

SKHHP Executive Board
April 19, 2024, 1:00 – 3:00 PM
Virtual Meeting

Video conference:

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

OR by phone: 253-205-0468

Meeting ID: 998 5739 8028

Password: 085570

I.	CALL TO ORDER	1:00
	a. ROLL CALL	
	b. INTRODUCTIONS OF STAFF WORK GROUP MEMBERS AND ADVISORY BOARD REPRESENTATIVE	

II.	PUBLIC COMMENT	1:05
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III.	APPROVAL OF MARCH 15, 2024 MINUTES	1:08
	<u>Motion</u> is to approve the March 15, 2024 SKHHP Executive Board meeting minutes.	

IV.	AGENDA MODIFICATIONS	1:09
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V.	BOARD BRIEFING	1:10
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	a. SOUTH KING COUNTY AFFORDABLE HOUSING PRESERVATION STRATEGIES	
	<p><u>Presenter:</u> Claire V. Goodwin, SKHHP Executive Manager; Josh Steiner, City of Auburn; Dafne Hernandez, City of Covington; Kaelene Nobis, City of Kent; Matt Torpey, City of Maple Valley; Nicholas Matz, City of Normandy Park; Angie Mathias, City of Renton; Neil Tabor, City of Tukwila.</p> <p><u>Purpose:</u> Hear a presentation on the collaborative efforts of SKHHP staff and South King County housing planners (SoKiHo) on developing a subregional affordable housing preservation strategy. The strategy will be reviewed and planning staff will each speak about the process and the strategy from their perspective.</p> <p><u>Background:</u> The 2024 SKHHP Work Plan includes the higher priority action item 7: “Develop subregional housing preservation strategies and facilitate implementation.” Since September 2023, the SoKiHo planning group has been meeting to develop a subregional preservation strategy as part of the Comprehensive Plan updates. SoKiHo is a monthly meeting convened by SKHHP made up of long-range planners from each of the SKHHP member jurisdictions.</p> <p>For review, discussion, no action proposed.</p>	

VI.	BOARD BUSINESS	2:10
	a. 2025 SKHHP WORK PLAN & BUDGET	
	<p><u>Presenter:</u> Claire V. Goodwin, SKHHP Executive Manager</p> <p><u>Purpose:</u> Executive Board adoption of 2025 Work Plan and Operating Budget.</p> <p><u>Background:</u> At the March 15, 2024 Executive Board meeting, the Board provided direction and feedback on the draft 2025 work plan and budget. That feedback has been incorporated into the final draft for the Board's consideration. SKHHP's Interlocal Agreement requires the Executive Board recommend an annual work plan and budget. Following the adoption of the 2025 work plan and budget by the Board, Council action by each member city is required by July 12.</p> <p>Motion is to approve Resolution 2024-02 adopting the 2025 SKHHP work plan and budget.</p>	
	b. 2024 HOUSING CAPITAL FUND GUIDELINES	2:25
	<p><u>Presenter:</u> Claire V. Goodwin, SKHHP Executive Manager</p> <p><u>Purpose:</u> Review the proposed 2024 Housing Capital Fund Guidelines and updates made since the March 15, 2024 Executive Board meeting for adoption.</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. The Board provided direction at the March 15, 2024 meeting for specific changes and those have been incorporated.</p> <p>Motion is to adopt the 2024 Housing Capital Fund Guidelines.</p>	
VII.	UPDATES/ANNOUNCEMENTS	2:55
	<ul style="list-style-type: none"> • Claire Goodwin's maternity leave • Status of contracts • Rescheduling June Executive Board meeting from June 21 to June 14 	
VIII.	ADJOURN	3:00



I. CALL TO ORDER

Dana Ralph called the meeting to order at 1:07 PM.

ROLL CALL/ESTABLISHMENT OF QUORUM

Executive Board members present: Dana Ralph, City of Kent; Kristina Soltys, City of Covington; Traci Buxton, City of Des Moines; Brian Davis, City of Federal Way; Sunaree Marshall, King County; Sean Kelly, City of Maple Valley; Eric Zimmerman, City of Normandy Park; Carmen Rivera, City of Renton; James Lovell, City of SeaTac; Thomas McLeod, City of Tukwila.

Others present: James Alberson, City of Renton; Victoria Schroff, City of Maple Valley; Claire Goodwin, SKHHP Executive Manager; Dorsol Plants, SKHHP Program Coordinator; Kathleen Hosfeld, SKHHP Advisory Board; Laural Humphrey, City of Tukwila; Nicholas Matz, City of Normandy Park; McCaela Daffern, King County; Nicole Nordholm, City of Des Moines; Merina Hanson, City of Kent; Dafne Hernandez, City of Covington.

II. PUBLIC COMMENT

No public comment was provided.

III. APPROVAL OF FEBRUARY 16, 2024 MINUTES

Traci Buxton moved to approve the February 16, 2024 minutes as presented, seconded by Sean Kelly. Motion passed (10-0)

IV. AGENDA MODIFICATIONS

No modifications to the agenda were made.

V. BOARD BUSINESS

a. 2025 SKHHP WORK PLAN DEVELOPMENT

Claire Goodwin welcomed everyone to the first in-person meeting of the year and invited the Board to introduce themselves to the three new SKHHP Board Members. Claire Goodwin reviewed the agenda for the day.

Claire Goodwin facilitated an introductory ice-breaker and Board Members played human bingo with Carmen Rivera winning the game in under three minutes.

Claire Goodwin reviewed the mission statement, whereas statements, and purpose of SKHHP that are located in the SKHHP formation Interlocal Agreement (ILA).

SKHHP's Mission Statement: "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."

SKHHP formation ILA Whereas statements:

“WHEREAS, the Parties have a common goal to ensure the availability of housing that meets the needs of all income levels in South King County; and

WHEREAS, the Parties wish to provide a sound base of housing policies and programs in South King County and to complement the efforts of existing public and private organizations to address housing needs in South King County; and

WHEREAS, the Parties wish to act cooperatively to formulate affordable housing policies and strategies that address housing stability, to foster efforts to preserve and provide affordable housing by combining public funding with private-sector resources, to support implementation of the goals of the Washington State (the "State") Growth Management Act, related countywide planning policies, and other local policies and programs relating to affordable housing, and to do so efficiently and expeditiously; and

WHEREAS, the Parties have determined that the most efficient and expeditious way for the Parties to address affordable housing needs in South King County is through cooperative action and pooling public and private resources; and

WHEREAS, the intent of this cooperative undertaking is not to duplicate efforts of non-profit corporations and other entities already providing affordable-housing-related services; and

WHEREAS, a cooperative work plan with a primary focus on the production and preservation of affordable housing, is needed because the lack of access to affordable housing is one of the key contributors to homelessness;

SKHHP's purpose, as described in the ILA, is as follows: "All parties to this agreement have a responsibility for local and regional planning for the provision of housing affordable to residents that work and/or live in South King County. The parties agree to act cooperatively to formulate affordable housing policies that address housing stability and to foster efforts to preserve and provide affordable housing by combining public funding with private-sector resources."

