



I. CALL TO ORDER

Vice-Chair Dana Ralph called the meeting to order at 1:01 PM.

a. ROLL CALL/ESTABLISHMENT OF QUORUM

Executive Board members present: Colleen Brandt-Schluter, City of Burien; Traci Buxton, City of Des Moines; Dana Ralph, City of Kent; Hannah Bahnmler (alternate), City of Renton; Sunaree Marshall, King County; Sean Kelly, City of Maple Valley; Cynthia Delostrinos Johnson, City of Tukwila.

Others present: Claire Goodwin, SKHHP; Patience Malaba, SKHHP Advisory Board; Laural Humphrey, City of Tukwila; Merina Hanson, City of Kent; Dafne Hernandez, City of Covington; Matt Torpey, City of Maple Valley; Nicole Nordholm, City of Des Moines; McCaela Daffern, King County; Nicholas Matz, City of Normandy Park.

II. PUBLIC COMMENT

No member of the public requested time to address the Executive Board.

III. APPROVAL OF SEPTEMBER 15, 2023 MINUTES

Traci Buxton moved to approve the September 15, 2023 minutes as presented, seconded by Sunaree Marshall. Motion passed (7-0)

IV. BOARD BUSINESS

a. Housing Capital Fund Project Application Review

Claire Goodwin congratulated the Executive Board on the tireless efforts to bring SKHHP to its second annual Housing Capital Fund. The City of Kent and Covington played a substantial role in working to add their pooled HB 1590 funds, which quadrupled the amount of funds available compared to last year.

On October 5, the SKHHP Advisory Board reviewed the applications submitted for the Housing Capital Fund. SKHHP staff developed an evaluation form, and each member of the Advisory Board was asked to evaluate the projects based on the adopted SKHHP guidelines. At the November 2 meeting, the SKHHP Advisory Board will vote on a funding recommendation for the Executive Board to consider adopting at the November 17 meeting. In preparation for the November meeting, a summary of each application will be presented, and time will be provided to ask questions about each project.

Claire Goodwin highlighted the variety of the applications, with significant geographic representation across the region. Projects were also a mix of large-scale and smaller-scale projects and included homeownership, rental, and preservation opportunities. The total amount being requested is \$8,656,000, with \$5,898,000 available. Available funds mix SHB 1406 and HB 1590, with different eligibility requirements. Only three projects would be eligible for HB 1590 funds, but all six would be eligible for SHB 1406 funds.

(See October 20, 2023 Agenda Packet for the complete Project Summary Memorandum.)

The South Building (building one of two) of Pandion at Star Lake is a multifamily rental, mixed-use project comprising 168 affordable housing units for households earning between 30% and 60% of Kent's area median income (AMI). The project is adjacent to the Kent/Star Lake Link light rail station. This transit-oriented development (TOD) project will combine studio, one, two, and three-bedroom units. The project will include ground floor commercial space consisting of an early learning center for low-income children and other non-profit tenants. The developer purchased the property in December 2022. The project is a seven-story building with six stories of affordable housing over one story of commercial space, plus basement-level parking. Pandion at Star Lake is a partnership between TWG Development and Vision House. Vision House provides onsite supportive services for the 4% Low Income Housing Tax Credit (LIHTC) households for households in 140 units. In collaboration with the City of Kent, an additional service provider will be selected to serve residents of the 9% LIHTC households comprising 28 units. The request is for \$2,856,000 as a deferred, contingent, forgivable loan.

Traci Buxton asked if the funds would be used for operations or other expenses and if there was a set time by which SKHHP funds needed to be used. Claire Goodwin responded that the funds would be used for construction and that there is no current policy determining when funds must be used. SKHHP funds projects through reimbursement, so funds are distributed when an invoice is submitted to SKHHP by the developer to reimburse the construction costs. SKHHP retains the funds until reimbursement is requested.

Eric Zimmerman asked if SKHHP staff has an internal evaluation process such as a "theory of change" or other parameters around cost per beneficiary. Claire Goodwin responded that projects were evaluated by the guidelines and criteria adopted by the Executive Board, and this is an annual process.

