



**SKHHP Advisory Board
September 5, 2024, 3:30 – 5:30 PM
Zoom Meeting**

Zoom Link: <https://us06web.zoom.us/j/89734407973?pwd=cnIISFU4dXFJaFN5TGlwTWIxZHINZz09>

Meeting ID: 897 3440 7973

Password: 981696

Phone: 253-215-8782

| <u>Time</u> | <u>Agenda</u> |
|-------------|--|
| 3:30 | Welcome / Introductions / Opening |
| 3:40 | August 1, 2024 Meeting Minutes |
| 3:45 | Executive Board Liaison Update |
| 3:50 | King County Housing Finance Program |
| 4:20 | SKHHP Housing Capital Fund Application Evaluation Training |
| 4:50 | 2025 Work Plan Overview: Goal 4 |
| 5:00 | SKHHP Executive Board September Affordable Housing Tour |
| 5:10 | Updates / Announcements |
| 5:15 | Closing |



I. CALL TO ORDER

Dorsol Plants called the meeting to order at 3:34 PM.

ROLL CALL/ESTABLISHMENT OF QUORUM

Advisory Board members present: Rumi Takahashi, Kathleen Hosfeld, Kent Hay, Menka Soni, Maria Arns, Zaji Collins, Patience Malaba, Cobie Sparks-Howard, Grace Wood, Uche Okezie, Olga Lindbom.

Other attendees: Jeff Tate, SKHHP; Dorsol Plants, SKHHP; Robin Wall, KCHA; Sean Harrington, WA State Department of Commerce; Jennifer Lane, WA State Department of Commerce.

Kathleen Hosfeld motioned to modify the agenda so that the Developer Decision Matrix presentation occurred before the 2025 Work Plan Goal 3 presentation, seconded by Menka Soni (11-0)

II. JUNE 6, 2024 MEETING MINUTES

Uche Okezie motioned to approve the June 6, 2024 minutes, seconded by Kent Hay. (11-0)

III. EXECUTIVE BOARD PRESENTATION UPDATE

Dorsol Plants expressed gratitude and congratulations for the astounding work the Advisory Board did presenting practical solutions to the homelessness crisis. He felt that it had a profound impact and hoped there would be future opportunities to present. After the presentation, the Executive Board took action to form an ad hoc committee to focus on SKHHP's role on the topic of homelessness.

Rumi Takahashi felt the presentation was effective and well-organized. She hopes the Executive Board learned something from it. The presentation highlighted the importance of supportive services.

Menka Soni said that the presentation helped the Advisory Board come together and learn more from each other. She wants to look out for more of these opportunities in the future.

IV. DEPARTMENT OF COMMERCE: HOUSING TRUST FUND EVALUATION AND REVIEW PROCESS

Jennifer Lane explained that in the 2024 funding round, Commerce had \$23,023,664 available from their traditional funding source. There is \$18,430,000 available for projects serving households with Intellectual and Developmental Disabilities (IDD). For new construction or acquisition of permanent housing through Apple Health and Home (AHAH), there is \$40,394,818. AHAH projects are required to serve households eligible for the Community Service Benefit. Commerce has about \$82 million to award in this funding round. On the Federal side, Commerce has about \$9.8 million available, including the HOME - Rental Development, HOME – CHDO reserve, and the National Housing Trust Fund (NHTF).

Commerce has a funding limit per project, which is \$3 million per project using federal funds and \$5 million per project using state funds. HOME and NHTF funds will never be awarded to the same project. Layering subsidies can also reduce the maximum amount of funding a project can be awarded. The separate state funding sources can be combined for \$5 million, and projects can apply for a waiver to exceed the maximum per project award. Evidence supporting the waiver includes local support, such as the project being awarded SKHHP funding.

Commerce released its notification of funding on June 20, 2024, and will provide technical assistance and accept funding waivers until September 5, 2024. Applications are due and must be received by Commerce no later than noon on September 18, 2024. A list of the applications received will be published on October 2, 2024. Final funding decisions and awards will be made on approximately December 18, 2024. Commerce hopes to have the contracts executed one year after the funding decision and award are made.

Each application received is assigned to two internal staff to evaluate calculated and subjective elements. Applicants are ranked by score, and Commerce coordinates with other public funders to determine which projects are ready to move forward. Awards are approved and provided after that point. The application review will take place from September through November, and Commerce will consult with public funders in October. One goal is to ensure funds are distributed geographically, focusing on providing 30% of funding to rural areas.

