

**SKHHP Executive Board**  
**March 15, 2024, 1:00 – 3:00 PM**  
**In-Person Meeting**

**In-person attendance at:**  
Auburn City Hall - City Council Chambers  
25 W Main Street  
Auburn, WA 98001

**Video conference:**  
<https://us06web.zoom.us/j/99857398028?pwd=eXFiMmJpQm1abDZmMmRQbHNOYS8ydz09>

**OR by phone:** 253-205-0468

**Meeting ID:** 998 5739 8028

**Password:** 085570

<b>I.</b>	<b>CALL TO ORDER</b>	<b>1:00</b>
<b>a.</b>	ROLL CALL	
<b>b.</b>	INTRODUCTIONS OF STAFF WORK GROUP MEMBERS AND ADVISORY BOARD REPRESENTATIVE	
<b>II.</b>	<b>PUBLIC COMMENT</b>	<b>1:05</b>
<b>III.</b>	<b>APPROVAL OF FEBRUARY 16, 2024 MINUTES</b>	<b>1:08</b>
	<b><u>Motion</u> is to approve the February 16, 2024 SKHHP Executive Board meeting minutes.</b>	
<b>IV.</b>	<b>AGENDA MODIFICATIONS</b>	<b>1:09</b>
<b>V.</b>	<b>BOARD BUSINESS</b>	<b>1:10</b>

**a. 2025 SKHHP WORK PLAN DEVELOPMENT**

Presenter: Claire V. Goodwin, SKHHP Executive Manager

Purpose: Board Members get to know each other through an activity. Receive feedback from the Board on an initial draft 2025 work plan and budget that makes changes to the 2024 work plan and budget. Discuss options for adding new items through an interactive activity. The feedback will provide direction to SKHHP staff to finalize a 2025 work plan and budget for adoption at the April 19 Executive Board meeting.

Background: SKHHP's Interlocal Agreement requires the Executive Board recommend an annual work plan and budget. To develop a draft work plan and budget for consideration, this meeting will ensure Executive Board feedback is incorporated. A recommended 2025 work plan and budget will be presented at the April 19 Executive Board meeting for adoption, followed by Council action by each member city by July 12.

**For review, discussion, and receipt of Board feedback, no action proposed.**

	<b>b. 2024 HOUSING CAPITAL FUND GUIDELINES AND PRIORITIES</b>	2:20
	<p><u>Presenter:</u> Claire V. Goodwin, SKHHP Executive Manager</p> <p><u>Purpose:</u> Discuss any revisions to the 2023 Housing Capital Fund Guidelines the Board would like to make for the 2024 Guidelines including options for the \$300,000 General Fund contribution from SeaTac and potential modifications to the funding priorities.</p> <p><u>Background:</u> Each year, the Executive Board adopts guidelines and priorities for the annual funding round of the SKHHP Housing Capital Fund. Feedback is being sought from the Executive Board on any desired changes to the 2023 Guidelines in order to develop a 2024 draft for consideration to adopt at the April 19 Executive Board meeting.</p> <p><b>For review, discussion, and Board feedback only, no action is proposed</b></p>	
<b>VII.</b>	<b>UPDATES/ANNOUNCEMENTS</b>	2:55
	<ul style="list-style-type: none"> <li>• 2024 State Legislative Update</li> </ul>	
<b>VIII.</b>	<b>ADJOURN</b>	3:00



## I. CALL TO ORDER

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

## ROLL CALL/ESTABLISHMENT OF QUORUM

**Executive Board members present:** Nancy Backus, City of Auburn; Dana Ralph, City of Kent; Colleen Brandt-Schluter, City of Burien; Traci Buxton, City of Des Moines; Brian Davis, City of Federal Way; Sean Kelly, City of Maple Valley; Eric Zimmerman, City of Normandy Park; Carmen Rivera, City of Renton; Dennis Martinez (alternate), City of Tukwila.

**Others present:** Ryan McIrvine, City of Renton; James Lovell, City of SeaTac; Claire Goodwin, SKHHP Executive Manager; Dorsol Plants, SKHHP Program Coordinator; Maria Arns, SKHHP Advisory Board; Laural Humphrey, City of Tukwila; Nicholas Matz, City of Normandy Park; Angie Mathias, City of Renton; McCaella Daffern, King County; Nicole Nordholm, City of Des Moines; Sarah Bridgeford, City of Federal Way; Merina Hanson, City of Kent.

## II. PUBLIC COMMENT

No public comment was provided.

## III. APPROVAL OF JANUARY 19, 2024 MINUTES

Dana Ralph moved to approve the January 19, 2024 minutes as presented, seconded by Sean Kelly. Motion passed (8-0)

## IV. AGENDA MODIFICATIONS

No modifications to the agenda were made.

## V. BOARD BUSINESS

### a. ELECTION OF CHAIR AND VICE-CHAIR

Nancy Backus informed the Executive Board that only a single nomination for the Chair and Vice-Chair positions was received from November to January. Nancy Backus was nominated for the Chair and Dana Ralph was nominated for the Vice-Chair. A final request for nominations was made, with no additional nominations.

Nancy Backus turned over the facilitation of the election to Claire Goodwin.

Sean Kelly moved to approve the nomination of Nancy Backus for Chair and Dana Ralph for Vice-Chair of the SKHHP Executive Board for 2024, seconded by Dennis Martinez. Motion passed (8-0)

Sean Kelly added that both have done an excellent job representing South King County.

Claire Goodwin returned the role of facilitator to Nancy Backus.

### b. CITY OF SEATAC INTERLOCAL AGREEMENT FOR SKHHP MEMBERSHIP

Claire Goodwin provided an overview of the City of SeaTac's effort to formally join SKHHP. The SeaTac City Council formally adopted the SKHHP formation Interlocal Agreement (ILA) as a companion agreement with the 2024 SKHHP work plan and budget. SeaTac would also commit \$300,000 in general funds toward the SKHHP Housing Capital Fund. The SeaTac City Council is committed to advancing the goals of affordable housing as a subregion.

Adding a party to the SKHHP ILA requires the City's action and final approval by a two-thirds majority vote of the SKHHP Executive Board. A simple majority of the Executive Board will determine operational funding obligations SeaTac shall commit to as a condition of becoming a Party to the Agreement.

A copy of the SeaTac Agreement adopted by the SeaTac City Council was included in the agenda packet without the Party's signature. The signature copy will be what the SKHHP Chair signs should it be adopted today. The content is the same. Also in the agenda packet is the SKHHP formation ILA, which the SeaTac City Council adopted as an exhibit in addition to the 2024 work plan and budget.

