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## **I. CALL TO ORDER**

Dorsol Plants called the meeting to order at 3:37 PM.

## **ROLL CALL/ESTABLISHMENT OF QUORUM**

Advisory Board members present: Tina Narron, Rumi Takahashi, Kathleen Hosfeld, Kent Hay, Ashley Kenny, Menka Soni, Maria Arns, Hamdi Abdulle, Cathy Sisk, Patience Malaba, Cobie Sparks-Howard.

Other attendees: Jeff Tate, SKHHP; Dorsol Plants, SKHHP; Matt Hoffman, Black Home Initiative; Peter Orser, Black Home Initiative; Lissette Gutierrez, Molina Healthcare.

## **II. MAY 2, 2024 MEETING MINUTES**

Kathleen Hosfeld motioned to approve the May 2, 2024 minutes, seconded by Menka Soni. (10-0)

## **III. EXECUTIVE BOARD LIAISON REPORT**

Kent Hay reported that Mercy Housing NW presented their upcoming construction projects to the Executive Board, including a partnership with Mary's Place in Burien. The Burien project is a progressive continuum of housing and services that provides a sustainable, permanent, affordable housing site co-located with an emergency shelter serving homeless families. Construction will begin on the site in 2025 and be completed in mid-2026. Mercy Housing NW also has a building in Kent, which is a partnership with Open Doors for Multicultural Families, and 20% of the units will be set aside for households with Intellectual and Developmental Disability (IDD). It will be a community-serving space with commercial space for a retail store serving IDD households. The site will also include a public plaza and recreation space to help activate the transit station. The building will have 240 affordable housing units for households at 30-60% AMI, a community center, and an early learning center. The construction will begin in 3<sup>rd</sup> quarter of 2025 and be completed in the 3<sup>rd</sup> quarter of 2027. Mercy Housing NW also mentioned other properties, which include Angle Lake Family Housing in SeaTac, Othello Plaza, and Cedar Crossing, which opened last year.

## **IV. 2025 WORK PLAN OVERVIEW: GOAL 2**

Dorsol Plants reminded the Advisory Board that the 2025 Work Plan and Budget was adopted on April 19, 2024. Last month, the board reviewed Goal 1, and tonight, it will look at Goal 2, which is to "Develop policies to expand and preserve affordable housing."

After the House Capital Fund, one of SKHHP's primary roles is supporting policies in South King County that encourage affordable housing development and preservation. An example would be the preservation strategies document prepared by SoKiHo, which can be described as a cookbook that the cities can pick and choose what works best for their individual kitchens. When multiple cities select the same policy, SKHHP will offer to support implementation with information and collaboration between the partners.

Action Item 7 refers to the Affordable Housing Inventory Dashboard, which was developed by Berk Consulting and can show income-restricted properties in South King County. Another dashboard feature is an attempt to predict and find Naturally Occurring Affordable Housing (NOAH) properties in South King County. The SKHHP Program Coordinator is actively working to update the dashboard with the most recent information, so the system remains useful. We were able to extend the life of the dashboard thanks to the City of SeaTac joining our work earlier this year.

Action Item 8 is accomplished in several ways, but the most significant is a meeting held every other month, which brings planners and developers together to discuss concerns or issues related to affordable housing. The SKHHP website features some of this work through summary write-ups of each meeting. Like Action Item 8, SKHHP accomplishes Action Item 9 in several ways, but the SoKiHo group, a monthly meeting of SKC planners, is our primary method of bringing planners together.

The last action item relates to providing educational briefings for the Executive Board. This works very similarly to the Advisory Board, with the Executive Manager often bringing in speakers to discuss issues related to housing and land use policy that impact SKHHP's mission or the work of our partners.

It's important to have indicators that can tell us what we accomplished for all that time and energy. Much like with Goal 1, many of the indicators for Goal 2 make sense when we think about the action items. For example, with the preservation strategies, SKHHP would want to know how many were facilitated or supported. Finding policies that work across all our cities is a unique challenge, and we want to know when we find those key areas where we can align.