Claire Goodwin reviewed the Work Plan Development Process. The process began last month with surveys to the Executive and Advisory Board. The initial draft work plan was shared with the Staff Work Group, and feedback was received. The draft being reviewed today incorporates input from the surveys and the Staff Work Group. Based on feedback from today's discussion, Claire Goodwin will modify any needed changes to the Work Plan and present it to the Advisory Board and Staff Work Group for any final feedback. Due to her maternity leave approaching, the goal is for the Executive Board to consider the final draft of the Work Plan and Budget and consider adoption in April. Once the Executive Board adopts the 2025 SKHHP Work Plan and Budget, SKKHP staff will circulate the Work Plan and agenda materials to each Staff Work Group Member who has agreed to shepherd the Work Plan through the member City Council process this year.

The meeting agenda packet included a redline and a clean draft of the 2025 Work Plan and Budget. Based on conversations with Executive Board Members in December, there wasn't a desire to see any major changes to the Work Plan, and the four goals remain intact. All the proposed changes to the draft are made using that information, supplemented with the Work Plan survey results and the Staff Work Group feedback.

Claire Goodwin reviewed the suggested changes to the 2024 Work Plan to draft the 2025 Work Plan. Several items were removed and are proposed to not be carried forward in 2025.

Proposed items to remove:

“Develop a long-term funding strategy for the Housing Capital Fund.” During last year's discussion, it was agreed that a positive approach is to partner with others, advocate for funding at the state and federal levels, and target philanthropic partners. SKHHP is still building the collective funding response by pooling new resources from our members. Much of the focus last year and this year will be on facilitating those new revenue sources for the Housing Capital Fund.

“Work with member cities and project sponsors to start developing a pipeline of projects to be funded over the next five years.” Claire Goodwin recommends removing it from the Work Plan since it is not critical work for SKHHP, and a regional pipeline of LIHTC projects is already being developed in collaboration with other public funders.

“Continue to refine and update the housing policy matrix.” Claire Goodwin recommends removing it since this is not a body of work currently connected to any active project, and it could be reinstated administratively if it is found to be a relevant resource.

“Produce public facing communications content that highlights South King County through social media and newsletters.” SKHHP staff have been working to produce these items since last year and have found that the newsletters take an incredible amount of staff time to ensure SKHHP publishes accurate, well-vetted, public-facing materials. SKHHP staff will continue to advertise the Housing Capital Fund notice of funding availability (NOFA) and the Executive Board's recommendation on funding through a newsletter and social media.

“Manage the Affordable Housing Inventory Dashboard contract.” This work plan item references the Housing Action Plan Implementation (HAPI) grant, and that contract was finished last year. SKHHP staff will be engaging Berk Consulting to continue the maintenance and data updates this year through funding provided by SeaTac but does not need to be listed on the work plan.

“Advance work on SKHHP Foundation efforts to establish logistics, administration, and pursue federal nonprofit status.” This is recommended for removal because it is an incredible body of work where an additional full-time staff person would be needed to manage the 501c3 and resources to fund a contracted auditor with subject matter expertise in 501c3 accounting. The original intent of this work was to increase funds available for South King County-based projects. That goal can be achieved in other ways that don't involve the establishment of a 501c3, such as working with philanthropies to fund projects directly in South King County.

Three Action Items were added to the draft to reflect work currently being undertaken by SKHHP staff:

“Develop and execute contract documents and covenants for projects ready to move forward.” This is in regards to the administrative work related to the Housing Capital Fund projects.

“Meet with legislators as opportunities arise to inform about SKHHP's mission, goals, and the Housing Capital Fund.” This was important during the 2024 Legislative session to inform the legislature about the vital work being done in South King County.

“Connect affordable housing developers with property owners who intend to sell naturally occurring affordable housing (NOAH).” SKHHP staff will forward NOAH information to non-profit developers for jurisdictions with a Notice of Intent to Sell policy and pass forward direct

connections with developers who have coordinated directly with SKHHP to maintain affordability.

Two Action Items were modified:

Items related to the administration of the Housing Capital Fund were broken apart and details added. This is to provide a deeper understanding of the work SKHHP staff are doing behind the scenes to administer the Housing Capital Fund and the contract documents.

Subregional preservation strategies were modified to acknowledge the updated progress and transition into supporting the implementation of any preservation strategies where there is alignment across the majority of jurisdictions and where the item would benefit from cross-jurisdiction coordination.

Traci Buxton spoke about Goal 3 Action 14, "Meet with legislators as opportunities arise to inform about SKHHP's mission, goals, and the Housing Capital Fund," and the importance of representing the current work and needs in South King County. Dana Ralph added the work would also help avoid unintended consequences of new legislation.

Traci Buxton asked if there was a coordinated outreach related to the notice of property sales or if it was reactive to when staff became aware of potential sales. Claire Goodwin responded that this item came out of work in the SoKiHo group and is still being developed based on the needs of the member jurisdictions.

Dana Ralph sought to confirm that SKHHP staff would work in connection with the local jurisdiction when sharing information about property sales. Claire Goodwin confirmed that was the intent and would include language in the document to clarify that SKHHP staff would coordinate with local jurisdictions.

Carmen Rivera said that Goal 3 Action Item 14 should be a higher priority in the document since it was essential to the work of SKHHP. Claire Goodwin provided greater detail about the prioritization of the action items. The higher priority items are the items that are required either by the ILA or were directed as essential by the Executive Board, such as the administration of the Housing Capital Fund. Medium priority items are the items that come immediately after the higher items are accomplished, and the lower priority items are the items that are left. As a low priority, SKHHP would not actively seek opportunities, but it does not mean it's unimportant.

Carmen Rivera asked if the Executive Board members could proactively contact legislators and other elected officials to support Goal 3 Action Item 14. Claire Goodwin confirmed that was an option and that the 2024 Legislative Priority was intended for Executive Board members to be able to amplify SKHHP's voice. Dana Ralph provided historical context on how the Executive Board has handled state-level advocacy for the diverse needs of South King County. Traci Buxton added that the item was a higher priority during the formation of SKHHP and supported keeping it on the priority list. James Lovell added that state-level advocacy is complex across the subregion, which has fifteen or more legislative districts with unique challenges and needs.

Claire Goodwin developed a handout to quantify and estimate what percentage of staff time over a year would be dedicated to each work plan item. It is broken out between the two SKHHP staff roles: the Executive Manager and the Program Coordinator. Vacation and holiday time were accounted for in the assessment. Most of the Executive Manager's time is spent on the higher priority items, almost 90%. The total staff capacity for one FTE is 100%, and the

Executive Manager's capacity is reported at 106%. The Program Coordinator is reported to have a capacity of 95%, which enables the position to support projects as they come up or provide additional support where needed. The staff capacity analysis intends to provide context for the removed work plan action items and potential items to add to the work plan that Board Members identified.

