



SKHHP Advisory Board
November 2, 2023
MINUTES

I. CALL TO ORDER

Dorsol Plants called the meeting to order at 3:38 pm.

II. ROLL CALL/ESTABLISHMENT OF QUORUM

Advisory Board members present: Andrew Calkins, Uche Okezie, Ashley Kenny, Patience Malaba, Menka Soni, Maju Qureshi, Cathy Sisk, Tina Narron, Dr. Linda Smith.

Other attendees: Claire Vanessa Goodwin, SKHHP; Dorsol Plants, SKHHP; Abby Anderson, KCRHA.

III. OCTOBER 5, 2023, MEETING MINUTES

Menka Soni motioned to approve October 5, 2023 Minutes, Seconded by Linda Smith. (8-0)

IV. SKHHP EXECUTIVE BOARD UPDATE

Dorsol Plants provided a brief update on the October SKHHP Executive Board meeting. The Executive Board reviewed the Housing Capital Fund proposals and had several questions. SKHHP staff provided a copy of the questions and answers to the Advisory Board prior to their November meeting for review. One element identified at the Executive Board meeting was that the site design drawings for the Mercy Housing NW project in Kent are preliminary, and the site will look different when constructed. Additionally, a mistake in the announced amount of funding from pooled SHB 1406 funds in the SKHHP Housing Capital Fund was identified. The Executive Board reviewed options and provided direction that staff provide developers with the corrected amount available. Lastly, the Executive Board reviewed the legislative priorities flyer and discussed the need for SKHHP to provide a unifying voice for the current housing needs in South King County.

V. 2023 SKHHP HOUSING CAPITAL FUND PROJECT APPLICATION DISCUSSION

Claire Goodwin provided an overview and update from the October SKHHP Executive Board meeting. The intent of the meeting today is for the Advisory Board to form a funding recommendation for the Executive Board to consider at their November meeting. The total amount requested for SHB 1406 and HB 1590 funds is \$8.6 million, which exceeds the available funds.

Advisory Board members were asked to evaluate each project using criteria adopted in the Housing Capital Fund Guidelines. Six Advisory Board Members completed evaluations of each project. Mercy Housing NW had the highest average score of 27.5, and the Multi-Service Center (MSC) Victorian Place II project had the lowest average score of 22.1. Results are not set in stone and should be used as a starting place for the discussion ahead. The complete evaluation results and scoring can be found in the meeting agenda packet.

Since the October meeting, new information about the Housing Capital Fund projects has become available. This includes third-party construction reports on the new construction projects, with this information being incorporated into the memorandum. Also, the corrected amount of SHB 1406 funds available is \$928,000. MSC submitted updated cost estimates for rehabilitating Victorian Place II, which changed the funding needed from \$500,000 to \$675,918. Finally, the tier system for how projects are rated to determine their ranking for the LIHTC program is changing in 2024. The applicants who applied to SKHHP this year who would also be applying for LIHTC funding will likely not receive a LIHTC award next year. The Mercy Housing NW's Burien Family Housing project which was awarded SKHHP funds in 2022 is likely to receive a LIHTC award this year since the project is ready to begin construction. SKHHP funding is a strong endorsement of the project and may help them secure more funding in the future if it's needed.

The Advisory Board was asked to consider critical items as they formed their recommendation. Items they were asked to consider include the funding rationale along with any special conditions needed for the project, project readiness, alignment with SKHHP goals, that SKHHP staff have a limited capacity and cannot support more than four projects, that preservation is a hot topic of discussion in South King County, and that there is no need to spend all the pooled funds during this cycle.

A summary of each project was provided to the Advisory Board.