When coordinating with other public funders, Commerce looks for several things, including consistency across documents, the presence of local support, and whether the project has full funding. Commerce requires a project to have funding commitments or awards by December 2024. Commerce, King County, and SKHHP are likely to meet when consulting for projects in our region to ensure we align project priorities and funding sources.

Menka Soni asked what the timeline for awards was for Commerce. Jennifer Lane responded that the awards will be made in December and that they will begin coordinating with SKHHP in October.

Rumi Takahashi asked if the scoring was accessible before applications were made so applicants know what metrics they need to hit to be successful. Jennifer Lane responded that Commerce does provide transparency on how priorities are scored, and details are included in the Notice of Funding Availability. Sean Harrington added that the score is more relativistic than a determinant, so Commerce can evaluate projects in similar markets with each other, which prevents an applicant from being less successful when the project is more expensive due to being in a higher-cost area.

Kathleen Hosfeld asked if the scoring closely tracks what is in the RCW. Jennifer Lane confirmed that it does, and changes to the metrics are made by legislative action. Sean Harrington added that Commerce does try to keep the metrics consistent every year, but it is possible for projects to score slightly differently in funding rounds based on the other types of projects that have applied in that specific year.

Dorsol Plants asked if Commerce uses cost per unit when evaluating projects or if they used other metrics such as cost per square foot or household. Sean Harrington responded that cost per unit is one of the elements most pressed upon them by the legislature, as the goal is to create the largest number of doors. Some federal funds use cost per square foot when subsidy layering as part of their rubric. The structure Commerce uses isn't set in stone, and any changes

not related to ones made by the legislature are vetted through the Policy Advisory Team, which provides Commerce advice on big decisions. The current scoring structure was developed in collaboration with a subcommittee of the Policy Advisory Team.

Dorsol Plants asked what was the best way to understand the likelihood a project would or wouldn't receive state funding. Jennifer Lane said it would be the collaboration meetings, and Commerce would likely have a good understanding of who is in the running by the November Advisory Board meeting. Sean Harrington added that by the time developers apply to Commerce, the hope is that the project has already received local funding. Ideally, SKHHP would first provide funding, signaling to the state that the project has local support. King County is a highly competitive region for funding, and coordination between the public funders is critical for everyone to be effective. Commerce is always trying to figure out how to move as many projects forward as possible.

V. DEVELOPER DECISION MATRIX: HOW DO DEVELOPERS DECIDE

Rumi Takahashi talked about how the development process is interconnected regarding how the project comes together. It's impossible to push just one thing around without moving several other things. From the previous presentation, nonprofit organizations in King County are forced to constantly compete against each other. Does a competitive process make sense during a housing crisis, and what are ways to provide funding more effectively?

Uche Okezie and Kathleen Hosfeld are developers who assisted Rumi Takahashi in putting together the presentation. A developer would look at several things to determine if a project is feasible and should move forward. A handout was provided in the agenda packet that reviews the various decisions a developer makes when considering whether to begin a project. The presentation focuses on steps one to three of the decision matrix, which determines the project's initial go or no-go.

Kathleen Hosfeld stated that capacity and developer readiness largely drive affordable housing development. Part of it is what the opportunity is, the timing of the opportunity, and how it aligns with projects already in development. Funding certainty is another determinant; it only matters if you have an opportunity if there is funding to move forward. Project Profitability is crucial because it determines if the developer can pay their expenses. Developers must also consider the stakeholders' goals and priorities and how they align with them. The City of Seattle, as an example, is prioritizing the conversion of existing rental housing into homeownership opportunities; the developer needs to determine if they have the capacity, skills, and desire to do that type of housing. Project location and whether there will be community or elected support for a project is something else a developer needs to consider. Cities need to ensure that they have a staff person designated to respond to public funders like the State Housing Trust Fund to communicate local support exists for a project.

Rumi Takahashi continued that once a developer has determined they want to move forward with a project, they connect with an architect like her. A conversation begins to confirm the site and what information is available. The architect then begins to look at the physical aspects of the project, including surveys, confirming zoning and density requirements, the environmental status of the site, and other readiness placeholder information.

Finding a site can come from different areas, such as a real estate agent or a community member communicating an available location. Sometimes, a site can be provided through

surplus land policies. Determining if a site has existing infrastructure, such as roadways, water/sewer lines, and transportation, is important. The cost of the site also needs to be considered, including if there are items that will increase costs further in development, such as an environmental clean-up. Due diligence is necessary to ensure the land use code allows for the expected usage and that the property has a clean title.