Claire Goodwin reviewed the "Executive Board 2025 SKHHP Work Plan Development Survey" results. The results from Question 2, "If you had to remove two items from the 2024 work plan that don't get carried over into 2025, what would they be?" were all over the map. The Action Item to, "Produce public facing communications" had the most votes and was removed from the draft. A few votes were made to remove the efforts to establish a 501c3, which was also removed from the draft. Finally, a few votes were made to remove the 5-year project pipeline item, which was also removed from the draft.

Claire Goodwin reviewed the results of Question 1, "Is there anything missing from the 2024 work plan that you would love to see added to the 2025 work plan?" She prefaced the results, pointing out that adding any items to the work plan will likely lead to removing or deprioritizing an existing item. Half of the respondents stated that the work plan is very comprehensive and does not recommend adding items.

Two respondents stated that they were newer members and needed to be more familiar with the plan to suggest additions.

One response suggested adding an action item to work with Maple Valley to adopt an ongoing policy to fund the Housing Capital Fund. Maple Valley will begin contributing to the SKHHP Housing Capital Fund this year and developing a policy this year, therefore SKHHP will already be supporting the item this year.

One response proposed, "Coordinate subregional rules of engagement for organizations providing services for housing and homelessness in SKC to engage cities from the start." This is in response to several housing and homelessness organizations establishing themselves in South King County cities but not engaging with them. This item could mean we hold a series of meetings at the Executive Board level and work with your Human Services Planners to develop some unified rules of engagement for housing and homelessness service providers operating in South King County.

One response was to rebrand SKHHP to remove homelessness from the title. This is in response to the Executive Board's discussion about focusing on housing as the primary way SKHHP addressed homelessness. The SKHHP founding ILA may need to be changed, and significant work would be required to find consensus on a new name, update materials to reflect changes, and get the word out about the name change.

Brian Davis said that the word "homelessness" has grown to become an all-encompassing word, but some retain a narrower definition than SKHHP uses. For many, the definition of "homelessness" is specific to unsheltered individuals. SKHHP's efforts have not been specifically targeted to support the unsheltered, and including "homelessness" in SKHHP's name convolutes SKHHP's focused efforts to end homelessness through building housing.

The final response was to "discuss how best to honor homelessness in SKHHP's work." Claire Goodwin interpreted this as holding one or two meetings at the Executive Board level to discuss

this and come to an agreement. The question continues to arise, and taking time to discuss it may be beneficial for the Executive Board.

Dana Ralph added that when SKHHP was founded, the conversation was about preventing homelessness through housing. The term has evolved since SKHHP's founding, and the ILA states that SKHHP should not duplicate the work of other government agencies. The King County Regional Homelessness Authority (KCRHA) and other programs did not exist when SKHHP was founded, and it would be beneficial to understand SKHHP's relationship with these different agencies working on the topic better. She agreed that the term "homelessness" can be misleading or create confusion when someone is less informed about SKHHP's work.

Traci Buxton said one item to consider is the difference between solution and response, and SKHHP provides a productive response to homelessness. The term in SKHHP's title could be perceived as a tool or permission, and there isn't a need to respond to every aspect of the vision of SKHHP right now. This could be a growth area for SKHHP, not as a solution but as a response to homelessness. SKHHP is still too young as an organization to remove future opportunities for our work. Claire Goodwin added that everyone in the room would have a chance to vote on the three options to consider adding to the Work Plan.

Carmen Rivera agreed that King County has a vast definition of homelessness. She continued that there is much variety in service responses, and some projects create barriers to accessing services, such as denying family members the ability to stay together. Shelters are not always safe places, and program participants have reported being physically and sexually assaulted while staying in programs. The conversation about why someone would turn down a housing or shelter referral is nuanced and complex. Carmen Rivera concurred with Traci Buxton that it is too early in SKHHP's life to remove items or categories of work. While including it in SKHHP's name may confuse some people, it is also a call to action for SKHHP to do more.

James Lovell concurred with leaving homelessness in SKHHP's name. SKHHP is still young, and rebranding now could create confusion. Additionally, some of the organizations working on the issue are new, and it is not certain that they will meet the needs of South King County. He concluded that most of the region's service providers identify an increase in housing as the solution for homelessness in our region.

Kristina Soltys stated that housing and homelessness were two huge hats, and she wasn't sure it was work that SKHHP should be doing. SKHHP's priority was not to end homelessness, and she stated uncertainty that if everyone were provided a housing opportunity, it would end homelessness in a month. She was unsure if it should be eliminated from SKHHP's name, but it was worth discussing because of the growing definition of homelessness.

Eric Zimmerman added that he agreed with the challenge of the two terms, housing and homelessness. There are other groups that members of the Executive Board meet to discuss homelessness, and with the homeless policy fragmenting in different directions, SKHHP's focus on housing was great. He added that each SKHHP jurisdiction would have different views on the approach to homelessness, and focusing on housing would avoid potential divergence.

Claire Goodwin facilitated an in-person exercise to select how to respond to action items requested to be added to the work plan.

1. Coordinate subregional rules of engagement for organizations providing services for housing and homelessness in SKC to engage cities from the start. (0)
2. Rebranding to remove "homelessness" from title. (0)
3. Discuss how best to honor homelessness in SKHHP's work. (5)

Five Board members withheld their vote to select an item to add to the Work Plan, and two Board members were absent from the meeting.

Claire Goodwin reviewed the draft 2025 budget. No member jurisdiction will be moving into a new population tier, and the draft reflects a 15% increase in member dues since last year. The Executive Board adopted a policy in July 2021 to increase member dues each year by 15% through 2026. The goal was to work towards a balanced budget whereby our revenues could fully support our expenditures. Each member's City Council was briefed on the increases in 2023.

Staff salaries and benefits are proposed to increase by 5%. Interfund IT is the amount our administering agency charges to each department by FTE to support our IT needs, and it is growing by 11%. The Advisory Board compensation, travel, and supplies are unchanged, and the Professional Services/Misc category is increasing to accommodate legal assistance. This is needed to develop the housing contracts and third-party review of applications. It also incorporates professional development from the 2024 budget to align with how our administering agency tracks expenditure line items and categories. The additional funds will support the legal fees for developing and reviewing three contracts and the third-party review of two projects.

In 2023, the interest earnings from Housing Capital Fund contributions were \$132,000. The annual and quarterly reports included the interest earnings in the operating fund balance. The SKHHP founding ILA is specific in how interest earnings should be tracked but not how they should be spent. The ILA says: "Investment earnings will be credited to each individual/sub-account on a pro-rata basis." The Executive Board has yet to discuss how the interest earnings should be handled when accounting for the pro-rata contributions.

Thomas McLeod asked whether the \$132,000 earned interest for the Housing Capital Fund would be added to the fund and credited to the city as contributions. Claire Goodwin confirmed that was the current direction from the ILA.

Claire Goodwin presented the Executive Board with three options for directing SKHHP staff to use the interest earnings. The beginning and ending fund balances of the draft 2025 budget are not listed pending the Executive Board's feedback on using the interest earnings.

Option 1: Incorporate the interest earnings into the operating budget fund balance for the 2025 budget.