Should the Executive Board approve the SeaTac Agreement, they will also need to approve the operational contribution of SeaTac for 2024. Since SeaTac took action to join SKHHP in late January and considering the formalizing of their membership in February, Claire Goodwin recommended pro-rating their contribution to \$10,456 rather than the full-year contribution of \$11,407 for their population size. In future years, they would contribute the total amount based on their population size, just as each current member jurisdiction currently does.

If the Executive Board approves the two motions incorporating SeaTac into SKHHP, Claire Goodwin announced that Councilmember James Lovell was selected as SeaTac's representative.

Traci Buxton motioned to approve the SeaTac Agreement and authorize the SKHHP Chair to execute the Agreement, seconded by Eric Zimmerman. (8-0)

Traci Buxton motioned to approve the pro-rated 2024 operational member contribution by the City of SeaTac in the amount of \$10,456, seconded by Dennis Martinez. (8-0)

James Lovell introduced himself to the Executive Board. In addition to his work as a Councilmember, he works full-time at the Chief Seattle Club, which provides emergency shelter and permanent supportive housing. Upon taking office, Mark Santos Johnson and others reached out to him about the gap in the SKHHP service map, which was the City of SeaTac. This is truly an exciting time for SeaTac, and the effort to join SKHHP started before his time on the Council. The SeaTac City Council is excited to work on the regional effort to ensure everyone has housing.

Nancy Backus said SKHHP was excited to have SeaTac and welcomed Councilmember Lovell.

## **VI. BRIEFING**

### **a. MEET THE DEVELOPER: MULTI-SERVICE CENTER (MSC)**

Claire Goodwin introduced a new series of presentations by South King County affordable housing developers to help bring awareness about these organizations' mission and vision and help put faces to organizational names. Affordable housing developers can only make a project work with engagement with our cities. Often, that engagement is at the permitting level, which is

behind the scenes. This series aims to help facilitate connections between those on the ground building, rehabilitating, and preserving the affordable housing stock in South King County with our Executive Board, which makes funding decisions to support these organizations and others.

Today, we will hear from the 2023 Housing Capital Fund Awardee Multi-Service Center (MSC). Kirsten York joined MSC as CEO in October 2023, bringing 15 years of direct service and non-profit leadership experience to the organization. Her work has focused on uprooting inequitable systems, uplifting communities, and repairing harm done to the most vulnerable members of our communities. Amanda Santo has been with MSC since 2008 as their Chief Operations Officer since 2022. She began her journey at MSC as an AmeriCorps member and was later hired as a Family Development Specialist for an employment program serving job seekers experiencing homelessness. She has worn a variety of other hats at MSC since then. She is a certified National Results Oriented Management & Accountability (ROMA) implementer.

Kristen York reviewed the history of MSC which began in 1971. MSC is one of thirty community action agencies in Washington state, with one serving every county. MSC has 100 employees and around 600 volunteers supporting its work. Over 40,000 people are served in a year, often from diverse backgrounds with low or no income. The services support families and single adults, from youth to senior citizens, with a budget of around \$23 million a year.

One of MSC's main programs is the Energy & Utility Assistance Program which supports low-income individuals or families with their energy, water, or sewer bills. The funds can also help the purchase of air conditioners. Additionally, there is a food bank located in Federal Way, which serves around 300 households per distribution. A satellite foodbank will be included in one of the new affordable housing developments that MSC is working on that will be more market-style. MSC has also used food delivery services for individuals who cannot access the foodbank.

MSC works with people on job readiness to reduce barriers to finding and keeping employment. There is also a long-term care Ombudsman program to help advocate for and protect individuals living in long-term care facilities. MSC also provides youth and young adult support and wrap-around services to support them in their next steps. Specific immigrant and refugee programs are also offered to help individuals and families navigate their new communities. During COVID, MSC made a big push to provide rental assistance to prevent individuals and families from becoming homeless and serves as the regional access point for the Coordinated Entry System for homeless housing support.

Amanda Santo reviewed MSC's housing programs. MSC has a supportive housing program focused on supporting single women and is their oldest program, providing 19 housing units. Additionally, MSC provides nine units of short-term housing for US military veterans. MSC has 14 affordable housing sites in its portfolio, with Redondo Heights in Federal Way under construction, a transit-oriented development (TOD) that will feature 334 affordable housing units. This will bring MSC's unit count to over 1,000 between King and Pierce County. Their portfolio is a mix of acquired rehabilitation projects and new construction.

MSC has faced several challenges when preserving or constructing new affordable housing. A severe lack of funding exists to support the rehabilitation or preservation of an existing project. The need for affordable housing will often create emphasis on new construction, but there needs to be a balance between preserving the existing housing stock and new construction. Agencies also need help to take on additional debt service on existing properties, and while they

can reapply for 4% LIHTC, the competition is often too great against new construction. Because rents are so low to maintain affordability, there is no cash flow to take on more debt. Most sites barely break even or run at a loss after COVID-19. As the housing stock ages, keeping the location marketable and competitive with other new affordable housing locations can be challenging. It is also becoming more difficult to find insurance for affordable housing sites, and some providers have disclosed that they can no longer be insured. Their insurance provider has informed MSC that they will also be moving out of the affordable housing market. Insurance will be an ongoing operational challenge in the affordable market space. Tenants continue to struggle to cover the rent, impacting providers in a way not seen before the pandemic. Increasing the availability of project-based vouchers in King County would help support some challenges with missing rental payments impacting operations costs.

Challenges for new construction include the high cost of land and the escalating cost of the construction itself. Projects take years from idea to reality and cost estimates have not kept up with the inflation around construction products. Financial timetables can hinder collaboration when trying to combine affordable housing with a market rate structure, such as market-rate units or even a first-floor commercial location. There is still a need for land use policy that allows for greater density, and efficient permit processes to encourage affordable housing. Banks want to see permits come in at certain times to be able to close, and with staffing challenges or capacity, developers are not consistently receiving permits when required.

Looking to the future, the Victorian Place II preservation was funded through the SKHHP Housing Capital Fund. White River and Maple Lane are preservation projects that have applied for the Housing Preservation Project fund through the Department of Commerce. Villa Capri is a preservation project that will be a partnership with the City of Federal Way to use Community Development Block Grant (CDGB) funds for rehabilitation. Redondo Heights is a new construction project in Federal Way. It is MSC's largest project ever and will be completed by the end of 2024.

## **b. 2024 STATE LEGISLATIVE UPDATE**

Dorsol Plants provided a brief update on the State Legislative session since the January Executive Board meeting.