Skyway Affordable Housing and Early Learning Center is a multifamily rental project in Unincorporated King County. The project will provide 55 total units, including 12 studios, 19 one-bedroom, 13 two-bedroom, and 11 three-bedroom units of affordable housing for households earning between 30%-50% area median income (AMI) with a 75% set-aside (42 units) for households transitioning out of homelessness with onsite case management. An early learning center will be located on the ground floor of the building, featuring four classrooms to accommodate up to 80 children, a parent resource room, and offices. Additional amenities include a community room, case manager offices, and a roof deck for resident use. The request is for \$2,800,000 as a deferred, contingent, forgivable loan.

Dana Ralph asked for confirmation that there were 1.5 case management staff to support fifty-five households and asked if that was enough support or standard. Colleen Brandt-Schluter said that ratio was consistent with other LIHI projects, including the Tiny Village model, but wondered whether the staff support was 24 hours and seven days a week. Claire Goodwin responded that she would need to check with the project sponsor.

The Kent Multicultural Village is a 199-unit multifamily rental project in Kent adjacent to the future Kent Des Moines Link light rail station opening in 2026. The project will support households earning 30% AMI to 80% AMI with a 20% set-aside (39 units) for households with an intellectual and/or developmental disability (I/DD) with onsite supportive services. The project includes studios, 1-bedrooms, 2-bedrooms, and three-bedroom units. The site comprises eight stories and will consist of a community center, a family resource center, and a licensed early

learning facility with six classrooms to accommodate 96 infants and children, focusing on serving children with I/DD. The project is a partnership between Mercy Housing NW and Open Doors for Multicultural Families, who will support the I/DD households and relocate their headquarters to the property. The project will be located on surplus land from Sound Transit. The request is for \$1,000,000 in the form of a deferred, contingent, forgivable loan.

Eric Zimmerman raised concerns about the cost per unit but acknowledged that there were essential supportive service elements included in the price point. Traci Buxton continued by acknowledging the public spaces, such as the community plaza, which, if included in the per unit cost, would appear to be higher than the actual unit cost. Claire Goodwin confirmed that the residential and nonresidential expenses were included in the per-unit costs and offered to provide numbers that do not have the nonresidential spaces.

Traci Buxton asked if there was an agreement that the plaza would be open to the public. Dana Ralph mentioned that the site drawing was flexible, and the city is continuing to discuss what the final site will look like. Currently, the community center has its back facing the light rail station, which raises some concerns at the city level, which are being discussed. The site picture should be considered very high level at this time.

Sunaree Marshall echoed a desire to separate per-unit costs from the nonresidential space. One challenge of the cost per unit metric is that it can hide the benefit of larger unit sizes. A 3 bedroom would have a higher per unit cost than a studio, but the benefit to the community is very different.

Burien Cooperative Village is a 27-unit cottage homeownership project in Burien. The cottages will include three studios, eleven one-bedroom, and thirteen two-bedroom units ranging in size from 320 square feet to 650 square feet, including two ADA-accessible units. The cottages will be affordable for households earning an average of 50% AMI, at most 60% AMI. Ownership will be through a Limited Equity Cooperative (LEC). A LEC is a homeownership model in which residents purchase a share in a development (rather than an individual unit) and commit to resell their share at a price determined by a formula to maintain affordability over the long term. The project is designed to be climate-adaptive with water catchments, organic gardens, and energy-efficient buildings with renewable energy capacity. The project will include 12 duplex units, three stand-alone units, a common building, a playground, and onsite landscaping of native and edible plants. The project was accepted into the City of Burien's Affordable Housing Demonstration Program by the Burien City Council on March 27, 2023. The land was purchased in 2023 by ecoTHRIVE using funds from the Land Acquisition Program administered by the Washington State Housing Finance Commission (WSHFC). The request is for \$1,000,000 in the form of a grant.