Option 2: Apply the interest earnings to the Housing Capital Fund.

Option 3: Postpone the decision until next year.

Sunaree Marshall asked if SKHHP staff had investigated if 10% of the SHB 1406 funds collected could be used for administrative purposes. Claire Goodwin confirmed the topic would come up as part of the Housing Capital Fund Guidelines discussion.

Sunaree Marshall said lenders and banks are beginning to change their relationship with the affordable housing market. She expressed caution with Option 2 because there is uncertainty in the affordable housing market over the next few years. SKHHP may need additional legal support to handle the new environment and contracting requirements.

Thomas McLeod asked if the earned interest was solely on the Housing Capital Funds or if the Operational Contributions have also earned interest. Claire Goodwin confirmed it was just the Housing Capital Funds. As the funds wait to be distributed to awarded projects, the higher interest rates are bringing in a substantial return. Thomas McLeod added that he liked the practice of keeping the same funds together and liked Option 2.

Traci Buxton asked if HB 1590 funds could also be used for administrative costs. Claire Goodwin stated her interpretation was no, but other jurisdictions may hold a different opinion. Traci Buxton said she would need a definitive answer to the question about using SHB 1406 funds for administrative costs. Claire Goodwin confirmed that she was confident that 10% of SHB 1406 funds could be used for administrative costs, but the enabling legislation of each jurisdiction would need to be reviewed to confirm that SKHHP could implement the concept.

Traci Buxton asked if the law clearly stated that interests earned on SHB 1406 and HB 1590 funds had to be considered capital fund dollars. Claire Goodwin stated that SKHHP received legal advice that the interest could be used as capital fund dollars.

Traci Buxton asked if SKHHP is still spending down the overabundance in the operational budget or if all revenues are being used for operations. Claire Goodwin responded that SKHHP is still spending more on operations than it brings in. Traci Buxton asked if this meant SKHHP should use the earned interest funds to support the operational budget. Claire Goodwin responded that the Executive Board acted in 2021 to raise member dues to work toward a balanced budget. It would be something to consider if a new body of work or additional staff was needed to accommodate a work plan or contract change. SKHHP could also reduce spending in other areas.

Dana Ralph said she was fully supportive of SKHHP's collaborative nature and liked the option to use it to stabilize the operating budget if it's allowed. It would be challenging for some jurisdictions to see an increase in membership dues past the initial planned increases.

Sunaree Marshall mentioned that King County uses interest on its funds to pay for staff to administer their contracts. This has become a regular practice among some funders since interest earnings become more flexible once you have it.

Claire Goodwin asked if there was a general agreement to add the balance to the Housing Capital Fund and consider adding the 10% from SHB 1406 for administrative costs next year. Dana Ralph said the group wanted to solidify the legal opinion on utilizing 10% of SHB 1406 funds for administrative expenses.

Eric Zimmerman added that he believes his jurisdiction would be willing to consider increasing its membership contribution if it helped to balance the operational budget. Claire Goodwin responded that it would be best to wait until 2026 when the current yearly increases to the membership contribution are scheduled to end. At that time, SKHHP staff will better understand the budget needs.

Sean Kelly asked for a cover letter reviewing the interest amounts and planned action to bring back to his City Council. Claire Goodwin responded that a detailed breakdown of interest earned

would be provided as part of the 2025 SKHHP Work Plan and Budget presentations to member councils.

Claire Goodwin will incorporate today's feedback into the draft Work Plan and Budget and present the updated version at the April Executive Board meeting. If no further changes are needed, the aim will be to adopt the 2025 SKHHP Work Plan and Budget on April 19.

b. 2024 HOUSING CAPITAL FUND GUIDELINES AND PRIORITIES

Claire Goodwin transitioned into planning for the 2024 Housing Capital Fund, SKHHP's third annual funding round. The Executive Board adopted annual guidelines in 2022 and made a few revisions last year. The 2023 Housing Capital Fund Guidelines were included in the agenda packet for review.

This year, SKHHP was presented with an exciting opportunity with SeaTac joining us. When the City of SeaTac joined SKHHP in January, the Council committed \$300,000, sourced from SeaTac's General Fund, to support the SKHHP Housing Capital Fund. While there was some discussion about the use of these funds at that time, Claire Goodwin communicated to the SeaTac City Council that as unrestricted funds supporting the Housing Capital Fund, they could be used to fund homeownership or preservation projects up to 80% AMI or apply to our existing restrictions, just as examples.

Claire Goodwin is seeking feedback from the Executive Board on how the funds should be used. The Board's answer will affect how the funds are presented in the Guidelines. There are a few options to consider, each with varying degrees of flexibility.

The most flexible option would be to add it to the guidelines as unrestricted and see where it fits best based on the applications SKHHP receives. Applicants are not asked to indicate which funding source they seek; SKHHP staff match their request with which funding sources could be applied. SKHHP would use a similar process for general funds, except it would be noted that eligible uses are within some parameters, such as funding up to 80% AMI.

General funds could also be added to either of the existing fund sources. For example, if applied to the SHB 1406 funds available, the general funds would be restricted to the conditions set forth for those funds. Funding projects up to 60% AMI, for example.

Another idea that doesn't allow for as much flexibility but may be a strong option given the unrestricted nature of the funds is to fund the rehabilitation/preservation or homeownership opportunities for 60%- 80% of AMI households.

Traci Buxton spoke in support of the first option.

Dana Ralph said she continues to be interested in preservation and homeownership and would like to see SKHHP provide more opportunities for residents to own a home.

Sunaree Marshall agreed but noted that the General Fund amount is less than the smallest amount requested by a project. SKHHP could say the funds are unrestricted, but we have a preference as a funder. She also asked if the City of SeaTac would continue to use General Funds for the SKHHP Housing Capital Fund. Claire Goodwin responded that likely moving forward, SeaTac would not contribute from their General Fund.

Carmen Rivera responded that she agreed with Dana Ralph about supporting homeownership.

Thomas McLeod asked if they could put the funds in the more flexible option but move them later if the Board wanted to move them to the less flexible option. Claire Goodwin responded that it could be moved. For example, if the funds were applied to the flexible option but a project needed additional funding during the application review, the amount could be moved to support that project. This would be an element that the Advisory Board would also be able to support and provide an opinion on.

Dana Ralph wanted to ensure outreach was increased to include more preservation and homeownership projects and would like to ensure the available funds would all be spent.

Kristina Soltys supported the funds being used for homeownership and preservation, but with few unrestricted funding sources, she would like to retain as much flexibility as possible.

Regarding funding priorities, Claire Goodwin recommended that the language around the preservation priority be modified to include income-restricted properties and not just naturally occurring affordable housing.

Additionally, the homeownership priority has been updated to include recent legislative changes made by SB 6173, which allow RCW 82.14.540 funds to support affordable homeownership projects up to 80% AMI. Up to four jurisdictions in SKHHP may have to update their enabling legislation to include homeownership projects up to 80% AMI. SKHHP staff will notify the jurisdictions that need to make a change, and the language will be flexible to allow funds to be used up to 80% AMI if the SKHHP members support the change.