The contract to update the Affordable Housing Dashboard is in place, and the update should begin at the end of this month. The Program Coordinator is ironing out a few details, but the work should be finished by the January 2025 deadline.

SKHHP tracks the number of relationships we build with developers. We need to know what's going on in the development world, and just like we've learned in many areas, people with living experiences often provide the best insight. SKHHP has been working hard to develop those relationships, and we have a few developers here on our Advisory Board. We will also hear from the Black Home Initiative shortly. This is an area where the Advisory Board can help. If you know a developer, please introduce them to SKHHP staff. We want to hear from the people who want to build in South King County.

Finally, SKHHP staff track the number of Executive Board briefings. This number should always be at least 10 or 11 unless something unexpected occurs. Like the Advisory Board, the Executive Board will focus more on the Housing Capital Fund toward the end of the year, but until then, they will hear from several experts, including the Advisory Board, in July. This is another way the Advisory Board supports the work plan by providing expert presentations to our Executive Board.

## **V. 2024 Work Plan Action Item: Executive Board Presentation – Update**

Dorsol Plants informed the Advisory Board that the first of three scheduled small group meetings was held to plan for the presentation to the Executive Board in July. The meeting went well; time was spent learning everyone's perspectives and interests. One common theme was a

strong desire to focus on practical solutions to the homelessness crisis. Our region has spent much time discussing the problem, and there is a need to focus on solutions. There seems to be more alignment on the solutions to homelessness than we might think.

There is an ideal image of someone who can work out of homelessness. In this ideal, the process is a short, one-time incident of homelessness that a person works to overcome. This work may, but not always, involve the support of a service provider. So, where does SKHHP fall in this process, and where does the second H in SKHHP's name come into play?

Dorsol Plants described SKHHP's role as the most important, ensuring a diverse and affordable housing stock for all our neighbors. In just two years, SKHHP has committed financial support to producing or preserving around 550 units. That is 550 neighbors who have a chance to have a roof over their heads because of SKHHP's efforts. 550 is a large number; each year, that unit count goes up with our capital fund dollars. The better the Advisory Board becomes at selecting and funding projects, the easier it will be for our neighbors to transition out of homelessness. With outstanding teams in our cities and our non-profits doing the direct work, they need us to ensure that the housing gets built.

Unfortunately, we have seen with a reduction in financial support that, the steps out of homelessness can become a cycle. When one of our neighbors is housed, something can happen, like a medical bill, losing their job, or the affordability covenant over their apartment ending. These 'Income Shocks' can quickly erode or destroy the stability that a household had just worked so hard to build. 'Income Shock' can hit anyone anytime; even the best prepared can sometimes falter. For SKHHP's role of providing housing to end homelessness to be effective, we must ensure that work is being done to break this cycle.

During the first planning meeting, there was clear alignment around the need to find the next partnership or collaboration to turn the spicket off and break the cycle of homelessness. SKHHP cannot remove 'income shock' from the world, but much like our direct service partners are looking at us to build housing, we need to look for the people and the resources doing the work to ensure the housing we build has the support necessary to go from a house to a stable home.

The meeting proposed a couple of potential solutions to breaking the cycle. While none of these solutions remove 'income shock,' they do create support that can prevent our neighbors from returning to homelessness.

Rental and other prevention programs are a clear example of this. Hit with a medical bill, which means you can't cover your rent this month, by connecting someone to a program like Mary's Place, that family could avoid a return to homelessness. Research shows that rental assistance and other prevention models are often more cost-effective and less traumatic than returning to emergency shelter services.

Sometimes, our neighbors need services or support that stay with them longer or even for their lifetimes. Payee Services and other case management support, which stay with our neighbors once they are housed, are essential to stabilization for many. One of the ways Dorsol Plants can recognize his privilege is how he had parents and the US Army, which taught him the skills to live independently, and he has been blessed with health, which allowed him to live that. Some of our neighbors had different privileges and opportunities than he did, and providing them with stability services can make a significant difference. Several organizations offer these services, and it's a method that the City of Auburn's Anti-Homelessness department has utilized

successfully. More payees are currently needed to meet the demand. Some of our funding structures also make this work difficult when a household can need two to three years of support, and often, the demand is so great providers can struggle to stay with someone that long.

