



I. CALL TO ORDER

Dorsol Plants called the meeting to order at 3:35 PM.

ROLL CALL/ESTABLISHMENT OF QUORUM

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

Other attendees: Dorsol Plants, SKHHP; Tina Ilvonen, King County; Phoebe Anderson, MSC.

II. AUGUST 1, 2024 MEETING MINUTES

Rumi Takahashi motioned to approve the June 6, 2024 minutes, seconded by Kent Hay. (10-0)

III. EXECUTIVE BOARD PRESENTATION UPDATE

Dorsol Plants provided a brief update on behalf of Maria Arns, who attended the August Executive Board meeting. The Executive Board had a presentation from the Association of Washington Cities (AWC) on the upcoming 2025 state legislative session, which included tips on advocating during the session. Dorsol Plants reviewed the 2024 legislative priority flyer and received instructions to begin drafting a flyer for the upcoming legislative session. At the meeting, Dorsol Plants also provided a brief overview of the Q2 SKHHP progress report.

IV. KING COUNTY HOUSING FINANCE PROGRAM

Tina Ilvonen, Program Manager for the King County Housing Finance Program, provided a brief overview of the program and its process for reviewing project applications. King County releases its annual request for funding proposals every year around the same time as other public finders, including SKHHP. Aligning the application and award announcements will support the developers applying for the funding. King County staff will meet with applicants early in the process to provide technical assistance and support. The most common advice King County will provide a developer is to wait and apply in a future funding round as the project may not be eligible for the available funding. Assistance is offered until July; once the Request for Funding Proposal (RFP) is submitted, King County cannot speak with applicants per established rules.

This year, King County is offering about \$27 million, broken up into several different funding sources. Each source has its funding requirements. Those sources include the Behavioral Health Sales Tax with approximately \$2,151,000, the HOME Investments Partnership Program (HOME) with approximately \$3,270,000, the Equitable Community Driven Affordable Housing Development with approximately \$8,950,000, the Transit Oriented Development (TOD) funds 2023/2024 with approximately \$1,500,000, the Jail Divestment Funds with approximately \$5,000,000, the Veterans, Seniors, and Human Services Levy with approximately \$3,230,000, and the short-term lodging bonds for affordable housing developments serving households that include an individual or individuals with disabilities with roughly \$1,630,000.

King County's funding timeline begins with pre-application meetings held in May until July when the RFP is released. Applications are due in early September, which is when SKHHP applications are due each year. Housing Finance Program Project Managers review the applications from September to November, and meetings are held to clarify any questions with the developers in October and November. Three committees review the funding recommendations, and a roughly fifteen-page document covering every aspect of the project application is provided. The first is the Advisory Committee, which reviews the applications but does not make final decisions. The role of this committee is entirely advisory. In early December, the Joint Recommendations Committee reviews the funding recommendations, which only reviews recommendations for HOME during this funding cycle. The King County Director of the Department of Community and Human Services (DCHS) has a committee that will also review the funding recommendation, and by the middle of December, the projects will be selected. King County staff will then begin calling to notify developers but will not provide award documentation until January.

King County has several funding priorities that staff consider when reviewing applications. These funding priorities include Homeless/Extremely Low-Income Housing, Homeownership Development, Disabilities, Equitable Community Driven Affordable Housing Development, Jail Divestment, Transit-Oriented Development (TOD), and Veterans. King County staff will align the unique funding sources with the priorities in the most effective way possible. For the Homeownership priority, HOME funds are often the best source available because the funds can serve up to 80% AMI for homeownership. Additionally, some of the priorities add criteria such as the Equitable Community Driven Affordable Housing Development, which includes a geographic priority with priority to projects in unincorporated King County and then to projects in incorporated areas of King County.

When an application is received, King County staff will begin reviewing all the numerical and narrative information and compile it into a staff report. This information is compared with the evaluation criteria, with the first being whether the project meets the county's priorities. Other criteria include financial feasibility, leverage of other public/private resources such as SKHHP, organizational capacity, project readiness, and other considerations such as geographic equity. The staff report will be used to develop a list of projects recommended for funding. Once the projects have been suggested, Tina Ilvonen begins to plan out a funding scheme that helps to effectively pair applications with the funds available. The funding recommendation that includes the funding scheme is what the Director will use to make the final funding decision.

Dorsol Plants asked if more projects would be recommended than funding available in the scheme. Tina Ilvonen responded that she is doing both simultaneously, and as projects are recommended, the funding scheme is adjusted. She added that it was a good challenge to have so many varying funding sources that can support a wide range of housing projects.

Tina Ilvonen added that King County doesn't score projects but only compares projects to how well they fit the evaluation criteria.