Claire Goodwin spoke about the Advisory Board's expressed interest in adding Universal Design to the funding priorities. Universal Design is a design practice that develops housing to be accessible to all users. Examples of this practice include no-step entryways, curb-free showers, and widened doorways to support wheelchair users. Claire Goodwin offered to conduct additional research and present findings at the next Board meeting, especially as it relates to the affordable housing developer perspective.

Dana Ralph said she needed more information but would be interested in learning more about the topic. She expressed interest in a middle ground when including it as a priority, such as a set number of units that support residents with disabilities.

Kristina Soltys expressed concerns about the additional costs and how they might impact a project.

Eric Zimmerman said that in an emergency setting, you would build to support the most significant need possible. Due to the nature of the crisis, there must be a balance between reaching the greatest need and changing design standards to increase housing quality.

Sunaree Marshall said that Universal Design has been discussed during King County's funding cycles, but that the County was still learning about the concept. She stated that the Executive Board hasn't received a briefing on the topic yet. She would support having an educational briefing over the summer.

Dana Ralph concluded there was a consensus not to include it as a priority in this funding round, but there was a desire to learn more.

Claire Goodwin asked if there were any areas of the Housing Capital Fund priorities that the Executive Board would like to change.

Dana Ralph acknowledged that the priorities were in alphabetical order, and there should be a note that they are not in order of priority.

VI. UPDATES/ANNOUNCEMENTS

Dorsol Plants prepared a final legislative review and included it in the agenda packet.

Claire Goodwin updated the Executive Board that she would take nineteen weeks of maternity leave, and Jeff Tate would serve in her place while on leave. The Executive Board meetings will continue with the briefing topics the Executive Board selected and an affordable housing tour. SKHHP's work will continue during her maternity leave, except for contracting work.

VII. ADJOURN

Dana Ralph adjourned the meeting at 3:03 PM.

South King County Affordable Housing Preservation Strategies

Spring 2024

The South King Housing and Homelessness Partners (SKHHP) convenes housing planners from South King County cities once a month to address topics of interest across the municipalities related to affordable housing. From September 2023 through April 2024, the group developed a comprehensive list of potential goals, policies, and implementing actions that could serve as a subregional affordable housing preservation strategy. Each city may consider incorporating some or all aspects of the strategy into the periodic updates of their respective comprehensive plans.

Risk of residential displacement in the Central Puget Sound region is concentrated in South King County, according to the Puget Sound Regional Council's [Displacement Risk Mapping Tool](#). Displacement risk and the need for effective affordable housing preservation strategies is not unique to South King County, but the subregion is at greater risk of losing the abundant existing affordable housing stock than in other areas of the region. Because of this, the development of a subregional strategy to preserve affordable housing is a top priority of the SKHHP Executive Board. Given the unique needs of each SKHHP member city, developing a unified affordable housing preservation strategy is challenging. That is why this document should be seen as a guide for cities to consider applying in a way that best meets their needs. SKHHP will facilitate implementation of any policy or implementing action that all or most cities adopt and where subregional coordination is required.

This document was developed in collaboration with the following jurisdiction's planning staff: the cities of Auburn, Burien, Covington, Des Moines, Federal Way, Kent, Maple Valley, Normandy Park, Renton, SeaTac, and Tukwila.

Goal 1: Preserve existing supply of affordable housing.

Policy 1.1: Explore options to identify and monitor naturally occurring affordable housing for the purpose of long-term preservation particularly in urban centers, near transit, and/or where most redevelopment pressure is anticipated.

Policy 1.2: Develop strategies to preserve naturally occurring affordable housing at-risk of redevelopment and rehabilitate units when they don't pose a health or safety risk.

Policy 1.3: Pursue partnerships with non-profits, housing authorities, SKHHP, and other organizations to preserve existing naturally occurring affordable housing including through acquisition.

Policy 1.4: Evaluate opportunities for further protection for manufactured home parks at-risk of displacement.

Policy 1.5: Support the funding and preservation of naturally occurring affordable housing in coordination with neighboring jurisdictions and SKHHP.

Policy 1.6: Support the long-term preservation of naturally occurring affordable housing and income-restricted affordable housing with expiring affordability covenants through acquisition by acting as a facilitator between affordable housing groups interested in purchasing the property and property owners.

Goal 1 Implementing Actions:

- Continue to explore a unified notice of intent to sell ordinance for property owners of properties identified as naturally occurring affordable housing.
- Adopt regulations to preserve naturally occurring affordable housing that target neighborhoods most at-risk of displacement, preventing their conversion to higher priced properties or demolition if the property is in safe and habitable condition.
- Explore incentives to landlords such as tax relief for the preservation of naturally occurring affordable housing.
- Support SKHHP in monitoring South King County income-restricted properties for expiring affordability covenants that are not part of a multifamily property tax exemption (MFTE) program.
- Monitor residential complexes for expiring affordability covenants that contain income-restricted affordable units.
- Communicate to housing authorities and other affordable housing non-profits when affordability covenants are expiring on income-restricted properties.

Goal 2: Ensure rental housing stock is safe and habitable.

Policy 2.1: Promote the repair, revitalization, and rehabilitation of residential structures that have fallen into disrepair.

Policy 2.2: Ensure that rental housing units comply with life and fire safety standards and provide a safe place for tenants to live, including renters with disabilities.

Policy 2.3: Promote the maintenance, energy efficiency, and weatherization of existing affordable housing stock and explore opportunities to extend these services to all rental units.

Policy 2.4: Promote housing stability for the most vulnerable residents.

Goal 2 Implementing Actions:

- Continue to advance home repair programs.
- Support the development or continuation of a rental licensing/registration and inspection program. Explore options for establishing a program on a subregional level.
- Continue to fund the SKHHP Housing Capital Fund that prioritizes the preservation of affordable housing.
- Advocate for state and federal funding to support programs that maintain and enhance affordable housing properties.
- Support the unique needs of renters with disabilities.

Goal 3: Keep people in their homes and protect communities at risk of economic, physical, and cultural displacement.

Policy 3.1: Explore opportunities to implement a Community Preference policy or a first right to return policy that prioritizes members of the community in new housing developments.

Policy 3.2: Examine options for relocation assistance programs for those displaced due to redevelopment or unsafe living conditions.

Policy 3.3: Continue to evaluate City actions for potential to increase displacement risk for naturally occurring affordable housing and vulnerable communities, especially those with historical and cultural ties to the community and mitigate or avoid taking actions that significantly increase this risk.

Policy 3.4: Examine options for strengthening protections for tenants. (Optional)

Policy 3.5: Prioritize affordable housing when surplus public land or property when housing development is feasible.

Policy 3.6: Identify and plan for the unique needs of residents of mobile home parks and work to support those identified needs. (If applicable)

Policy 3.7: Preserve land for affordable housing including for homeownership.