VI. 2023 SKHHP HOUSING CAPITAL FUND RECOMMENDATION

Claire Goodwin began by reviewing the Conflict-of-Interest policy and providing an update that Tina Narron, who had previously recused herself, could participate in deliberations after discussing the circumstances with Auburn's Deputy City Attorney, so long as the potential conflicts of interest are disclosed to the Executive Board. She disclosed that Verity Credit Union had been in contact with ecoTHRIVE about a financial product that Verity offers. That was a preliminary conversation, and after consulting with the City of Auburn's legal department, it would not prevent her from participating. Uche Okezie disclosed that her agency had spoken with ecoTHRIVE about the downpayment assistance products her organization sells. Those talks were also preliminary, and formal partnerships were not established. Tina and Uche were not required to recuse themselves. Maju Qureshi recused herself previously from the discussion as MSC is one of the applicants, and she represents them on the Advisory Board.

Uche Okezie asked which of the Kent projects is closer to starting construction. Claire Goodwin responded that Mercy Housing NW won the RFP from Sound Transit, and once the negotiation between Sound Transit and Mercy Housing NW is finalized, King County will release funds for development. Dorsol Plants added that the applications listed TWG would start construction in December 2025, and Mercy Housing NW is slated to begin construction in June 2025.

Ashley Kenny asked if homeowners earn home equity under the co-op model. Tina Narron responded that they do, but it's different from traditional homeownership models. To ensure affordability is preserved, the home equity increases by a set percentage and is not tied to the market value around them.

Ashley Kenny asked about LIHI's guest policy and if it was a holdover from a tiny house village. Dorsol Plants responded that the policy is consistent with the project: no overnight guests are allowed, only one guest at a time, and a security guard must check them in. Ashley raised concerns about a need for more empowerment for the residents.

Andrew Calkins shared support for the Mercy Housing NW project and the partnership with Open Doors for Multicultural Families. From the application, it's clear who the project serves and the steps they will take to provide service. By contrast, the TWG project has ongoing conversations with the City of Kent and other partners to determine their service model. Andrew Calkins added support for the LIHI project, matching several SKHHP funding priorities. One element of concern is the request of \$2.8 million, which is a higher request compared to some of the other projects, and whether they require the total funds requested. Claire Goodwin added that LIHI did not apply to the Housing Trust Fund this year, so the project must seek additional funding even if funded at the full amount.

Tina Narron supported the LIHI project and their partnership with Childhaven but shared concerns about the guest policy, which she felt needs to be revisited. Claire Goodwin added that the Advisory Board could include as a special condition with our funding that we request LIHI reconsider their guest policy.

Linda Smith added that it does feel like oppressive living and puts requirements on the residents that don't seem appropriate. She asked if this was a policy on all their housing projects. Linda Smith added that she supports Mercy Housing and that LIHI would add affordable housing units in a neighborhood that needs them. Dorsol Plants stated he believes this policy isn't unique to this project and that the visitor policy is present at all their projects.

Tina Narron spoke about the importance of safety and sound concerns for existing properties being addressed, and she supports the MSC Victorian Place II preservation project.

Andrew Calkins added support for funding the MSC Victorian Place II preservation. Limited resources are available for preservation, and this project is an example of where SKHHP can provide healthy housing.

Ashley Kenny added her support for funding the Victorian Place II preservation project, and the Board could opt to provide partial funding for the White River preservation project.

Cathy Sisk added her support for Victorian Place II; having personally seen the site, it could use the support.

Uche Okezie spoke in support of Victorian Place II and funding a partial amount for the White River project. She also supported the Mercy Housing NW project.

Tina Narron added that she appreciated that Mercy Housing NW set aside units for Intellectual and Development Disabilities (I/DD); not many projects do that.

Uche Okezie supported the LIHI Skyway project, but since they will be seeking funding next year to fund them at a lower amount.

Ashley Kenny wanted to include a review of the visitor policy as part of the special conditions for funding LIHI.

Patience Malaba spoke in support of the preservation projects and how limited funding is available. She also said she supports the Mercy Housing NW project and wants to support the full spectrum of housing, which would include homeownership as well.

Andrew Calkins asked if SKHHP funding ecoTHRIVE at the total amount would allow them to move forward or if they would need more funding. Additionally, if we provided partial funding, would that signal support for other funders? Claire Goodwin responded that ecoTHRIVE has a direct appropriation in the federal funding bill, so funding is dependent on when funding is passed at the national level. If SKHHP funded the project at a lower amount, it would signal our support, but they would need to make up the difference with other funders next year. When asked what ecoTHRIVE would do if they were not funded, they said they would wait until next year.