To understand a site, you need a few key documents, like a survey that includes topography. A geotechnical report is also great, and if you don't get one at the beginning of the project, you will have to get one further in the development process. A site will also need a Phase 1 and 2 environmental report, often required for public funding. The reports cost time and money, so a developer must determine at some point whether to risk funding to move forward with the reports. Some reports, such as an Arborist report and a noise and traffic study, are nice to have. The architect will help review the zoning and land codes to ensure a project is allowed on the site. An example of a requirement is providing a commercial space on the first floor, which only some nonprofits have experience with and may need assistance.

Impact Fees are associated with new development, and there may be potential responsibilities related to bringing utilities to the site or transportation access. The amount of utilities that can be brought to the site also determines things like the number of units available. By gathering this information and combining it with the rest of the data, you can get a rough estimate of the project's cost and use that to determine the project's feasibility.

Section 3 is about the building program, which refers to what will go on at the physical site. Uche Okezie reviewed the project pro forma, where all the estimated costs outline the funds needed for the project. A per-unit cost basis to compare to is helpful when determining if a project is feasible and is likely to determine if a project can move forward and is less likely to impact what funding you seek. You can plug in the costs once you have a pro forma that meets your project's requirements. The developer can then determine the type of ownership structure for the project, such as a community land trust or a deed-restricted condominium.

After this step, you begin to determine what funding is available to meet your cost needs and the timeline for each funding source. This funding stack can include public and private sources, like a construction loan. An investor likes to look at the loan-to-value ratio and prefers an 80% to 20% loan-to-value. Each project is different, and what credit or funding is available can vary.

Rumi Takahashi briefly reviewed the building program, which determines the number of units and the number of bedrooms available. Information about the target demographics of the building and what supportive services are available will also be considered during this stage of the process. The building program is the written version of the building design and helps the architect understand what the building will contain and how big the box will need to be. This can include technical information such as mechanical/electrical/plumbing spaces or how many parking spaces will be required for the building.

Olga Lindbom asked how long, on average, the timespan from beginning to end of the development process if there is one. Rumi Takahashi said there really isn't an average. A lot of the timing is dependent on the funding available. A project puts the pro forma pieces together and applies, but if it doesn't receive funding, it may be slightly reconfigured and will apply until it receives funding. If a developer were to receive funding in their first year of applying, a project could be completed in three to five years. Rumi Takahashi is currently working on a project since 2016. Uche Okezie agreed, has been working on the project for seven years, and hopes

to begin construction this year. Rumi Takahashi added that a preservation project can be completed sooner since more is known about the project at the start of development.

Rumi Takahashi added that the competitive nature of funding can be challenging after doing all this work to design a project and being told that while the project meets all the goals and priorities, a different project is cheaper and would be awarded instead. Sometimes, the goalposts are moving while designing a project. The subjective element of scoring can be challenging to design around. Not all units are the same. A project with supportive services will cost more per unit but provide a different and essential form of housing.

Dorsol Plants asked how a developer can stick with a project over so many years and know when to press forward over a project that won't happen. Uche Okezie responded that she keeps in mind the people her project will serve to keep going, and when a project can't move forward, the funders begin to pull themselves out of projects. Rumi Takahashi added that there is a point of no return for the developer once you've spent a certain amount of time and funding. Uche Okezie agreed there is a point where it would cost more to walk away from a project over waiting for other funding opportunities. People will always need housing, so have patience; sometimes, you must wait.

Olga Lindbom asked if the funding process was transparent enough or if there was room for improvement. Rumi Takahashi said that as the architect, the process can be opaque for her as she tends to be the second person to hear about funding decisions. Reflecting on the presentation from Commerce, Rumi Takahashi said it would be challenging to understand what your project is being compared against without knowing all the projects that intend to apply in that funding cycle. She feels there is some transparency, but if a project is being scored against a cohort of other applicants, the transparency is only as good as how many other applicants you know. If a project is being evaluated solely on its own merits, that would be a more transparent system, but it might not reflect our funding scarcity.

VI. 2025 WORK PLAN OVERVIEW: GOAL 3

Dorsol Plants updated the Advisory Board that all SKHHP's city members had adopted the 2025 Work Plan and Budget and SKHHP is awaiting adoption by King County. Once King County adopts the work plan, the process will be finished.