The SKHHP 2024 Legislative Priority focuses on funding all aspects of affordable housing. Including homeownership for moderate-income households and below, preservation of naturally occurring affordable housing (NOAH), land acquisition to secure permanent affordability, permanent supportive housing (PSH), infrastructure around affordable housing developments, and workforce housing.

Reviewing the legislative timeline, the session is over halfway completed, and the most recent deadline passed was the chamber of origin cutoff. There are a few more cutoff dates, and the session is scheduled to end on March 7.

HB 2354 was not covered last month, but it was an essential topic of discussion during the Tax Increment Financing (TIF) briefing. HB 2354 was the legislation discussed that would allow tax districts to opt out of future TIF, which may directly impact the effectiveness of the policy. The bill's original version stated that each taxing district must opt in; however, the substitute recommended by the Local Government Committee removed the opt-in provisions and required consultation as part of the TIF formation. A public hearing was held in the Senate Committee on

Local Government, Land Use & Tribal Affairs yesterday, and will now move into Executive Session in the same committee on February 20.

SB 6173, which would enable SHB 1406 funds to support affordable homeownership up to 80% AMI, passed 49 to 1 in the Senate. It is scheduled for a public hearing in the House Committee on Local Government on February 20 and an Executive Session in the same committee on February 21.

HB 1892 would create the Workforce Housing Accelerator Revolving Loan Fund Program and passed the House without receiving a single 'no' vote, and moved into the Senate. An executive session was scheduled for this morning with the Senate Committee on Housing. One thing to call out is that there is still a limit of \$20 million per county per year to support geographic equity when awarding funds.

When it comes to the TOD bills, most of the activity has been on the House side, and HB 2160 passed by a divided vote (yeas, 56; nays, 40; absent, 0; excused, 2). HB 2160 is scheduled for an executive session in the Senate Committee on Local Government, Land Use & Tribal Affairs on February 20. One item to highlight today is the requirement that 10% of all residential units within a station area be affordable housing.

To help identify station areas and potential surrounding areas that would be impacted by HB 2160 the Puget Sound Regional Council (PSRC) has created an interactive map to identify station areas in your communities along with transit routes. This slide deck contains a hyperlink to the map, which can also be found on the PSRC website. PSRC is updating the information as changes are made to the bill. The slides for this presentation are available in your agenda packet and were included in the calendar invitation.

Rent Stabilization has continued to be a focus of attention during this year's legislative session. HB 2114 passed in the House (yeas, 54; nays, 43; absent, 0; excused, 1) and had some changes. The original bill's limit on rent and fee increases was 5%, and the current bill changed the limit to 7% within a year. Some exemptions to the rent and fee increase limit include newly constructed buildings in the last ten years, eligible organizations that purchase a residential property to preserve long-term affordability, and organizations that already have rent increase limits such as a housing authority. The bill is scheduled for a public hearing in the Senate Ways & Means Committee on February 22.

This has been a busy session, and at this time, we know of at least some of the bills that won't be moving forward. Our slide deck has a status update for each of the bills we are tracking, which is up to date as of February 14.

Here are some quick updates on a few other bills we are tracking. HB 2219, which would exempt non-profit housing developers from sales tax on construction materials, is considered "Necessary to Implement the Budget," so there is some continued discussion. SB 6015, which would reduce or eliminate parking requirements for newly constructed affordable homes, passed out of the Senate and moved into the House. HB 1998, sometimes known as the SRO (Single Room Occupancy) bill, passed unanimously in the House and has moved into the Senate. HB 1245, commonly known as the Lot Splitting bill, moved out of the House but does not appear like it will move forward in the Senate.

The Legislative Session will be over by our next Executive Board meeting, and Dorsol Plants will provide a final update in March.

## **VII. BOARD BUSINESS CONTINUED**

### **a. 2025 WORK PLAN DEVELOPMENT SURVEY**

Claire Goodwin explained that the SKHHP formation ILA requires adopting an annual work plan and budget. To begin developing the 2025 work plan and budget, a short three-question survey was prepared to solicit some initial ideas from the Executive Board. This will help prepare for the March Executive Board meeting, which will include an in-person workshop.

The link to the survey was sent to Board members yesterday and provided during the meeting. The 2024 Work Plan for review is located at the bottom of the survey. The first two questions are based on last year's work. A third question asks what briefings the Executive Board would be interested in receiving throughout 2024.

The Executive Board was initially given fifteen minutes to complete the survey, and an additional three minutes were provided.

### **b. 2023 ANNUAL AND QUARTER 4 REPORT**

Claire Goodwin reviewed the 2023 Annual and Quarter Four Progress Report. The 2019 ILA requires the Executive Manager to submit quarterly budget performance and progress reports on the status of the work program to the Executive Board and that it be shared with the legislative body of each member jurisdiction. The Annual Report will be sent to the staff work group members to distribute to their legislative bodies best for each jurisdiction.

2023 represented a time of foundation building, bringing awareness about SKHHP to a broader audience to build collaborative relationships, promote awareness about our capital fund, and expand the SKHHP Housing Capital Fund to finance the creation and preservation of affordable housing in South King County.

In 2023, SKHHP quadrupled the funding available to the Housing Capital Fund due to Kent and Covington contributing a portion of their HB 1590 revenues. SKHHP would also receive double the number of funding applications.

SKHHP staff worked closely with the City of SeaTac to ensure they had all the information needed to decide whether to join SKHHP and what that would mean for their city and our coalition.

Progress was made on developing subregional affordable housing preservation strategies with the South King County Housing Planners (SoKiHo), and that work continues this year. The New Executive Manager was hired and onboarded, and Claire Goodwin appreciates the opportunity to serve.

SKHHP staff hosted and facilitated a roundtable with eleven South King County developers on reducing barriers to affordable housing development in the subregion and finalized the internal affordable housing inventory dashboard. Through collaboration with the County and A Regional Coalition for Housing (ARCH), a grant was submitted to HUD, and we are still awaiting the status from HUD. SKHHP was represented at 200 regional meetings representing 25 unique groups.

SKHHP staff also accomplished more this year than can fit on one page. Additional details on many of these items can be seen in quarters one through three reports. The development of affordable housing takes years. Patience and resilience are assets in this work, so Claire Goodwin appreciates the Executive Board's time and investment in SKHHP's work.

Beginning to review the budget, the operating revenue is based on the annual member contributions. The Housing Capital Fund contributions have been invoiced for the 2023 funding round and include the additional HB 1590 funds from Covington and Kent that were not in this report last quarter. The Commerce grant column is what we invoiced in 2023 to our funding cities for the Affordable Housing Inventory dashboard.

