



SKHHP Advisory Board
October 5, 2023
MINUTES

I. CALL TO ORDER

Dorsol Plants called the meeting to order at 3:35 pm.

II. ROLL CALL/ESTABLISHMENT OF QUORUM

Advisory Board members present: Andrew Calkins, Uche Okezie, Ryan Disch-Guzman, Bambi Chavez, Menka Soni, Maju Qureshi, Cathy Sisk.

Other attendees: Claire Vanessa Goodwin, SKHHP; Dorsol Plants, SKHHP; Abby Anderson, KCRHA; Amanda Soto, MSC; Victoria Chow, LIHI; Dara Ith, ecoTHRIVE; Denise Henrikson, ecoTHRIVE; Allen Dauterman, TWG; Colin Morgan-Cross, Mercy Housing NW.

III. September 7, 2023, MEETING MINUTES

Motion to approve September 7, 2023 Minutes by Maju Qureshi, Second by Andrew Calkins. (7-0)

IV. SKHHP EXECUTIVE BOARD UPDATE FROM ADVISORY BOARD LIAISON

Andrew Calkins provided an update from the September SKHHP Executive Board meeting. Roughly 75% of the meeting was focused on affordable housing preservation, with the first half being a presentation by Andrew Calkins, alongside his colleague Tim Walters, who provided the Executive Board a briefing on King County Housing Authority's preservation strategies. This also included a look at the challenges and opportunities for preservation in South King County. KCHA will return in November to further discuss the financing side of preservation and how SKHHP can support that work. There was also a discussion from each of the SKHHP cities on the work they do on preserving housing and preventing displacement. The final part of the meeting was a presentation about the "Pro Act," which would send money to states or jurisdictions to reduce barriers to affordable housing development. There was agreement at the meeting that SKHHP cities would submit letters of support for the application King County will be submitting.

V. 2023 SKHHP Housing Capital Fund Project Application Review & Scoring

Claire Goodwin provided a brief background on the SKHHP Housing Capital Fund, which was created by pooling SHB 1406 and HB 1590 funds. In 2022, SKHHP received three applications and funded two of them. This year, SKHHP has received six total applications, summarized in a report staff prepared and attached to the agenda packet. The Advisory Board has the critical role of making recommendations to the Executive Board on which projects will receive funding. The work is only possible with the Advisory Board.

The October meeting will be the first look at the applications, and at the November 2, 2023, meeting, a discussion will take place to form a funding recommendation to the Executive Board. At the November 17, 2023, Executive Board meeting, they will vote to adopt the advisory board's funding recommendation. Tonight, each project will have a high-level summary, including observations and concerns from SKHHP staff. Advisory Board members will be able to ask questions from the developer and will complete an evaluation form to help guide the November discussion.

Dorsol Plants reviewed the "conflict of interest" policy described in the SKHHP Advisory Board bylaws. They identified a conflict of interest with two board members who recused themselves.

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 \$6,656,000 available.

Available funds are a mix of SHB 1406 and HB 1590, which have different eligibility requirements. Only three projects would be eligible for HB 1590 funds, but all six would be eligible for SHB 1406 funds.

(See Agenda Packet for the complete Project Summary Memorandum.)

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.

Bambi Chavez asked what anti-displacement policies or procedures were considered as part of the development. Colin Morgan-Cross responded that Mercy Housing NW is highly attuned to displacement concerns, and historically, by creating housing opportunities before or when the light rail station opens, it creates an opportunity for families to move in before market pressures grow. Mercy Housing NW has done community preference policies in Seattle developments because the city has a policy requiring one. Colin Morgan-Cross added that Washington had recently released a report stating that over 37,000 people with I/DD face housing insecurity. This project will provide affordable and accessible housing, which is available for a wide variety of disability support.

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.

Uche Okezie asked about pursuing no further action from the Department of Ecology and if it might impact their timeline. Claire Goodwin confirmed this was about gasoline found in the topsoil layer and had asked before the meeting. LIHI had responded that the "no further action needed" recommendation they would put forward to Ecology was likely to be accepted but did have a backup plan in place if action was required.

Andrew Calkins asked if the developer could speak to the likelihood of being awarded 9% LIHTC funding, given the highly competitive nature. Claire Goodwin responded that SKHHP Staff would request a response from the developer.

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.

Uche Okezie asked if a phase 2 environment site assessment had been completed. Allen Dauterman responded that the phase 1 analysis did not indicate that phase 2 was required. An oil tank is known to be buried onsite, but no containments were found surrounding the tank. Uche Okezie asked if the possibility that the oil tank may need to be removed was included in the budget. Allen Dauterman responded that demolition had been included in the budget.

Ryan Disch-Guzman asked why the lowest band of AMI served was 30% when households exiting homelessness were identified as one of the populations being served. Allen Dauterman responded that in completing the proforma tool for other applications, the developer must show a baseline rent being collected at a rate related to a household earning 30% AMI. There are two ways the project can serve households below 30% AMI, with the first being if the household has a housing choice voucher available. The other option will be a request by TWG for project-based vouchers, which will be tied to the property. Claire Goodwin added that HB 1590 funds can support projects that serve families at risk of homelessness, which is not clearly defined in the RCW. SKHHP uses the HUD definition of at-risk homelessness for the Housing Capital Fund.

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.

Andrew Calkins asked if the project applied for "preservation" specific state funding or if it was through a traditional Housing Trust Fund round. Amanda Soto responded that it was through the State's HPP program, which is the Department of Commerce's preservation program in 2021. While this project wasn't selected, another MSC project was awarded preservation funds that year.

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.

Uche Okezie asked how confident the developer was that they could start construction in April. Denise Henrickson responded that was their goal, but they have yet to receive funding confirmation. Dara Ith added that the project would heavily rely on commercial lenders in the beginning.

Andrew Calkins asked if there has been any contact with potential homebuyers. Dara Ith responded that they had gathered interested buyers while doing their community outreach. Denise Henrickson said they have begun getting interest on their website but are focusing on local community connections to target Burien residents to help prevent displacement. Claire Goodwin added that ecoTHRIVE has been working with the Black Home Initiative and others to help identify interested buyers.

Andrew Calkins asked for confirmation that the cottages were site-built homes. Denise Henrickson confirmed they were site-built homes, which were more cost-effective than modular homes.

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 bedrooms/one-bathroom units in active use, which includes 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.

IX. UPDATES & ANNOUNCEMENTS

No announcements or updates were provided.

X. CLOSING/ADJOURN

The meeting was adjourned due to a lack of quorum at 5:36 pm.

DP

Program Coordinator-SKHHP