Lastly, affordable homeownership is another form of stabilization and is a real possibility for many of our neighbors when they are supported to purchase their homes. While homeownership is not a foolproof defense against income shock, it creates a buffer that grows over time. Research shows that the longer you're in your home, the greater your protection from income shock. We'll hear momentarily from some of the leaders in our region on affordable homeownership at the Black Home Initiative. I also want to call out Homestead Community Land Trust, which sits on our Advisory Board and has done extensive work to increase affordable homeownership in South King County. Affordable Homeownership is something the Executive Board, our audience on July 19, is interested in as it provides stability beyond an individual family to the whole community.

Much like the direct service providers need SKHHP to get the housing built, we need to know and support our teammates who are breaking the cycle of homelessness. This focus on the practical solution to housing instability is a beautiful direction and aligns with the expertise you all provide.

The next planning meeting is Monday, June 10, at 2 PM. Dorsol Plants reminded the Advisory Board members attending the meeting to let him know ahead of time so he can account for quorum concerns.

## **VI. Black Home Initiative: Land Distribution Strategy**

Matt Hoffman introduced the Black Home Initiative (BHI), which is focused on the homeownership component of the affordable housing crisis in our region. Homeownership rates have been flat for white households since the sixties, but since the Fair Housing Act, there has been a decline in black homeownership. There have been recent efforts to close this gap, including an increase in funding at the state level. Because of redlining and other harmful policies implemented before 1968, there has been disproportionate harm on homeownership opportunities for BIPOC households. This has been demonstrated through data and research, which Matt Hoffman displayed on his slides.

BHI was started in 2021 when Civic Commons received funding from Chase Bank to really begin their efforts. BHI has established a loose network of volunteers primarily split between those who secure land and construct homes and those who connect potential buyers with home opportunities. The Covenant Homeownership Act was passed to provide funding for first-time black homeowners, and there is hope the program will launch in July. There is a pending opportunity for buyers, and there is now a mad dash to find and build homes for them to purchase.

Funding is a huge part of moving forward, and Matt Hoffman is personally invested in the concept of a land bank to support BHI's work. BHI also intends to build up black homeownership and increase capacity in the construction trade for black lead businesses. BHI's primary goal is to increase homeownership, which can increase stability and allow for generational wealth accumulation. Specifically, BHI is trying to create 1500 new black homeowners by the end of 2027. To make that happen, 3,000 new units will need to be built, assuming there is a

successful rollout of the Covenant Homeownership Act. The challenge is to provide homes at price points in the 50-120% AMI range, which shows a limited number of homes sold to low-income households. Regional partners such as Homestead Community Land Trust and Habitat for Humanity are building at those price points, but there is a real need to ramp up what is available.

Several strategies can be implemented to meet those goals. Matt Hoffman and Peter Orser are focused on increasing buildable land, and there are a few ways that SKHHP could provide support for those goals. Surplus Land is an example of a policy that could unlock land for affordable housing. Another is understanding the zoning changes and increased density that are taking place in our region. Matt Hoffman is working to create some form of mechanism or land bank that can secure land from private sellers and hold it for BHI housing. BHI is also developing a tool to help identify land called Tolemi and a group is developing it out of Boston.

There are a few thresholds when identifying land for the BHI effort. This includes being in South Seattle, South King County, or North Pierce County. The home needs to be affordable to black households earning between 50-120% AMI. Homes can range from single-family to multi-unit buildings but must be durable and healthy. Finally, the mortgages must be issued with affordable terms and not exceed industry standards for front-to-back-end debt-to-income ratios.