Over the last two quarters, we discussed the reduction of \$5,000 in revenue due to a budgeted estimated grant from 2018 that never transpired. It has been removed now to reflect our fund balance accurately.

Interest earnings total \$132,000, which includes the accrued interest of the SKHHP fund and the capital funds. This number will continue to grow as we wait for construction to begin on the projects we are funding.

Operating expenditures for the year total \$371,000 with an estimated ending fund balance on December 31, 2024, of \$394,000. This is a much higher fund balance than we anticipated at the end of the year. It is critical to note that if you remove the interest earnings from the revenue, SKHHP is still spending more than we bring in member contributions. The member contributions are the long-term sustainable revenue source for SKHHP. SKHHP has a healthy fund balance that can continue to be spent down each year rather than raising member contributions more than necessary.

Expenditures include about \$4,000 that has yet to be accounted for in our accounting system. Those numbers were manually added and calculated to be included in the end-of-year budget report. There have yet to be any expenditures on the capital side. SKHHP staff are working closely with Habitat for Humanity to finalize our contract.

## **VIII. UPDATES/ANNOUNCEMENTS**

Claire Goodwin provided an update on the work that began at the Executive Board in September 2023 to develop a subregional approach to addressing affordable housing preservation. Planners from each SKHHP jurisdiction were present at that meeting and, since that time, have been working as a group to figure out what strategies make the most sense for South King County to consider when addressing affordable housing preservation. That work continues now and over the next few months before most cities begin finalizing their comprehensive plans. We intend to present those subregional strategies with our South King County planners at the April Executive Board meeting.

Claire Goodwin provided a reminder that the next Executive Board meeting will be in person on March 15 in the City of Auburn Council Chambers. The Executive Board will develop the 2025 work plan through workshop activities and diving into the 2024 Housing Capital Fund priorities and guidelines. Both topics are critical to the Board, and the intention will be to adopt both finalized documents by the April Executive Board meeting. Information will be shared through the agenda packet for review before the meeting. SKHHP staff will be working on an initial draft of the work plan that incorporates responses from the surveys but also addresses some

administrative updates, like changing the dates to reflect 2025 and rephrasing items for clarity and to reflect the current status accurately.

Ryan McIrvine expressed gratitude for his time on the Executive Board and hopes to continue to support SKHHP's work in South King County.

## **IX. ADJOURN**

Nancy Backus adjourned the meeting at 2:40 PM.

## RESOLUTION NO. 2024-02

A RESOLUTION OF THE EXECUTIVE BOARD OF THE SOUTH KING HOUSING AND HOMELESSNESS PARTNERS (SKHHP), ADOPTING THE 2025 SKHHP WORK PLAN AND OPERATING BUDGET

WHEREAS, pursuant to the Interlocal Agreement, the SKHHP Executive Board approves an annual work plan and budget each year to guide the work of SKHHP staff; and

WHEREAS, pursuant to the Interlocal Agreement, the annual budget includes an itemization of all categories of budgeted expenses and itemization of each Party's contribution, including in-kind services; and

WHEREAS, upon adoption by the Executive Board, the annual work plan and budget will be transmitted to each participating jurisdiction for approval by their legislative body; and

WHEREAS, the budget will not become effective until approved by the legislative body of each jurisdiction and adopted by the SKHHP Executive Board; and

WHEREAS, if a party does not approve the work plan or budget in a timely manner, the Executive Board may adopt the budget and work plan with a two-thirds majority vote; and

WHEREAS, the purpose of the annual work plan and budget is to provide management and budget guidance, and implement the overarching SKHHP mission to work together and share resources to increase the available options for South King County residents to access affordable housing and to preserve the existing affordable housing stock; and

WHEREAS, the 2025 work plan includes four goals with corresponding action items that further SKHHP's mission.

NOW, THEREFORE, THE EXECUTIVE BOARD RESOLVES as follows:

**Section 1.** The Executive Board adopts the 2025 SKHHP Work Plan in Attachment A.

**Section 2.** The Executive Board adopts the 2025 SKHHP Operating Budget in Attachment B.

**Section 3.** Each party's contribution to SKHHP's operating budget will be transmitted on an annual basis during the first quarter of the calendar year.

**Section 4.** This Resolution will take effect and be in full force upon approval by the legislative body of each participating jurisdiction.

Dated and signed this \_\_\_\_\_ day of \_\_\_\_\_, 2024.

\_\_\_\_\_  
NANCY BACKUS, CHAIR, SOUTH KING HOUSING AND HOMELESSNESS PARTNERS

## RESOLUTION 2024-02 – ATTACHMENT A

### SKHHP 2025 WORK PLAN

#### PURPOSE

Establish a 2025 SKHHP work plan and budget that is guided by Executive Board priorities, is consistent with the SKHHP Interlocal Agreement, and furthers SKHHP's mission.

#### BACKGROUND

Established by an interlocal agreement, SKHHP jurisdictions work together and share resources to increase options for South King County residents to access affordable housing and preserve existing affordable housing. The 2025 SKHHP work plan builds on work done in previous years and was developed in collaboration with the Executive Board, Advisory Board, and staff work group.

The work plan is organized into four goals with corresponding action items. Each action is identified by priority as follows:

- Higher – Identified as higher priority by Executive Board or is necessary to carry out the Interlocal Agreements
- Medium – Identified as mid-level priority
- Lower – Identified as lower priority

Quarterly budget and progress reports on the status of the work plan elements will be submitted to the SKHHP Executive Board and the legislative body of each member jurisdiction as follows:

**Quarter 1:** May | **Quarter 2:** August | **Quarter 3:** November | **Quarter 4:** February

In accordance with the Interlocal Agreement, the 2025 SKHHP work plan and budget will be approved by the SKHHP Executive Board and the legislative body of each member jurisdiction.