Goal 3 of the 2025 Work Plan is the one the Advisory Board is most familiar with and speaks to the work done to present information to the Executive Board. South King County is a unique and diverse place undergoing many transitions as some areas move from suburban to urban and some from rural to suburban. South King County neighbors and communities need a voice at the table now more than ever, and the Advisory Board is that voice. That is what Action Item 11 is at its core: trying to take the Advisory Board's expertise and utilize it in the community and with our elected officials. Last month's presentation successfully provided some real, solid solutions to homelessness.

Action Item 12 refers to SKHHP staff working to coordinate with other public funders. Dorsol Plants intends to invite all the public funders in our region to the Advisory Board over the next year so we can learn their processes and how to support each other.

Action Item 13 includes work by SKHHP staff to attend meetings by King County, Commerce, HDC, and many more. It's important that SKHHP attend those meetings because South King

County rarely comes up. Seattle and Bellevue have a lot of funding, which means a lot of the focus in meetings is on them. SKHHP attending meetings can help remind those organizations that South King County is its own unique space that needs true focus.

Action Item 14 is a focus area that Claire Goodwin spent a lot of time working on and meeting with legislators during the last session. The goal is very similar to Action Item 13, reminding legislators that South King County is here and is its own unique space.

Action Item 15 is a new element that Dorsol Plants hopes will grow. By attending regional and state-level meetings, SKHHP staff became aware of several ways organizations communicate purchase opportunities to preserve or create affordable housing. SKHHP staff are still developing the process, but Dorsol Plants has shared several notices with organizations about manufactured home parks at risk of being lost or property owners hoping to sell to nonprofits to preserve affordability. The Advisory Board was encouraged to share any housing properties listed for sale in their community.

Dorsol Plants reviewed the indicators for Goal 3, which include metrics such as the number of engagement opportunities or meetings in which SKHHP served as an advocate for South King County. Advocacy requires a presence, and the Advisory Board members have shown up to support their neighbors time after time.

The Advisory Board presentation to the Executive Board was successful and will hopefully become the starting point of continued conversations. Dorsol Plants concluded with two questions to the Advisory Board for feedback. The first question was whether there were any ideas for engagement in 2025. He cited the Advisory Board's desire to do a large community gathering but needed at least ten to eleven months to plan a large event successfully. The second question was how future presentation topics and materials should be handled and ways to ensure that items put forward reflect the full consensus of the Advisory Board.

Rumi Takahashi mentioned that it would be great to have opportunities to share information about what's happening around the region and how each of the Advisory Board members affects affordable housing.

Menka Soni wondered if the Advisory Board could hold a session where the community is invited to increase awareness around affordable housing. Dorsol Plants asked if that would include supporting organizations like the Black Home Initiative when providing education on home ownership. Menka Soni confirmed that would be a good way to connect and raise awareness.

Zajj Collins added the need to consider cultural barriers when inviting the community. We often think about our needs when designing a presentation, but how could we bridge the language and cultural gaps to help raise awareness? Dorsol Plants added that he had a conversation with SKHHP city planners, who would appreciate support in helping to think about crossing cultural and language lines alongside the Advisory Board.

VIII. UPDATES & ANNOUNCEMENTS

Dorsol Plants informed the Advisory Board that the Seattle Design Festival would be held August 16-17 and would include interactive information booths on various housing design topics.

Dorsol Plants shared that the primary topic of the September Advisory Board meeting would be the SKHHP Housing Capital Fund review process. He requested that Board members who will be absent in September reach out so they can go over the review process before the application review begins.

IX. CLOSING/ADJOURN

The meeting was adjourned at 5:09 PM.



King County Housing Finance Program (HFP) 2024 Housing Finance Capital Funding Round

BACKGROUND

The Housing Finance Program (HFP) administers funds for the development and preservation of affordable housing throughout King County. HFP intends to offer **approximately \$25,730,000 million** in its 2024 RFP for capital funding for the acquisition, new construction and/or preservation of affordable housing.