Ashley Kenny asked if projects have governmental permits and environmental reviews before or after funding is granted. Tina Ilvonen said that most projects would not have their permits issued and projects that do will be evaluated higher since they are further along in readiness. A Phase 1 ESA is usually attached to applications that provide environmental details. If concerns are seen on the Phase 1 ESA, a Phase 2 ESA is conducted, but applicants may need to be made

aware of the need by the time they submit. The application packet includes many attachments to document the project, and pre-application meetings are essential to ensure developers understand everything they must submit.

Ashley Kenny asked how quickly projects have been completed after receiving funding. Tina Ilvonen said it depends as projects are at various stages when they apply. Most projects take about a year and a half to build, but an acquisition/rehabilitation project is quicker than new construction and could be completed by the end of next year. Development is a long process; some projects will apply to multiple funders. They may receive only some of the funds needed to move forward and must wait a year to apply again for funding. Developers sometimes work on projects for years before submitting applications to a public funder.

V. SKHHP HOUSING CAPITAL FUND EVALUATION TRAINING

Dorsol Plants is excited to transition to the most important time of the year for the Advisory Board. There is a significant focus on the housing crisis, but rarely can anyone take significant action.

This is SKHHP's third funding round, and there is a total of \$4.1 million available this year. This is the first year the Housing Capital Fund includes a contribution from every SKHHP member city and the first-time SKHHP has general funds to award. While we like to say SKHHP has \$4.1 million, that number obscures the reality that there are two very different funding sources: SHB 1406 and HB 1590 funds. The general fund dollars will likely be used to supplement either the SHB 1406 or the HB 1590 amounts.

SKHHP staff will support the Advisory Board in determining which projects are eligible for which funding source. However, as the Advisory Board considers which projects to award, it's important to consider what each of the two funding sources can and cannot do. The SKHHP Housing Capital Fund Guidelines are the ultimate source of this information, and Dorsol Plants encouraged everyone to review the document before the October meeting.

Dorsol Plants provided a brief overview of the eligible activities for SHB 1406 funds. One difference in eligibility for SHB 1406 funds this year is that funds can support homeownership projects that serve up to 80% AMI.

Dorsol Plants continued by reviewing the eligible activities for HB1590, which looks like SHB 1406. The significant difference between the funds is that HB 1590 funds must serve one of the target populations identified in the RCW, such as people with behavioral health disabilities, Veterans, Seniors, people who are homeless or at risk of being homeless (including families with children), unaccompanied homeless youth or young adults, people with disabilities, and survivors of domestic violence.

Using an example of the Do Gooder Development Group, if the developer wanted to build an apartment building serving households at 60% AMI, the Advisory Board should consider them for the SHB1406 funds. If the developer is the Domestic Violence Housing Group and their project will serve households that make 60% AMI or less that are fleeing intimate partner violence, the Advisory Board might want to think about them for 1590 funds. SKHHP staff will support the Advisory Board throughout the evaluation process, but to use every dollar effectively, Dorsol Plants wanted to try to paint a picture of what SKHHP funds can do.

Dorsol Plants reviewed the past two years of the SKHHP Housing Capital Fund, which provided funding to two projects in 2022 and four projects in 2023. SKHHP has committed funding to over 550 affordable housing units in just two years. That will be 550 homes to help keep and bring our neighbors inside. SKHHP is making a difference, and the difference the Advisory Board will make this year is just getting started.

Dorsol Plants informed the Advisory Board that he had held eight pre-application meetings with potential applicants. The application is not due until September 13, so he isn't sure which applicants will apply. If all eight potential applicants apply, the combined ask is for over \$10 million, and SKHHP will only have \$4.1 million available to award. He provided a few other highlights, including the fact that this is the first year SKHHP will see projects awarded funding return for additional support. Dorsol Plants reminded the Advisory Board about previous presentations on the current state of development. With high inflation and construction costs, it has become more common for organizations to need additional funding to close construction gaps. There is a potential this year to support homeownership and preservation projects, and there may be applications for projects located in SKHHP jurisdiction that have yet to receive funding.

Ashley Kenny asked if there was a process for recusing yourself if you have a conflict of interest with one of the projects. Dorsol Plants explained that he would briefly touch on the conflict of interest later in the presentation, but until the applications are received on September 13, he won't know exactly what conflicts might exist.

Menka Soni asked if there could be more than eight potential applications. Dorsol Plants responded that this year, SKHHP required a pre-application meeting to be eligible to apply, and only eight organizations had pre-application meetings.

Dorsol Plants explained that the SKHHP funding round has a three-step review process. Step 1 will begin on September 16, when SKHHP staff will review the application packets submitted to ensure that we have all the materials required by the guidelines. During his pre-application meetings, Dorsol Plants asked applicants to submit early so he would have more time to contact them if he saw something missing or needed additional information about the project.

Step 2 will start at the October 3 Advisory Board meeting, where SKHHP staff will present on the projects and invite the developers to attend to answer questions the Advisory Board might have as you review the application materials. There will be time at that meeting to begin using the evaluation form for each application. The Executive Board will also receive a similar briefing at their October meeting. Dorsol Plants encouraged any Advisory Board member who can attend the October and November Executive Board meetings to answer questions and support the Advisory Board's recommendation.