#### 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.

#### GOALS & ACTIONS

Goal	Actions
1. Fund the expansion and preservation of affordable housing.	1 through 5
2. Develop policies to expand and preserve affordable housing.	6 through 10
3. Serve as an advocate for South King County.	11 through 15
4. Manage operations and administration.	16 through 20



## Goal 1

### Fund the expansion and preservation of affordable housing.

Actions	Priority of Actions ••• = Higher •• = Medium • = Lower
1. Pool resources from member cities for the Housing Capital Fund, including SHB 1406 funds, HB 1590 funds, and general funds.	•••
2. Develop and execute contract documents and covenants for projects ready to move forward (Burien Family Housing – 2022; Kent Multicultural Village – 2023; Skyway Affordable Housing and Early Learning Center – 2023).	•••
3. Facilitate approval from participating Councils of recommended projects from 2024 Housing Capital Fund funding round and preparing contract documents and covenants if any projects are ready to move forward.	•••
4. Manage 2025 Housing Capital Fund funding round including adopting annual guidelines, updating application materials, soliciting proposals, and facilitating project selection.	•••
5. Encourage investment in South King County by private investors, lenders, and philanthropies.	••
Indicators	
○ Number of housing units or number of projects funded with financial support from SKHHP	
○ Number of housing units preserved with financial support from SKHHP	
○ Total dollar amount pooled by member jurisdictions for Housing Capital Fund	
○ Total dollar amount from new sources of revenue added to the Housing Capital Fund	
○ Geographic diversity of applications received for annual Housing Capital Fund funding round	



## Goal 2

### Develop policies to expand and preserve affordable housing.

Actions	Priority of Actions ••• = Higher •• = Medium • = Lower
6. Facilitate implementation of any subregional housing preservation strategies.	•••
7. Facilitate technical assistance and updates to the Affordable Housing Inventory Dashboard.	•••
8. Build relationships with developers to learn from their perspective the ways to encourage housing development, especially affordable housing.	••
9. Convene land use planners to increase coordination and collaboration on housing policy and planning.	•
10. Develop SKHHP Executive Board briefings on key housing and homelessness topics, especially as they relate to the goals of the work plan.	•
Indicators	
○ Number of subregional housing preservation strategies facilitated or supported	
○ Successful update of data to the Affordable Housing Inventory Dashboard	
○ Number of relationships built with developers	
○ Number of Executive Board briefings on key housing and homelessness topics	



### Goal 3

#### Serve as an advocate for South King County.

Actions	Priority of Actions ••• = Higher •• = Medium • = Lower
11. Coordinate with the Advisory Board in collaboration with housing organizations and stakeholder groups to provide education and engagement opportunities for elected officials and community members.	••
12. Work collaboratively with public funders at the state and local levels to promote shared affordable housing goals and equitable geographic distribution of resources.	••
13. 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.	•
14. Meet with legislators as opportunities arise to inform about SKHHP's mission, goals, and the Housing Capital Fund.	•
15. Connect affordable housing developers with property owners who intend to sell naturally occurring affordable housing.	•
Indicators	
○ Number of events or engagement opportunities Advisory Board members organize or support	
○ Number of meetings, forums, or events attended that advance SKHHP's mission	
○ Number of meetings with legislators that promote SKHHP and South King County	
○ Number of affordable housing developers connected with property owners intending to sell naturally occurring affordable housing	



## Goal 4

### Manage operations and administration.

<b>Actions</b>		<b>Priority of Actions</b> ••• = Higher •• = Medium • = Lower
16. Develop annual work plan and budget.		•••
17. Generate and distribute quarterly progress reports to SKHHP Executive Board and member jurisdictions.		•••
18. Work with administering agency to maintain records and produce regular financial reports for the SKHHP Housing Capital Fund and SKHHP Operating Account.		•••
19. Organize and host monthly Executive and Advisory Board public meetings.		•••
20. Maintain and update the SKHHP website.		••
<b>Indicators</b>		
○ Work plan and budget adopted		
○ Quarterly progress reports prepared and presented to Executive Board		
○ Financial reports and public records maintained		
○ Monthly Executive and Advisory Board meetings held		
○ Website maintained		

## RESOLUTION 2024-02 – ATTACHMENT B

### 2025 SKHHP Operating Budget

Estimated beginning fund balance - January 1, 2025 \$ xxx,xxx

Estimated ending fund balance -December 31, 2025 \$ xxx,xxx

#### REVENUES

Auburn	\$ 45,474
Burien	\$ 26,236
Covington	\$ 13,118
Des Moines	\$ 13,118
Federal Way	\$ 59,466
Kent	\$ 59,466
Maple Valley	\$ 13,118
Normandy Park	\$ 6,996
Renton	\$ 59,466
SeaTac	\$ 13,118
Tukwila	\$ 13,118
King County*	\$ 59,466
Additional King County*	\$ 15,534
Interest earnings	\$ x,xxx
Office space (in-kind donation)	\$ 12,000
<b>TOTAL REVENUES</b>	<b>\$ 409,694</b>
Spend down balance	\$ 58,543
<b>TOTAL</b>	<b>\$ 468,237</b>

#### EXPENSES

Salaries and benefits	\$ 320,611
Interfund IT	\$ 35,000
Advisory Board compensation	\$ 14,400
Office space (in-kind donation)	\$ 12,000
Professional services/Misc.	\$ 37,500
Travel	\$ 5,250
Supplies	\$ 2,000
<b>Subtotal</b>	<b>\$ 426,761</b>
Administering agency - 10% admin fee**	\$ 41,476
<b>TOTAL</b>	<b>\$ 468,237</b>

\*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.

\*\*10% administrative fee is calculated as a percentage of operating costs which excludes in-kind donations and carry-forwards.



## SOUTH KING HOUSING AND HOMELESSNESS PARTNERS

### Housing Capital Fund – 2023 Funding Guidelines

#### INTRODUCTION AND PURPOSE

The Cities of Auburn, Burien, Covington, Des Moines, Federal Way, Kent, Maple Valley, 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 the South King Housing and Homelessness Partners (SKHHP).

To accomplish this, SKHHP member cities provide funding to affordable housing projects through the SKHHP Housing Capital Fund. 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 (AMI).

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.

#### AVAILABLE FUNDING

Approximately **\$6 million** in total funding is anticipated to be available for the 2023 application round. This total is comprised of revenue collected from SKHHP member city sales and/or use taxes authorized by [RCW 82.14.530](#) from House Bill (HB) 1590, [RCW 82.14.540](#) from Substitute House Bill (SHB) 1406, corresponding local enacting legislation, and pooled as authorized by RCW 82.14.540(10) and the SKHHP pooling interlocal agreement.

**Table 1: Available Funding Amount by Source**

Revenue Source	Amount
RCW 82.14.540 (SHB 1406)	\$1,060,000
RCW 82.14.530 (HB 1590)	\$4,970,000
<b>Total</b>	<b>\$6,030,000</b>

## FUNDING PRIORITIES

SKHHP has established the following priorities for the Housing Capital Fund in 2023:

**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.

**Disproportionate Impact.** Projects that ensure housing proactively meets the needs of and is available to populations most disproportionately impacted by housing costs while complying with applicable tax revenue restrictions and with relevant federal, state, and local fair housing laws.