The goal of the pipeline to create or place homes is to split them a third between the geographic areas. Additionally, there are developer-type goals, such as trying to produce 500 homes through partnerships with the faith-based community. Targets for homes built are also split by income, with homes being easier to build for 50-80% AMI, but BHI has struggled to find support to produce homes for 80-120% AMI. Funding is only available for housing that serves households at 80% AMI and below. BHI has created a web-based tracking tool that displays project-level information and enables them to track trends and identify potential barriers.

There are about 1400 units in the current pipeline, with 635 units to be delivered by 2027. To meet the target of 1500 new black homeowners by 2027, about 3,000 homes need to be in the pipeline. South Seattle has about 800 of the total 1400-unit count, but the goal is for it to only be a third. Additionally, 84% of the units in the pipeline will only serve households below 80% AMI.

From 2022 to 2024, the majority of home sales in South King County were over \$650,000. Before the pandemic, it was customary to see an equal distribution of home sales across income bands. In that current market, a family of four making 80% AMI would need \$208,116 to make a down payment on a home. Black households will likely need some form of financial assistance to make a down payment on a house.

U-Lex, a transit-oriented development (TOD) located in Othello Square in Seattle, is a limited equity co-op. Construction should begin soon, and funding is in place. This will be an opportunity for TOD in the 80-120% AMI range. The project was years in the making and is hopefully a model for future projects.

Code reform is another element that will be essential for BHI to meet its goals. A consultant, Makers, worked with BHI to create an informational pamphlet on code reform. The graphic in the document shows an iceberg, with the tip of the iceberg being the zoning code. Under the surface and equally important are things like fees, building codes, and other elements to keep home prices affordable.

BHI's land campaign is focused on creating a land clearinghouse or hub. This would coordinate prospective land sellers with builders who are interested in building affordable housing. HomeSight is also offering a program called "Field Over 15," which will provide \$35,000 in funding for grant underwriting once the builder meets certain thresholds. The clearinghouse would track progress, provide connections, and support messaging about the work being completed.

BHI's land campaign held a workshop on May 8 to develop its outreach playbook for land acquisition. This workshop was in addition to two other events held in May to find creative ways to deliver housing more cost-effectively. At the May 8 workshop, there was a focus on messaging, tools, and the role of the land clearinghouse. The primary outcomes were identifying a need for acquisition support for BIPOC developers, a revolving loan fund for land acquisition, and a land banking entity.

Matt Hoffman put two questions forward for the Advisory Board to provide feedback and input to BHI. What ideas do you have for helping SKHHP's Executive Board, staff, and member jurisdictions find and secure land for ownership products? What can BHI do, working with SKHHP, to get new homeownership products on the ground?

Rumi Takahashi suggested conversing with the Executive Board about surplus land and donating it to BHI for the effort. Matt Hoffman responded that it would be helpful to have those conversations.

Menka Soni asked how the developer tool would be available to the communities that needed it. Matt Hoffman responded that the tool would be password-protected but open to all BHI network members.

Patience Malaba said HB 1823 enabled the cities to provide surplus land for affordable housing, and she suggested providing the SKHHP Executive Board with a draft land surplus policy.

Hamdi Abdulle said that the presentation was excellent and motivating but that the Executive and Advisory Board would need to meet to learn more.

Patience Malaba asked if the clearinghouse would consider the capacity-building part necessary so the organizations would be ready to receive the land. Matt Hoffman responded that there would be capacity to hold the land while the builder community catches up.

Kathleen Hosfeld added that BHI has rightly identified the need to support small and start-up developers of color, and those organizations will need support to build the capacity to hold land. She added that an additional solution to the supply issue is for established organizations that don't need capacity-building support but need access to the land directly. A straightforward Request for Proposals (RFP) process by the city instead of allowing a third-party intermediary would be one possible option. Homestead has had successful acquisition processes directly with the city that didn't need a third party. Matt Hoffman added that a land bank or clearinghouse that can provide a clear understanding of the land available for 50-120% AMI can ensure that it goes to a builder ready to build. The goal would not be for developers to create a development pipeline.