FUNDING SOURCES (approximately \$25,730,000 million total, and subject to change)

- Behavioral Health Sales Tax (MIDD) (Approximately **\$2,151,000**)
- HOME Investments Partnership Program (HOME) (outside Seattle) (Approximately **\$3,270,000**)
- Equitable Community Driven Affordable Housing Development (Approximately **\$8,950,000**)
- Transit Oriented Development (TOD) funds 2023/2024 (Approximately **\$1,500,000**)
- Jail Divestment Funds (Approximately **\$5,000,000**)
- Veterans, Seniors, and Human Services Levy (Approximately **\$3,230,000**)
- Short-term lodging bonds for affordable housing developments serving households that include an individual or individuals with disabilities (Approximately **\$1,630,000**)

2024 ANTICIPATED RFP SCHEDULE

| | |
|----------------------|--|
| May - July | - Pre-application meetings (required) |
| Late July | - Request for Proposals (RFP) Published |
| Early September | - Applications Due |
| September - November | - Review by HFP project managers |
| October - November | - Applicant clarification interviews |
| Mid November | - Advisory Committee meeting |
| Early December | - Final presentation to JRC |
| Mid December | - Final decisions by DCHS Director |
| Early January | - Award Letters and Notification Letters emailed out |

PRIORITIES

Homeless/Extremely Low-Income Housing:

Projects that expand the number of permanent supportive housing units, particularly for chronically homeless households. Homeless housing projects should reflect Housing First practices and an appropriate level of staffing and services. Homeless housing projects will be required to use the Coordinated Entry (CE) system. Projects funded under this priority are expected to include a minimum of 50% of the units for households experiencing homelessness. Projects will be prioritized that:

- Create or retain housing units for high-need households, prioritizing chronically homeless households, to access permanent supportive housing.
- Projects that provide a moving-on strategy that assists people who have achieved stability in Permanent Supportive Housing (PSH) or permanent housing with supports to maintain housing stability with fewer supports.
- Serve individuals or families with behavioral health and/or substance use conditions.
- Demonstrate strong racial equity outcomes.

Homeownership Development:

Projects that expand the capacity of homeownership opportunities to King County residents who can become homeowners, be stably housed, and avoid intergenerational poverty.

Disabilities:

As required by the 2023-24 Biennial Budget, Expenditure Restriction 1D (Section 107), HFP will prioritize the remaining \$1.6 million of \$5 million appropriated in short-term lodging bonds for affordable housing developments serving households that include an individual or individuals with disabilities, prioritizing projects that serve Black, Indigenous and People of Color (BIPOC) and immigrant and refugee households.

Equitable Community Driven Affordable Housing Development:

Projects will prioritize funds for equitable, community driven affordable housing development in King County to mitigate displacement pressures and ensure that historically marginalized communities have access to affordable housing investments. Priority supports the creation of affordable housing developed by and in collaboration with communities facing displacement pressures and communities that have historically experienced policies that limit opportunities for people of color. Projects led by impacted communities, conceived, and created through an inclusive community engagement process, and driven by a place-based community-based organization (CBO) will be prioritized. The CBO would play a lead role in long-term community stewardship of the project as partner, operator, or owner. Additionally, this priority will fund organizations working to advance economic and racial equity in communities at high risk of displacement.

The geographic order for this priority is: 1) projects in unincorporated King County, and 2) projects in incorporated areas of King County. Projects will serve low-income households under 80% of the AMI, with priority for below 60% for affordable rentals and 50-80% for affordable homeownership.

PRIORITIES CONTINUED

Jail Divestment:

The Housing Finance Program will offer \$5 million for potential Seattle projects that support youth and young adults from disproportionately incarcerated communities for community-based housing or health services that can contribute to diversion from youth incarceration. **Eligible uses of these funds include capital costs for new affordable housing projects or community spaces within new affordable housing project(s) that help divert youth and young adults from the legal system.** The goal is to divest from incarceration and increase community-based supports for disproportionately incarcerated racial-ethnic and gender diverse communities.

Transit-Oriented Development (TOD):

As required by the 2023-24 Biennial Budget, HFP will prioritize the remaining \$1.5 million balance of the King County Council appropriated \$45 million in TOD funding **for affordable housing development near high-capacity transit areas**, through the 2023-2024 Biennial Budget. The sub-priority for the remaining \$1.5 million balance is for **Sound Transit or Metro sites that can start construction by the end of 2026.** These funds may be available in the 2024 RFP or may be awarded to projects previously funded by HFP on Sound Transit or Metro sites, which are currently experiencing gaps.

Veterans:

Projects serving populations prioritized in the 2024-2029 VSHSL Levy. Eligible populations are veterans, households with a member who has served as either an active duty or a reservist member of the U.S. military or National Guard.