**Economic Opportunity.** Projects that support the advancement of economic opportunity are a high priority. This includes proximity to transit, commercial cores, and connections to workforce development and other services that promote upward mobility, including, but not limited to child care centers, higher education institutions, and libraries.

**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 up to 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 and that interrupt cyclical generational poverty. 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 2023 Housing Capital Fund application round:

July 2023	Application package available
By August 7, 2023	Provide intent to apply statement ( <i>optional</i> )
Prior to application submittal	Pre-funding application meeting ( <i>mandatory</i> )
September 15, 2023	Applications due by 5pm
November 2023	SKHHP makes funding recommendations
January – March 2024	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 Monday, August 7, 2023.** Please submit your intent to apply as early as possible. A pre-application meeting is required in order to be eligible to apply to the funding round.

**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.

Staff from the project location jurisdiction shall notify the respective SKHHP Executive Board member and administration of the applicant’s intent to apply and may consult with their legislative body on the project proposal. Within two weeks of the pre-application meeting, a jurisdiction may submit a statement on the project proposal to SKHHP staff as part of the project’s Housing Capital Fund

application. Should the jurisdiction not be supportive, the proposal shall not move forward for consideration in the current funding cycle.

**Pre-Funding Application Meetings will likely be held between July 31 and August 18, 2023. To set up a Pre-Funding Application Meeting, email Dorsol Plants at [dplants@skhhp.org](mailto:dplants@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 AMI. SKHHP uses the United States Department of Housing and Urban Development income limits and rent limits developed for the Seattle-Bellevue Metro Area.

### 2023 Income and Rent Limits – King County AMI \$146,500

**Table 2: Maximum 2023 Household Income for Multifamily Rental Properties<sup>1</sup>**

% of AMI	Household Size							
	1-person	2-person	3-person	4-person	5-person	6-person	7-person	8-person
<b>20%</b>	\$19,180	\$21,920	\$24,660	\$27,400	\$29,600	\$31,800	\$33,980	\$36,180
<b>30%</b>	\$28,800	\$32,900	\$37,000	\$41,100	\$44,400	\$47,700	\$51,000	\$54,300
<b>35%</b>	\$33,565	\$38,360	\$43,155	\$47,950	\$51,800	\$55,650	\$59,465	\$63,315
<b>40%</b>	\$38,360	\$43,840	\$49,320	\$54,800	\$59,200	\$63,600	\$67,960	\$72,360
<b>45%</b>	\$43,155	\$49,320	\$55,485	\$61,650	\$66,600	\$71,550	\$76,455	\$81,405
<b>50%</b>	\$47,950	\$54,800	\$61,650	\$68,500	\$74,000	\$79,500	\$84,950	\$90,450
<b>60%</b>	\$57,540	\$65,760	\$73,980	\$82,200	\$88,800	\$95,400	\$101,940	\$108,540

<sup>1</sup> <https://www.huduser.gov/portal/datasets/mtsp.html> and <https://www.huduser.gov/portal/datasets/il/il23/Section8-IncomeLimits-FY23.pdf>

**Table 3: 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%	\$479	\$513	\$616	\$712	\$795	\$877
30%	\$720	\$771	\$925	\$1,068	\$1,192	\$1,316
35%	\$839	\$899	\$1,078	\$1,246	\$1,391	\$1,534
40%	\$959	\$1,027	\$1,233	\$1,425	\$1,590	\$1,754
45%	\$1,078	\$1,155	\$1,387	\$1,603	\$1,788	\$1,973
50%	\$1,198	\$1,284	\$1,541	\$1,781	\$1,987	\$2,192
60%	\$1,438	\$1,541	\$1,849	\$2,137	\$2,385	\$2,631

\*Maximum rent and utilities for projects based on unit size 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 \(formerly called utility allowances\)](#).

Funds sourced from and authorized under [RCW 82.14.530](#) must support at least one of the following population groups whose income is at or below 60% of AMI:

- Persons with behavioral health disabilities
- Veterans
- Seniors
- Persons who are homeless or at-risk of being homeless<sup>2</sup>, including families with children
- Unaccompanied homeless youth or young adults
- Persons with disabilities
- Survivors of domestic violence

## ELIGIBLE ACTIVITIES

SKHHP funds provided from RCW 82.14.540 (SHB 1406) may be used for the following activities:

- Acquisition, and related costs such as appraisals, financing costs, and transaction costs
- Rehabilitation and new construction costs, including construction site development and off-site development if necessary to ensure utility service to the project site
- Mixed-income projects so long as Housing Capital Fund dollars only assist units affordable at or below 60% of AMI

SKHHP funds provided from RCW 82.14.530 (HB 1590) may be used for the following activities:

- Construction or acquisition of affordable housing, which may include supportive housing and new units of affordable housing within an existing structure
- Acquisition of land for affordable housing

---

<sup>2</sup> At-risk of being homeless defined by HUD as earning less than 30% AMI with other conditions:  
[https://files.hudexchange.info/resources/documents/AtRiskofHomelessnessDefinition\\_Criteria.pdf](https://files.hudexchange.info/resources/documents/AtRiskofHomelessnessDefinition_Criteria.pdf)

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
- Construction or acquisition of behavioral health-related facilities, or acquiring land for these purposes
- Funding the operations and maintenance costs of new units of affordable housing and facilities where housing-related programs are provided, or newly constructed evaluation and treatment centers
- Operation, delivery, or evaluation of behavioral health treatment programs and services or housing-related services

## **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 project's 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](http://skhhp.org/home/housing-capital-fund/), developed jointly with other public funders including the State of Washington Department of Commerce and King County. The Combined Funders Application forms, SKHHP application addendum, and SKHHP notice of intent to apply are available on SKHHP's website at: <http://skhhp.org/home/housing-capital-fund/>

### *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. The jurisdiction will be provided a template from SKHHP which can be used to provide the needed information to the applicant.

### *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 organization, faith-based institution, community center, or school that serves the community where the project is proposed to be located.

### **The following materials are to be submitted for each application:**

1. A letter of consistency from the jurisdiction where the project is proposed (PDF format)
2. A letter of community support (PDF format)
3. SKHHP Addendum with narrative responses (Word format)
4. 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.

**To submit an application please send an email with a link from OneDrive, Dropbox, Google Drive, or other file sharing services to Dorsol Plants, SKHHP Program Coordinator, at [dplants@skhhp.org](mailto:dplants@skhhp.org) no later than 5pm Pacific Standard Time on Friday, September 15, 2023.**

Please note, if you have already received funding through SKHHP in a previous funding round and are seeking other public funds, (e.g. King County, Washington State Department of Commerce, Washington Housing Finance Commission), you must provide SKHHP with electronic copies of applications submitted to other funders.