Kathleen Hosfeld said there may be a need to establish a regional land bank, but the BHI land campaign is not one currently. The database is an available tool that can show what is out there and who controls it. Kathleen Hosfeld is not certain our region is at a place that needs a land

bank, but an organization that can help cities run competitive RFP processes for surplus land. Matt Hoffman confirmed that an actual land bank is not allowed for housing under the current Washington state code.

Patience Malaba added that capacity building was essential to the BHI strategy. The Housing Development Consortium has heard from existing developers that they cannot develop on all the available buildable land and will need support from new developers. Matt Hoffman said that even if BHI could hold the land for three or six months, it would help developers with the holding costs. Peter Orser mentioned a financing mechanism on the other side of pre-development; non-profits that make it through the feasibility would need to figure out the construction financing, which adds another risk of delay.

Peter Orser asked if there was a local control problem that wouldn't be in the city's control and if cities would be willing to give up control of what happens on that property.

Dorsol Plants provided context that for a subregional group like SKHHP, the needs of each city would be different. He suggested that a conversation about surplus land may be more beneficial at the individual city level rather than attempting to have SKHHP direct a policy change. This would provide BHI with a better understanding of how each city is handling its surplus land.

Peter Orser responded that the conversation could happen at the regional and city level, but the advantage BHI has is that it's about homeownership, which is supported by many Elected Officials in South King County.

Dorsol Plants responded that it was an exciting conversation, but it would not be something that could be brought before the Executive Board this year. He added that SKHHP worked on land surplus policies at the beginning of 2024 and found that most SKHHP cities do not have surplus land. There is surplus land in South King County connected with the school districts, and there has been some conversation about how to use that land to support affordable housing. Designating school land as surplus can be challenging because school populations fluctuate. Matt Hoffman responded that school and fire districts are potential sources of land.

Rumi Takahashi asked if it would be possible to talk about the BHI's strategy as part of the Advisory Board's presentation in July on solutions to homelessness since one of the solutions is affordable homeownership. This would at least plant a seed that could lead to further conversations that affordable homeownership starts with land acquisition. Patience Malaba agreed.

Dorsol Plants reminded the Advisory Board that they set the presentation's content, and it would be up to the Advisory Board.

Kathleen Hosfeld said it would be essential to establish the importance of homeownership and not suggest that surplus land is a silver bullet that will make homeownership possible in South King County. Surplus Land policies are one solution out of many for affordable housing.

Dorsol Plants said the July presentation was intended to deepen the relationship with the Executive Board and that it wouldn't be the only opportunity for the Advisory Board to share their knowledge with the Executive Board.

Patience Malaba added that it was important to focus on affordable homeownership because it has political support.

Dorsol Plants provided a list of existing surplus land policies in South King County and reiterated that there wasn't a lack of willingness to give up surplus land. The deeper question is who gets the land since cities must provide housing for lower AMIs than can be served by homeownership opportunities and meet their employment targets. He added that SKHHP's research did not find a significant amount of land owned by partner cities, and one of the cities with a surplus land policy has never used it due to a lack of land surplus.

Dorsol Plants asked if the focus of the BHI land campaign was only in high-demand areas or if some of the efforts could be aimed at smaller jurisdictions eager to have developers build. While those areas do not have a lot of transit or other services, concentrating development in low-cost areas would result in the growth of transportation and other support. Matt Hoffman said that the core team's direction was transit first, but BHI would not turn down a housing opportunity.

### **VIII. UPDATES & ANNOUNCEMENTS**

Dorsol Plants informed the Advisory Board about the City of Covington's Comprehensive Plan Open House on June 12 at 5:30 PM.

Dorsol Plants shared the Sound Transit—Federal Way Downtown Station Transit Oriented Development survey, which is open until June 17, 2024.

Rumi Takahashi asked if the July 19 Executive Board meeting was in-person or virtual. Dorsol Plants responded that the meeting would be virtual.

### **IX. CLOSING/ADJOURN**

The meeting was adjourned at 5:13 PM.

*Dorsol Plants*

Program Coordinator-SKHHP