EVALUATION CRITERIA

The submitted Applications will be evaluated by a review team selected by DCHS. The review will be based on a multi-layer review of the project Applications, evaluating the project and the sponsor with the following criteria:

- 1) How well the proposed housing model meets the County's priorities established in the RFP
- 2) Financial feasibility
- 3) Leverage of other public and private sources
- 4) Organizational capacity: financial and experience
- 5) Readiness, and
- 6) Additional considerations include the appropriate geographic distribution of available funding and other funding support.

ADDITIONAL INFORMATION

If funds remain unallocated after meeting the housing priorities identified above, King County reserves the right to fund other affordable project types, such as family-sized general affordable housing, homeless housing, or other homeownership projects.

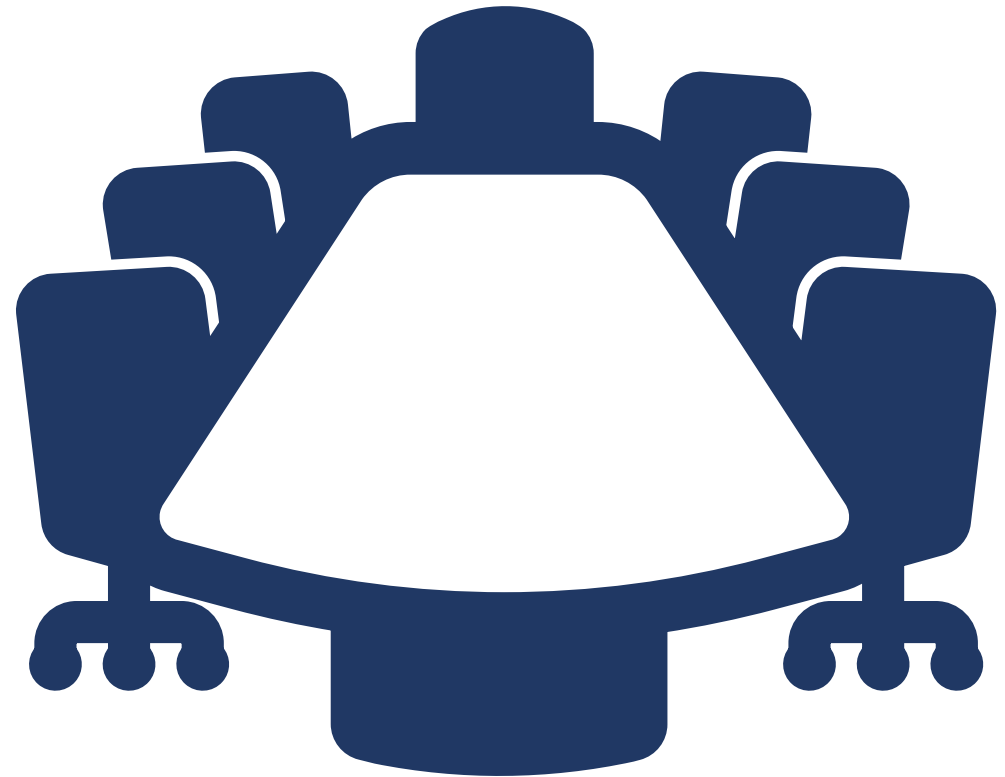
In addition, applicants who submit more than one application will be asked to prioritize one project for consideration in the 2024 funding round.

September Meeting

Dorsol Plants, SKHHP Program
Coordinator

September 5, 2024

SKHHP Advisory Board



SKHHP Housing Capital Fund Application Evaluation Process



SKHHP Housing Capital Fund



In 2021, an Interlocal Agreement authorized SKHHP to pool SHB 1406, HB 1590, and other funding sources to fund affordable housing construction, preservation, or acquisition.

Total Amount 2024: \$4,100,000

SHB 1406: \$1,030,000

HB 1590: \$2,770,000

General Fund: \$300,000

SHB 1406 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)

HB 1590 Eligible Activities

SKHHP funds provided from 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

HB 1590 Eligible Activities

Funds sourced from and authorized under 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 homeless , including families with children
- Unaccompanied homeless youth or young adults
- Persons with disabilities
- Survivors of domestic violence

The Journey So Far

2022 - \$1,448,077

- Mercy Housing NW: Burien Family Housing - \$1,093,308 (SHB1406)
- Habitat for Humanity SKC: Miller Creek Phase 1 - \$300,000 (SHB 1406)