Traci Buxton asked what the FHLB Des Moines Grant was and if it was the City of Des Moines funds. Claire Goodwin responded that it was not. It was the Federal Home Loan Bank of Des Moines. Traci Buxton added that homeownership opportunities are a priority for SKHHP and the stability it creates in the community. Dana Ralph seconded the support for homeownership and its importance in building generational wealth and opportunity.

Victorian Place II is a multifamily, preservation 20-unit rental project in Des Moines. Since 1996, the non-profit Multi-Service Center has owned the two adjacent buildings that comprise the project, which includes five units for households earning up to 35% AMI, ten units for households up to 40% AMI, and five units for households up to 50% AMI. The 20 three-

bedroom/two-bath affordable rental units are in active use. The request is for \$500,000 in the form of a grant.

Colleen Brandt-Schluter asked what would happen with the residents living in the building during the rehabilitation. Claire Goodwin responded that the renovations could be completed without displacing the current residents.

Sunaree Marshall validated the challenge that preservation projects have when competing against new development. Current funding opportunities are not structured to prioritize preservation, which is a unique opportunity for SKHHP to support. There are hidden challenges and costs that can come up during preservation compared to new development. Dana Ralph seconded the support for preservation and the opportunity to consider the project.

The White River Apartments is a multifamily, preservation 24-unit rental project in Auburn. The building was constructed in 1978, and the non-profit Multi-Service Center took over ownership in 2000. The project consists of two-bedroom/one-bathroom units in active use, which include three units serving households earning up to 30% AMI, sixteen units at 45% AMI, and five units at 80% AMI. The 80% AMI units are currently occupied by households earning less than 60%, and those units would shift to income-restricted up to 60% AMI if funds are awarded. The project would not displace current residents. The request is for \$500,000 in the form of a grant.

Hannah Bahnmilller asked if MSC could do both preservation projects if SKHHP funded both. Claire Goodwin said she would reach out and confirm with the developer.

Traci Buxton asked about the property tax expectations on the residents for any of the six projects being considered. Claire Goodwin responded that some of the projects would receive the Low-Income Housing Tax Credit (LIHTC), and others were operated by 501c3s and would have tax-exempt status. ecoTHRIVE is a newer model, and SKHHP staff will need to check with the developer.

Claire Goodwin confirmed she would send all pending questions to the developers and provide them by email to the Executive and Advisory Board members. The Advisory Board will meet on November 2 to develop a funding recommendation for the Executive Board to consider on November 17.

Colleen Brandt-Schluter asked if the City of Kent has prioritized one of the two projects located in Kent. Dana Ralph responded that the city has not since they both serve different populations that need support.

b. Adjusted Revenue Available for 2023 Housing Capital Fund

Claire Goodwin reviewed a memo prepared for the Executive Board regarding adjusting the revenue available for the 2023 Housing Capital Fund. There was a miscommunication between SKHHP and a member jurisdiction on the amount that would be contributed to the 2023 SKHHP Housing Capital Fund. This error was not identified until after the funding guidelines were adopted and posted publicly. The announced amount was \$1,060,000, and the corrected amount is \$928,812 available. An option was discussed, which would request the jurisdiction put forward an amount of their projected HB 1406 funds for next year, bringing it closer to the announced amount. This would mean there would be slightly less SHB 1406 funds pooled in 2024.

Traci Buxton responded that with several projects not ready to receive funding this year, any amount put forward is a projected amount. Since the funds would not be requested until 2024, would it be possible to use funds pooled in 2024 by SKHHP to cover the difference. Claire Goodwin mentioned concerns about the challenges in accounting with this approach.

Eric Zimmerman supported taking no action since none of the applicants depend solely on SKHHP funds. Being honest about the issue should resolve any concerns of the applicants.

Sunaree Marshall added that the City of Seattle did a pre-commitment process similar to Traci Buxton's suggestion. She agreed that it was likely more complicated than this situation warranted.

