consideration of a compromise based on attending virtually versus in person.

Sarah Bridgeford expressed Federal Way's support for compensation – have seen the results and feels strongly that compensation is important for involving people that aren't often at the table, also appreciates that advisory board members may opt out of receiving compensation.

Joseph Cimaomo expressed Covington's position that they do not have an issue with paying individuals with lived experience, but does see an issue with paying professionals that this is their daily job even if they are not being compensated by their employer. Suggestion to look at reimbursement for gas, transportation costs, etc.

Suggestion to consider opting in rather than opting out.

Mclrvin expressed fairness in compensating people for their time, feels like part of job on Council is to engage in these meetings and is therefore being compensated for being here.

Buxton expressed that this seems like a reasonable proposal, but maybe there is a way to tier it to in person versus virtual.

Representatives of Burien, Tukwila, Renton, and Federal Way expressed support of the proposal.

[Board member Delostrinos-Johnson left meeting].

Colleen Brandt-Schluter moved to accept proposal as presented, Mclrvin seconded.

Acknowledge that relatively a small amount of money, but Eric Zimmerman expressed that philosophically Normandy Park is opposed to compensation for advisory board.

Buxton proposed an amendment to the motion on the table to reduce compensation from \$75/meeting to \$50/meeting if they are attending remotely. Cimaomo seconded. Six in favor of amending the motion, three opposed, amendment to the motion carries.

Seven in favor of amended motion, two opposed. Motion to compensate advisory board members \$75/meeting when attending in person and \$50/meeting when attending remotely carries.

VI. UPDATES/ANNOUNCEMENTS

Establish working group to develop state legislative priorities. Volunteers to serve on the working group are: Nancy Backus, Traci Buxton, Sunaree Marshall, and Ryan Mclrvin.

VII. ADJOURN

Backus adjourned the meeting at 3:05 pm.