Goal 3 Implementing Actions:

- Adopt a policy requiring developers to provide relocation assistance for any displacement from naturally occurring affordable housing or income-restricted affordable housing that occurs due to redevelopment.
- Advocate for state legislation that provides more resources for eviction assistance and legal aid for low-income residents.
- Adopt a policy that prioritizes the use of publicly owned land or property for affordable housing when housing development is feasible.
- Adopt policies that advance protections for tenants through collaborative outreach with members of the community such as requiring additional advance notice for rent increases, intent to not renew a lease, lease termination or eviction, in addition to tenant and landlord education on rights and responsibilities. (Optional)
- Build relationships with mobile home park property owners to ensure awareness about weatherization programs administered by the city and funded by the Community Development Block Grant program.
- Build relationships with a variety of partners (non-profit developers, faith-based organizations, philanthropic organizations, local businesses, and community-based organizations) to collaborate on solutions that keep people in their homes and prevent displacement.

- Set aside funds annually for land acquisition and deepen relationships with community land trusts that create opportunities for affordable homeownership for populations most disproportionately impacted by housing cost burden.
- Continue to advocate for state funding to create affordable homeownership opportunities for first-time homebuyers, longtime renters, and communities most disproportionately impacted by housing cost burden as identified in the housing needs assessment.

Glossary

Affordable housing: Affordable housing is generally defined as housing which the occupant is paying no more than 30 percent of gross income for housing costs, including utilities.¹

Naturally occurring affordable housing: Unsubsidized privately owned residences that are affordable to low- or moderate-income households.²

Income-restricted affordable housing: Housing whereby a prospective tenant's gross monthly income must be below a certain income threshold. The unit is also limited in price to be affordable to households at certain income levels.³

¹ U.S. Department of Housing and Urban Development Archives: Glossary of Terms to Affordable Housing, n.d. archives.hud.gov/local/nv/goodstories/2006-04-06glos.cfm.

² Elliott, Daniel. "Preserving Naturally Occurring Affordable Housing." American Planning Association, December 2023. <https://www.planning.org/publications/document/9281176/>.

³ "2021 King County Countywide Planning Policies." King County, WA, Ratified November 30, 2023. https://cdn.kingcounty.gov/-/media/king-county/depts/executive/performance-strategy-budget/regional-planning/cpps/kc_2021_cpps_ord_19660_113021.pdf?rev=dc68c4a4ea67465c8c79de0869fcb867&hash=A3EB1B05E22148F999802F018F0827B3.

Appendix

Table 1: Aligning the Subregional Preservation Policies with King County’s Countywide Planning Policies

Preservation Policy #	Page #	King County’s Countywide Planning Policy #	Page #
1.1	2	CPP H-21	47
1.2	2	CPP H-21	47
1.3	2	CPP H-21	47
1.4	2	CPP H-21	47
1.5	2	CPP H-21	47
1.6	2	CPP H-14, H-20, H-21, and H-23	45, 47
2.1	3	CPP H-23 and H-24	47
2.2	3	CPP H-23	47
2.3	3	CPP H-23 and H-25	47, 48
2.4	3	CPP H-23 and H-24	47
3.1	4	CPP H-21	47
3.2	4	CPP H-21 and H-23	47
3.3	4	CPP H-21	47
3.4	4	CPP H-23	47
3.5	4	CPP H-21	47
3.6	4	CPP H-21	47
3.7	4	CPP H-19 and H-21	47

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 in coordination with member cities.	•
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.

Actions	Priority of Actions ••• = 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.	••
Indicators	
○ 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	\$ 344,131
Estimated ending fund balance - December 31, 2025	\$ 285,588

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
Office space (in-kind donation)	\$ 12,000
TOTAL REVENUES	\$ 409,694
Spend down balance	\$ 58,543
TOTAL	\$ 468,237

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
Subtotal	\$ 426,761
Administering agency - 10% admin fee**	\$ 41,476
TOTAL	\$ 468,237

*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 – 202~~34~~ Funding Guidelines

INTRODUCTION AND PURPOSE

The Cities of Auburn, Burien, Covington, Des Moines, Federal Way, Kent, Maple Valley, Normandy Park, Renton, [SeaTac](#), and Tukwila, ~~and plus~~ 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 ~~\$64 million~~ in ~~total~~ funding is anticipated to be available for the 202~~34~~ 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 agreements. In 2024, this total is also comprised of limited funding sourced from municipal general funds.

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)	\$4,970,770,000
RCW 82.14.540 (SHB 1406)	\$1,030,000
Unrestricted General Funds	\$300,000
Total	\$4,100,000
Total	\$6,030,000

FUNDING PRIORITIES

SKHHP has established the following priorities for the Housing Capital Fund in 2023~~4~~ [which are listed in alphabetical order:](#)

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~~[childcare](#) 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~~[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 [or 80% AMI pending all funding jurisdictions have adopted any needed amendments to enabling legislation granting this as an allowable use per the passage of SB 6173 \(2024\).](#)

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 [affordable housing through acquisition and/or rehabilitation housing at risk of conversion to market rate housing](#) are a high priority. This includes housing units with expiring affordability requirements, ~~or income-restricted properties, and preservation of~~

residential rental properties that are affordable to households earning up to 60% AMI, but do not have affordability requirements (naturally occurring affordable housing):-

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~~4~~ Housing Capital Fund application round:

<u>July 2023</u>	Application package available
<u>June 2024</u> By August 7, 2023	Application package available Provide intent to apply statement <i>(optional)</i>
<u>No later than August 16, 2024</u>	Intent to apply form and pre-application meeting
<u>Prior to application submittal</u>	Pre-funding application meeting <i>(mandatory)</i>
September 13 ⁵ , 2023 4	Applications due by 5pm
November 15 , 2023 4	SKHHP makes funding recommendations
January – March 2025 4	SKHHP recommendation reviewed by City Councils
<u>April 2025</u>	Award letters sent

~~NOTICE OF INTENT TO APPLY~~ FORM AND PRE-APPLICATION MEETING

~~Applicants are required to schedule a pre-application meeting held no later than August 16, 2024 and to submit an intent to apply form in advance of the required pre-application meeting to identify and discuss potential issues. 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. An intent to apply form and pre-application meeting~~ are 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. The intent to apply form will assist in providing this information in advance of the pre-application meeting.