If you have any questions about application requirements, please contact Claire Vanessa Goodwin, SKHHP Executive Manager, at (253) 931-3042 or email [cvgoodwin@skhhp.org](mailto:cvgoodwin@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 the funding recommendation submitted by SKHHP, or will return the recommendation, with comments, for further investigation before a final decision is made. SKHHP member jurisdictions 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 AMI 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

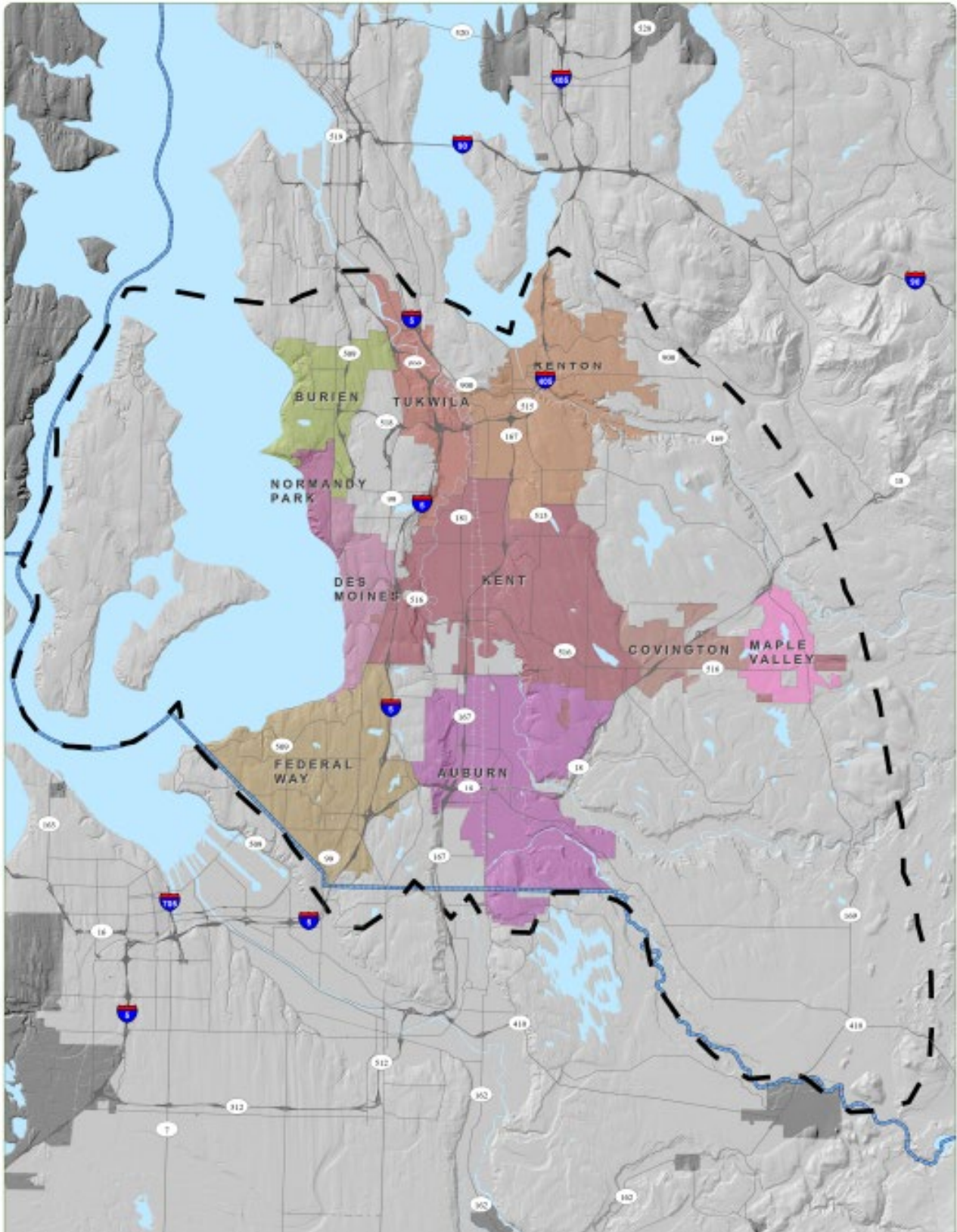
The proposed project will be evaluated based on whether the development will advance SKHHP's goals of equity, including preserving existing communities at risk of displacement (which includes manufactured housing communities); increasing opportunities for extremely low-income households (households with incomes at or below 30 percent of AMI); 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



# 2024 State Legislative Final Update

Dorsol Plants, SKHHP Program Coordinator

March 15, 2024

SKHHP Executive Board

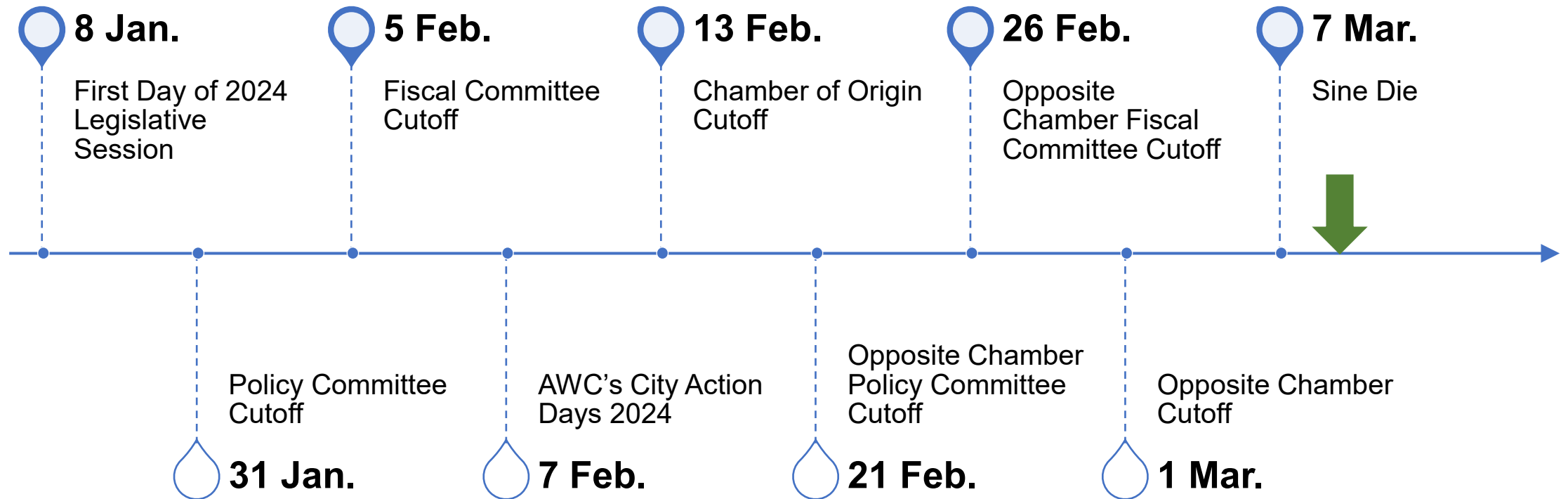
# SKHHP 2024 Legislative Priority

South King County is facing a growing affordable housing crisis. In order to address this crisis, we need to fund all aspects of affordable housing, including:

- Homeownership for moderate income households and below
- Preservation of naturally occurring affordable housing (NOAH)
- Land acquisition to secure permanent affordability
- Permanent supportive housing (PSH)
- Infrastructure around affordable housing developments
- Workforce housing



# 2024 Legislative Session Timeline



# Funding Affordable Housing

Bill Number	Description	Status
<a href="#"><u>SB 6173</u></a>	Encouraging investments in affordable homeownership unit development.	3/7 Delivered to Governor
<a href="#"><u>SB 5949</u></a>	Concerning the capital budget.	3/7 Signed by Senate/House
<a href="#"><u>HB 2089</u></a>	Concerning the capital budget.	2/26 Referred to Rules 2 Review
<a href="#"><u>HB 1628</u></a>	Increasing the supply of affordable housing by modifying the state and local real estate excise tax.	1/8 By resolution, reintroduced and retained in present status. House Rules "X" file
<a href="#"><u>SB 6065</u></a>	Concerning the property tax exemption for cities or counties providing affordable housing to qualifying households.	1/9 First reading in Senate, referred to Housing

# Funding Affordable Housing Continued

Bill Number	Description	Status
<a href="#"><u>HB 1892</u></a>	Concerning the workforce housing accelerator program.	3/6 Delivered to the Governor
<a href="#"><u>SB 6136</u></a>	Reestablishing a business and occupation tax on the privilege of providing property for rent and supporting access to affordable rental property by exempting from tax landlords participating in a rent stabilization program.	1/25 Referred to Senate Ways & Means
<a href="#"><u>HB 1343</u></a>	Providing local governments with options to grant rent relief and preserve affordable housing in their communities.	1/8 By resolution, reintroduced and retained in present status
<a href="#"><u>SB 5493</u></a>	Limiting a business and occupation tax deduction for financial institutions to fund affordable housing	1/8 By resolution, reintroduced and retained in present status

# Funding Affordable Housing Continued

Bill Number	Description	Status
<a href="#"><u>SB 5334</u></a>	Providing a local government option for the funding of essential affordable housing programs.	3/6 Delivered to the Governor
<a href="#"><u>SB 5118</u></a>	Concerning modifying the multifamily property tax exemption to promote development of long-term affordable housing.	2/5 Executive session scheduled, but no action was taken in the Senate Committee on Ways & Means
<a href="#"><u>HB 2354</u></a>	Creating an option for impacted taxing districts to provide a portion of their new revenue to support any tax increment area proposed within their jurisdiction and clarifying that a tax increment area must be dissolved when all bond obligations are paid.	3/7 Delivered to the Governor
<a href="#"><u>HB 2219</u></a>	Providing tax relief for nonprofit development of affordable housing.	1/25 Public hearing in the House Committee on Finance

# Housing and Land Use

Bill Number	Description	Status
<a href="#"><u>SB 6024</u></a>	Promoting community and transit-oriented housing development.	1/11 Public hearing in the Senate Committee on Local Government, Land Use & Tribal Affairs
<a href="#"><u>HB 2160</u></a>	Promoting community and transit-oriented housing development.	2/26 Executive session scheduled, but no action was taken in the Senate Committee on Ways & Means
<a href="#"><u>SB 6015</u></a>	Concerning residential parking configurations.	3/7 Signed by Senate/House
<a href="#"><u>HB 2071</u></a>	Concerning residential housing regulations.	3/7 Delivered to Governor

# Housing and Land Use Continued

Bill Number	Description	Status
<a href="#">HB 1998</a>	Concerning co-living housing.	3/6 Delivered to the Governor
<a href="#">SB 5901</a>	Concerning co-living housing.	2/15 Senate Rules "X" file
<a href="#">HB 2084</a>	Establishing an oversight committee to improve construction-related training and pathways to state registered apprenticeships in state correctional facilities.	3/5 Delivered to the Governor
<a href="#">HB 1944</a>	Establishing a running start for the trades grant program.	1/8 First reading, referred to Education
<a href="#">HB 2123</a>	Establishing a running start for the trades grant program.	1/8 First reading, referred to Education

# Housing and Land Use Continued

Bill Number	Description	Status
<a href="#"><u>HB 1507</u></a>	Concerning fair housing training for officers or board members in common interest communities.	2/13 First reading in Senate, referred to Law & Justice
<a href="#"><u>HB 2276</u></a>	Increasing the supply of affordable and workforce housing.	2/26 Referred to Rules 2 Review
<a href="#"><u>SB 6191</u></a>	Increasing the supply of affordable and workforce housing.	1/25 Public hearing in the Senate Committee on Ways & Means
<a href="#"><u>HB 2113</u></a>	Concerning compliance with the housing element requirements of the growth management act.	2/20 House Rules "X" file
<a href="#"><u>HB 1245</u></a>	Increasing housing options through lot splitting.	1/10 First reading in Senate, referred to Local Government, Land Use & Tribal Affairs

# Housing and Land Use Continued

Bill Number	Description	Status
<a href="#"><u>SB 5961</u></a>	Improving housing stability for tenants subject to the residential landlord-tenant act and the manufactured/mobile home landlord-tenant act by limiting rent and fee increases, requiring notice of rent and fee increases, limiting fees and deposits, establishing a landlord resource center and associated services, authorizing tenant lease termination, creating parity between lease types, and providing for attorney general enforcement.	1/26 Executive action taken in the Senate Committee on Housing
<a href="#"><u>HB 2114</u></a>	Improving housing stability for tenants subject to the residential landlord-tenant act and the manufactured/mobile home landlord-tenant act by limiting rent and fee increases, requiring notice of rent and fee increases, limiting fees and deposits, establishing a landlord resource center and associated services, authorizing tenant lease termination, creating parity between lease types, and providing for attorney general enforcement.	2/26 Executive session scheduled, but no action was taken in the Senate Committee on Ways & Means

# Questions?