Patience Malaba asked if there was a sense from all the applications of which projects are more shovel-ready. Claire Goodwin responded that none of the new construction projects were shovel-ready, unlike the projects that applied last year. While it's difficult to know precisely when ecoTHRIVE will be ready, the other projects won't start till 2025. Tina Narron added that a second component of ecoTHRIVE past funding development is securing lenders for the mortgages for the co-op model.

Claire Goodwin added that SKHHP funding serves either the last financing needed for a project to begin or some of the first funding to signal that SKHHP wants this project built.

Claire Goodwin confirmed with the Advisory Board that she had heard support for Mercy Housing NW, LIHI, and Victorian Place II and some support for ecoTHRIVE and White River.

Andrew Calkins recommended fully funding Mercy Housing NW and Victorian Place II. There was a consensus from attending board members to fully fund Mercy Housing NW and Victorian Place II. Support for Victorian Place II included funding them for \$675,918 based on the updated construction costs.

Ashley Kenny asked if providing the remaining SHB 1406 funds for the White River project would be helpful. Claire Goodwin responded that the amount was insufficient to begin the preservation project and would require additional funding from another source.

Uche Okezie asked if SHB 1406 funds could be rolled into subsequent years' funding cycle. Dorsol Plants confirmed that unspent funds would go into next year's Housing Capital Fund.

Andrew Calkins supported funding the LIHI project but needed to figure out the amount requested. Linda Smith spoke in support of funding LIHI at some amount. Uche Okezie suggests funding them at 50% of their request. Tina Narron said she would be willing to fund more based on where the community need is. Patience Malaba supported funding them up to the total amount.

Patience Malaba recommended funding TWG with the remaining HB 1590 balance of \$1.17 million.

Andrew Calkins asked what the term of affordability for SKHHP funds was. Claire Goodwin answered that it was fifty years.

Claire Goodwin confirmed that the one special condition discussed was the request for LIHI to reconsider its guest policy. She also confirmed that the Advisory Board was supportive of her adding administrative conditions to the recommendation before transmitting it to the Executive Board.

Ashley Kenny added the request for the MSC property to reconsider its criminal screening policy, which requires passing a screening threshold. HUD Fair Housing says that individuals should be evaluated on an individual basis, and she would like for MSC to consider adopting a similar policy. Andrew Calkin added that he wants to be careful about framing these conditions as recommendations, not directives. Ashley Kenny withdrew her proposed special condition related to MSC since the board did not reach a consensus.

Applicant	Location	# of Units	Project type	HB 1590 Eligibility	SHB 1406 Eligibility	Amount requested	Recommended Funding
Mercy Housing NW	Kent	199	New Construction Rental	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000
LIHI	Skyway	55	New Construction Rental	\$2,800,000	\$2,800,000	\$2,800,000	\$2,800,000
TWG	Kent	168	New Construction Rental	\$2,856,000	\$2,856,000	\$2,856,000	\$1,170,000
Multi-Service Center	Des Moines	20	Preservation Rental	\$0	\$500,000	\$500,000	\$675,918
ecoTHRIVE	Burien	27	New Construction Homeownership	\$0	\$1,000,000	\$1,000,000	\$0
Multi-Service Center	Auburn	24	Preservation Rental	\$0	\$500,000	\$500,000	\$0
TOTAL						\$8,656,000	\$5,645,918
TOTAL: SHB 1406							\$675,918
TOTAL: HB 1590							\$4,970,000

Tina Narron motioned to adopt the above funding recommendation and the special conditions described by the Advisory Board. Seconded by Uche Okezie. (7-0)

VII. UPDATES & ANNOUNCEMENTS

Amy Kangas is on a hiatus from the Advisory Board.

The December Advisory Board meeting was canceled; the next meeting will be on January 4, 2024.

VIII. CLOSING/ADJOURN

The meeting was adjourned at 5:44 pm.

DP