There was consensus to be honest and transparent with the applicants about actual funding amounts available and proceed as with the actual amounts available in 2023.

c. Legislative Priorities

Dana Ralph briefly touched on the history of the development of the SKHHP Legislative Priorities flyer. While SKHHP members share much in common, it can be challenging to agree on the wide range of housing topics discussed during the legislative session. This led to the SKHHP Legislative Priorities One-Pager, which reviews who SKHHP is and focuses on the need for increased funding for affordable housing in our region.

Claire Goodwin reviewed the changes made to the one-page flyer based on feedback from the Executive Board.

Brian Davis had sent written feedback stating that the City of Federal Way's housing needs are 2 to 1 in favor of market-rate housing, which does not align with the statement regarding a growing affordable housing crisis in South King County. Additionally, he believes funding for only some aspects of affordable housing is what SKHHP is looking for. The bullet points are good, but the background statements should be changed. Claire Goodwin had responded with the hope to discuss these items more at this meeting and a reminder that this was the third time the one-pager had been brought to the board for feedback.

Brian Davis also wrote that under the "our communities" section, it appears to have not been adequately sourced from the PSRC report. Additionally, the study in the linked document doesn't separate South King County except in rent. Finally, the reference in the last two bullet points appears broken. Claire Goodwin responded that the links would be fixed and that data points specific to South King County are hard to come by, and no one is currently collecting information specific to our subregion. The limitation of data was included in the HUD Pro-Housing Grant and would support funding data analysis specific to our subregion.

Dana Ralph responded that she wasn't inclined to recraft the one-pager, but Brian Davis raised a good point. The Seattle Times recently featured an article discussing housing needs, which shows South King County providing housing for the 30-80% range but lacking in housing for 0-30% and market-rate housing. The Light Rail Project in West Hill will likely feature no market-rate housing in the surrounding area.

Patience Malaba added that she thought it was important to acknowledge the growing affordability crisis in our region. South King County has seen some of the most significant rent increases in our area. The need is greater than ever, and the tools must be scaled to address it.

Traci Buxton suggested changing "legislative priorities" to "legislative priority," and a way to incorporate Brian Davis's suggestion would be removing the words "all aspects" from the priority.

Dana Ralph highlighted an Associate of Washington Cities (AWC) legislative tour. Senator Marko Lias is working on another Transit Oriented Development (TOD) Bill. She wanted to highlight the need for more understanding at the state level of what the current housing stock of South King County is. It will be more imperative than ever to share the story of South King County in Olympia and how the legislation will play out in our region compared to other parts of the county.

V. UPDATES/ANNOUNCEMENTS

Claire Goodwin reminded the Executive Board of the request to include the SKHHP legislative priority in the legislative agenda for their jurisdiction. An email was provided, which includes sample language to help unify the message across our region to increase funding for affordable housing.

Claire Goodwin updated the Executive Board that she has presented twice at the City of SeaTac, and on November 28, 2023, the city will take action to consider formally joining SKHHP. The Executive Board must adopt a resolution at the beginning of 2024 to accept SeaTac as an official SKHHP member.

Claire Goodwin provided an update on the HUD Pro Housing Grant. King County's application has been released to the public, and the application has received lots of letters of support. So far, there are six letters of support; jurisdictions still willing to submit a letter of support must do so by noon on October 26, 2023.

Claire Goodwin will be working to schedule end of year one-on-one check-ins with each of the SKHHP Executive Board members.

Claire Goodwin asked if the Executive Board was still interested in learning about Tax Increment Financing (TIF). There is an opportunity to bring in a consultant, possibly for a fee, to provide a detailed overview and training on TIF. Traci Buxton expressed strong interest and asked if other elected officials from the region could be invited. Dana Ralph was also interested in learning more about the topic.

Patience Malaba invited the SKHHP Executive Board to "An Afternoon with Richard & Leah Rothstein" on November 2, 2023, at Seattle University from 2 p.m. to 4 p.m. They will discuss the book "Just Action" which is a follow-up to their 2017 book "The Color of Law."

VI. ADJOURN

Dana Ralph adjourned the meeting at 2:41 PM.

DP

Program Coordinator-SKHHP