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~~ May 6 and August 18, 2024. To set up a Pre-Funding Application Meeting, please email Dorsol Plants at dplants@skhnp.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-strengthen 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 the 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

50%	<u>\$1,317</u>	<u>\$1,411</u>	<u>\$1,695</u>	<u>\$1,959</u>	<u>\$2,186</u>	<u>\$2,410</u>
	<u>\$1,198</u>	<u>\$1,284</u>	<u>\$1,541</u>	<u>\$1,781</u>	<u>\$1,987</u>	<u>\$2,192</u>
60%	<u>\$1,581</u>	<u>\$1,694</u>	<u>\$2,034</u>	<u>\$2,351</u>	<u>\$2,623</u>	<u>\$2,892</u>
	<u>\$1,438</u>	<u>\$1,541</u>	<u>\$1,849</u>	<u>\$2,137</u>	<u>\$2,385</u>	<u>\$2,634</u>
70%	<u>\$1,844</u>	<u>\$1,976</u>	<u>\$2,373</u>	<u>\$2,743</u>	<u>\$3,060</u>	<u>\$3,374</u>
80%	<u>\$1,942</u>	<u>\$2,081</u>	<u>\$2,497</u>	<u>\$2,885</u>	<u>\$3,218</u>	<u>\$3,551</u>

*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 \(HB 1590\)](#) 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 homeless², 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, or up to 80% AMI for homeownership projects pending all funding jurisdictions have adopted any needed amendments to enabling legislation granting this as an allowable use per the passage of SB 6173 (2024)

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

² 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

SKHHP funds provided from Unrestricted General Funds may be used for any cost associated with the development or preservation of affordable housing up to 80% AMI.

~~At this time~~Currently, 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~~covenant. 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~~covenant 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 be entitled to 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~~covenant. 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.

OTHER AWARD TERMS

The terms of the award will be detailed in the final contract and funding documents. For common questions SKHHP receives regarding award terms, the following are provided:

Timeframe for Funding Commitment

The funding commitment continues for thirty-six (36) months from the date of final Council approval and shall expire thereafter if all conditions are not satisfied. An extension may be requested to SKHHP staff no later than sixty (60) days prior to the expiration date. At that time, the awardee will provide a status report on progress to date and expected schedule for start of construction and project completion. The SKHHP Executive Board will consider a twelve-month extension only on the basis of documented, meaningful progress in bringing the project to readiness or completion. At a minimum, the project sponsor will demonstrate that all capital funding has been secured or is likely to be secured within a reasonable period.

Compensation and Method of Payment

SKHHP only provides funding on a reimbursement basis and only for activities agreed to in the contract. SKHHP retains 5% of the funding award (“retention”) and shall release the retention only after construction is complete and all other obligations outlined in the contract have been satisfied.

Procurement Requirements

Awardees shall use and document an open and competitive bidding process (consisting of at least three bids) for construction and related consultant services associated with the project, regardless of the source of funds used to pay their costs. Awardees shall pay RCW 39.12 prevailing wages in all projects funded by SKHHP that include construction activities, unless federal funds awarded to the project mandate use of federal prevailing wage rates.

APPLICATION CONTENTS

SKHHP uses the ~~Combined Funders Application forms~~Combined Funders Application, developed jointly with other public funders including the ~~State of~~ Washington State 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~~must 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 no later than 5pm Pacific Standard Time on Friday, September 15~~3~~, 202~~4~~.

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

If you applied for funding in a previous funding round of the SKHHP Housing Capital Fund, were not selected for funding, and were provided feedback on your application, please include a letter in your application describing how any previously identified issues have been resolved.

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 or [Dorsol Plants, SKHHP Program Coordinator](#), at ~~-(253) 804-5089~~ or email dplants@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 at the Advisory and Executive Board meetings in October and November and develop a recommendation to the respective City Councils. SKHHP's initial recommendation will be made by its Advisory Board with the final recommendation provided by the SKHHP 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**, ~~including (i.e., SKHHP Housing Capital Fund award per unit/square feet,~~ total development cost per unit/square feet, reasonableness and feasibility 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 and feasibility of the overall project. 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. Applications should be complete and thoroughly reviewed and vetted prior to submission to ensure accuracy of reported information. 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 sServices: 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 including number of staff providing the supportive services and hours dedicated solely to service provision at the project location.-

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

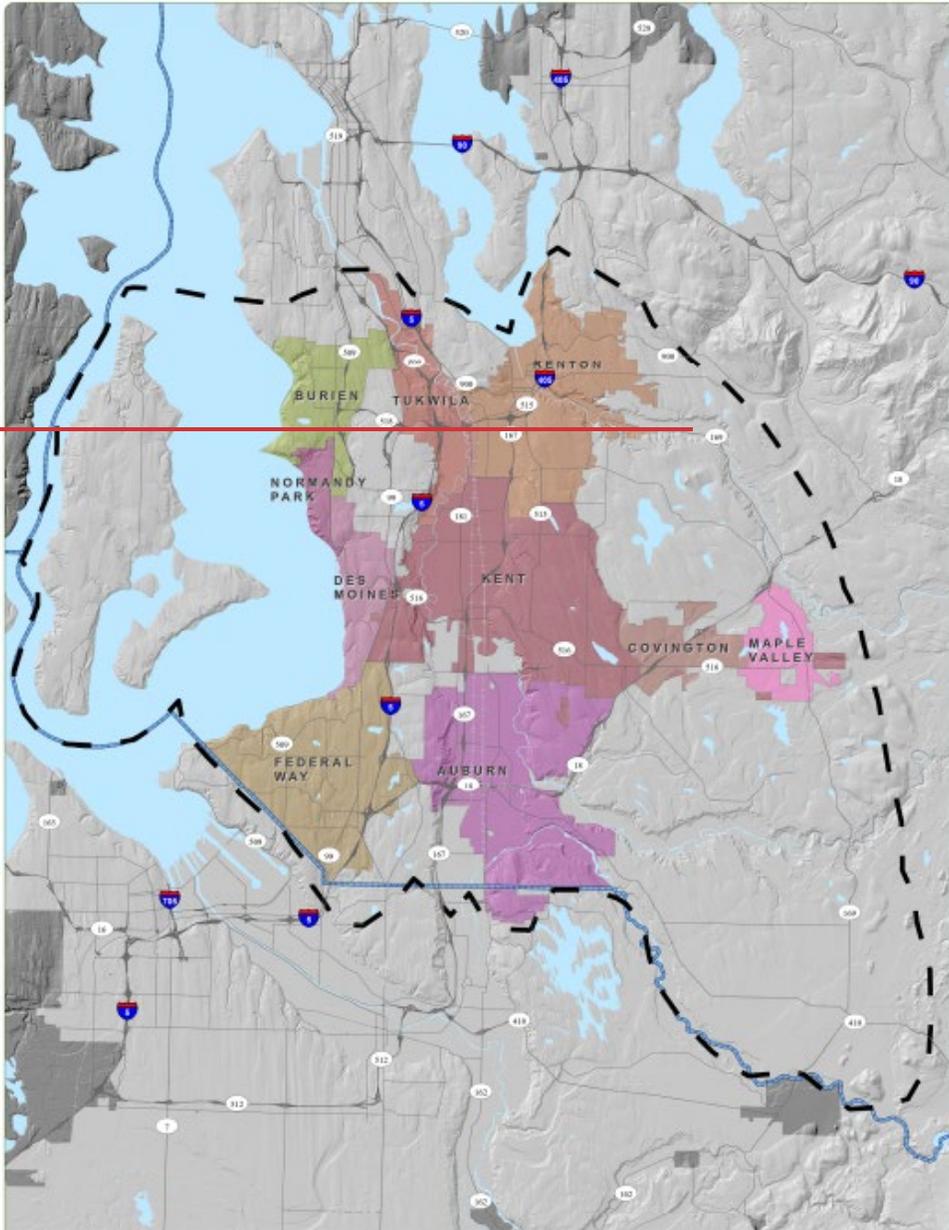
The proposed project will be evaluated based on whether the development will advance SKHHP's goals of equity, including preserving existing communities at risk of displacement (which includes manufactured housing communities); increasing opportunities for extremely low-income households (households with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





SOUTH KING HOUSING AND HOMELESSNESS PARTNERS Housing Capital Fund – 2024 Funding Guidelines

INTRODUCTION AND PURPOSE

The Cities of Auburn, Burien, Covington, Des Moines, Federal Way, Kent, Maple Valley, Normandy Park, Renton, SeaTac, and Tukwila, plus 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 **\$4 million** in funding is anticipated to be available for the 2024 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 agreements. In 2024, this total is also comprised of limited funding sourced from municipal general funds.