2023 - \$5,747,306

- LIHI: Skyway - \$2,800,000 (HB 1590)
- TWG: Pandion at Star Lake - \$1,170,000 (HB 1590)
- Mercy Housing NW: Kent - \$1,000,000 (HB 1590)
- MSC: Victorian Place II - \$777,306 (SHB 1406)

2024 Potential Applicants

- Stephen/Way Back Inn: Steele House - \$2,165,000
- Mercy Housing NW: Burien Family Housing - \$2,000,000
- TWG: Pandion at Star Lake - \$2,000,000
- MSC: White River - \$1,000,000
- LIHI: White River Gardens - \$1,000,000
- ACHDO: Federal Way Acquisition - \$1,000,000
- Habitat for Humanity SKC: Miller Creek - \$800,000
- Homestead CLT: Willowcrest Phase 2 - \$525,000



REVIEW 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.

Conflict of Interest



“A potential conflict of interest arises when a board member stands to benefit from an action the Advisory Board takes or has another interest that impairs, or could be seen to impair, the independence or objectivity of the Advisory Board. The minutes of any board meeting at which a matter involving a conflict of interest or potential conflict of interest was discussed or voted upon shall include: the name of the interested party and the nature of the interest, and the decision as to whether the interest presented a conflict of interest.”

General Evaluation Criteria

- 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 Evaluation Criteria

- Sound operating budget
- Project Readiness
- Property and Assessment Management Capacity:
 - Occupancy
 - Facility
 - Supportive Services
- Relocation/displacement impacts
- Nature of Location

Funding Priorities

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.

Funding Priorities

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.

Funding Priorities

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.

2025 Work Plan Review



2025 Work Plan 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. | •• |

2025 Work Plan Goal 4: Indicators

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

SKHHP 2024 HOUSING CAPITAL FUND – Project evaluation matrix

All items must be rated.

Low – Medium Low – Medium – Medium High - High

| Rater | | | |
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| Applicant | | | |
| <i>General criteria</i> | | | |
| Rating Consideration | Rating Guide | Reference | Rating |
| Supporting Equity | <p>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.</p> | <p>Pg. 10, Evaluation Criteria-General Pg. 12, Section F</p> | |
| Feasibility, timeliness, and cost effectiveness | <p>The 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.</p> | <p>Pg. 10, Evaluation Criteria-General Pg. 10 Section A</p> | |

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| Relevance of the project to local housing needs and funding priorities | 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. | Pg. 10, Evaluation Criteria-General | |
| Suitability of the project sponsor and development team | The 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. | Pg. 10, Evaluation Criteria-General Pg. 11 Section C | |
| Sound operating budget | Project has a solid financial plan for operating the building when open. | Pg. 9 Section A | |
| Project Readiness | Project is ready to proceed and has full site control. | Pg. 11, Section B | |
| Property and Assessment Management Capacity: Occupancy | Management plan includes lease information and marketing strategies including local outreach. | Pg. 11, Section D | |
| Property and Assessment Management Capacity: Facility | The facility management plan should include provisions for both routine and long-term building maintenance. | Pg. 11, Section D | |

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| Property and Assessment Management Capacity: 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. | Pg. 11, Section D | |
| Relocation/displacement impacts | Project does not cause displacement, and if displacement occurs, project has an equitable relocation plan. | Pg. 11, Section E | |
| Nature of Location | Project location furthers public policy goals including locating in a high opportunity area locating in an area of high-risk displacement or located in historically underserved area. | Pg. 11 Section G | |
| <i>SKHHP Funding Priorities</i> | | | |
| Collaboration | Project sponsors working in collaboration/partnership with local community-based organizations are a high priority. | Pg. 2 | |

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| 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. | Pg. 2 | |
| 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. | Pg. 2 | |
| 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. | Pg. 2 | |
| 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. | Pg. 2 | |

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| Geographic Equity | <p>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.</p> | Pg. 2 | |
| Homeownership | <p>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).</p> | Pg. 2 | |
| Leverage of Private and Public Investment | <p>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.</p> | Pg. 2 | |

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| <p>Preservation</p> | <p>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).</p> | <p>Pg. 2</p> | |
| <p>Racial Equity</p> | <p>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.</p> | <p>Pg. 2</p> | |

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| Transit-Oriented Development | <p>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.</p> | Pg. 3 | |
| Other comments | | | |
| Questions or thoughts about the application? | | | |