Table 1: Available Funding Amount by Source

Revenue Source	Amount
RCW 82.14.530 (HB 1590)	\$2,770,000
RCW 82.14.540 (SHB 1406)	\$1,030,000
Unrestricted General Funds	\$300,000
Total	\$4,100,000

FUNDING PRIORITIES

SKHHP has established the following priorities for the Housing Capital Fund in 2024 which are listed in alphabetical order:

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 childcare 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 or 80% AMI pending all funding jurisdictions have adopted any needed amendments to enabling legislation granting this as an allowable use per the passage of [SB 6173 \(2024\)](#).

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 affordable housing through acquisition and/or rehabilitation are a high priority. This includes housing units with expiring affordability requirements, income-restricted properties, and residential rental properties that are affordable to households earning up to 60% AMI, but do not have affordability requirements (naturally occurring affordable housing).

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 2024 Housing Capital Fund application round:

June 2024	Application package available
No later than August 16, 2024	Intent to apply form and pre-application meeting
September 13, 2024	Applications due by 5pm
November 15, 2024	SKHHP makes funding recommendations
January – March 2025	SKHHP recommendation reviewed by City Councils
April 2025	Award letters sent

INTENT TO APPLY FORM AND PRE-APPLICATION MEETING

Applicants are required to schedule a pre-application meeting held no later than August 16, 2024 and to submit an intent to apply form in advance of the required pre-application meeting to identify and discuss potential issues. An intent to apply form and pre-application meeting are required in order to be eligible to apply to the funding round.

Pre-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. The intent to apply form will assist in providing this information in advance of the pre-application meeting.

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-application meetings will be held between May 6 and August 16, 2024. To set up a pre-application meeting, please email Dorsol Plants at 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 strengthen 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 the Housing Capital Fund.

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.

2024 Income and Rent Limits – King County AMI \$147,400

Table 2: Maximum 2024 Household Income for Multifamily Rental Properties¹

% of AMI	Household Size							
	1-person	2-person	3-person	4-person	5-person	6-person	7-person	8-person
20%	\$21,080	\$24,100	\$27,120	\$30,140	\$32,560	\$34,980	\$37,360	\$39,780
30%	\$31,650	\$36,200	\$40,700	\$45,200	\$48,850	\$52,450	\$56,050	\$59,700
35%	\$36,890	\$42,175	\$47,460	\$52,745	\$56,980	\$61,215	\$65,380	\$69,615
40%	\$42,160	\$48,200	\$54,240	\$60,280	\$65,120	\$69,960	\$74,720	\$79,560
45%	\$47,430	\$54,225	\$61,020	\$67,815	\$73,260	\$78,705	\$84,060	\$89,505
50%	\$52,700	\$60,250	\$67,800	\$75,350	\$81,400	\$87,450	\$93,400	\$99,450
60%	\$63,240	\$72,300	\$81,360	\$90,420	\$97,680	\$104,940	\$112,080	\$119,340
70%	\$73,780	\$84,350	\$94,920	\$105,490	\$113,960	\$122,430	\$130,760	\$139,230
80%	\$77,700	\$88,800	\$99,900	\$110,950	\$119,850	\$128,750	\$137,600	\$146,500

¹ <https://www.huduser.gov/portal/datasets/mtsp.html>; <https://www.huduser.gov/portal/datasets/il/il24/Section8-IncomeLimits-FY24.pdf>; and <https://www.huduser.gov/portal/datasets/il.html>

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%	\$527	\$564	\$678	\$783	\$874	\$964
30%	\$791	\$848	\$1,017	\$1,175	\$1,311	\$1,446
35%	\$922	\$988	\$1,186	\$1,371	\$1,530	\$1,687
40%	\$1,054	\$1,129	\$1,356	\$1,567	\$1,749	\$1,928
45%	\$1,185	\$1,270	\$1,525	\$1,763	\$1,967	\$2,169
50%	\$1,317	\$1,411	\$1,695	\$1,959	\$2,186	\$2,410
60%	\$1,581	\$1,694	\$2,034	\$2,351	\$2,623	\$2,892
70%	\$1,844	\$1,976	\$2,373	\$2,743	\$3,060	\$3,374
80%	\$1,942	\$2,081	\$2,497	\$2,885	\$3,218	\$3,551

*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](#) (HB 1590) must support at least one of the following population groups whose income is at or below 60% AMI:

- Persons with behavioral health disabilities
- Veterans
- Seniors
- Persons who are homeless or at-risk of being homeless², 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% AMI, or up to 80% AMI for homeownership projects pending all funding jurisdictions have adopted any needed amendments to enabling legislation granting this as an allowable use per the passage of SB 6173 (2024)

² 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

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

SKHHP funds provided from Unrestricted General Funds may be used for any cost associated with the development or preservation of affordable housing up to 80% AMI.

Currently, 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

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Projects that are selected for funding must 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 no later than 5pm Pacific Standard Time on Friday, September 13, 2024.

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

If you applied for funding in a previous funding round of the SKHHP Housing Capital Fund, were not selected for funding, and were provided feedback on your application, please include a letter in your application describing how any previously identified issues have been resolved.

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 or Dorsol Plants, SKHHP Program Coordinator, at (253) 804-5089 or email dplants@skhhp.org.

REVIEW PROCESS

Proposals will be reviewed using the following process:

Step 1. An initial screening will be conducted by SKHHP staff to determine the completeness of each application. Staff reserves the right to deny applications that are incomplete.

Step 2. SKHHP will evaluate the applications at the Advisory and Executive Board meetings in October and November and develop a recommendation to the respective City Councils. SKHHP's initial

recommendation will be made by its Advisory Board with the final recommendation provided by the SKHHP 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.

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% AMI and Black, Indigenous, and People of Color (BIPOC) communities.
- **Feasibility, timeliness, and cost effectiveness**, including total development cost per unit/square feet, reasonableness and feasibility 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 and feasibility of the overall project. 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. Applications should be complete and thoroughly reviewed and vetted prior to submission to ensure accuracy of reported information. Applicants should demonstrate full site control. 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 including number of staff providing the supportive services and hours dedicated solely to service provision at the project location.

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% 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