On November 7, the Advisory Board will review the average score of each evaluation completed, but that score will not be the funding recommendation. The evaluation form intends to begin the discussion around which project to consider and to use consensus to make a funding recommendation to the Executive Board. They will adopt or modify the recommendation at the November meeting of the Executive Board. Last year, the Executive Board modified the recommendation to increase the funding to Victorian Place II based on the need for more contingency funding.

Step 3 is the final step; SKHHP staff will visit each SKHHP member council and inform them about the amazing work SKHHP is doing with their pooled funding.

Dorsol Plants reviewed the Conflict-of-Interest policy described on page seven of the Advisory Board by-laws. Organizations represented on the Advisory Board that applied will have to recuse themselves during the evaluation and recommendation process of this year's Housing Capital Fund. Other potential conflicts could be beyond that, such as working for an organization that contributed work to the project application. SKHHP staff will process the application on September 16 and contact Advisory Board members to alert them of a potential conflict. Dorsol Plants asked that Advisory Board members who know there will be a conflict still attend the October and November Advisory Board meetings. While the Board members will need to recuse themselves from the funding discussion, the Advisory Board will still need at least seven members in attendance to meet a quorum. It's critical to have everyone available at the October and November meetings to ensure the community's voice is heard when considering projects.

Dorsol Plants asked if there were Board members who knew they could not attend the October and November meetings.

Evaluation of applications is broken down into three areas: general criteria, specific criteria, and the SKHHP priorities. The general evaluation criteria ask you to consider how this project will advance racial equity. After that, you are asked to consider the project's feasibility, timeliness, and cost-effectiveness. One way this has come up before was how the Advisory Board used the construction timelines when considering projects to recommend last year.

Relevance of the project is another area you'll look at, and each project was required to receive a letter of consistency from the city where the project is being built to help us understand where it fits into the community's needs. The Advisory Board must also consider the applicant's history and track record. If Dorsol Plants applied for the Housing Capital Fund with an amazing project that will provide 300 four-bedroom apartments complete with big screens and water slides. The project may sound great, but Dorsol Plants has never ever built an apartment, and it's fair to ask if he can effectively use the funding compared to someone with experience.

Dorsol Plants reviewed the evaluation form. There will be one evaluation form for each of the projects. Each document line includes one criteria or priority for review and a reference to where it can be found in the Housing Capital Fund guidelines. Each line should be rated from low to high, and there should not be any blanks. A blank line would mean the project did not meet the criteria. There is a place at the bottom of the form to capture questions or thoughts about the specific project.

Projects will score poorly in some categories. If the project is a brand-new townhome on an empty lot, it may score very highly as a homeownership project, but it would not do as well in the preservation priority. It is important to remember that the evaluation score does not determine the final funding recommendation. The form intends to show an average of where the Advisory Board is during the initial review and begin forming the final recommendation.

SKHHP staff will provide a short training video reviewing the evaluation forms and be available to answer questions or provide support throughout the process.

Rumi Takahashi asked if the ranking was competitive. Dorsol Plants responded that it is, and he is open to feedback on the process.

Rumi Takahashi asked if it was possible to only look at each project individually, ranking it on the strength of its metrics. Dorsol Plants clarified if that meant splitting the Advisory Board into groups to evaluate separately. Rumi Takahashi said that if it was possible to review the application without knowing who the specific applicant was, it might help.

Kent Hay responded that he liked the idea.

Rumi Takahashi acknowledged that it may take time to develop the process fully, but attempting a blind review would be a great starting point.

Dorsol Plants asked if there was consensus from the Advisory Board for SKHHP staff to try to develop a blind review process acknowledging their limited capacity before the October meeting. He suggested one option might be to draft the staff reports so that the identifying information is redacted and not provide the full application to the Advisory Board during the initial review.

There was consensus from the Advisory Board to try and develop a blind review process with the understanding that there may not be enough time and staff capacity to implement this process for the 2024 Housing Capital Fund evaluation.

VI. 2025 WORK PLAN OVERVIEW: GOAL 4

Dorsol Plants briefly reviewed Goal 4 in the 2025 SKHHP Work Plan and Budget, the final goal for 2025.

Goal 4 is focused on the work SKHHP staff does either to support the two boards or behind the scenes. This includes developing the annual work plan and budget, which SKHHP does every year. Additionally, SKHHP staff produce quarterly reports and provide an update to the Executive Board before sending the report to the SKHHP member councils.

Action Item 18 is one of the most essential items in the document. Properly maintaining SKHHP's records to be accountable to the Executive and Advisory Board, the SKHHP members, and our community is one of the most important aspects of Dorsol Plants' job.

Action Item 19 is his favorite part of the job, and it's a genuine joy for Dorsol Plants to support organizing and hosting the Advisory Board meetings. He is also responsible for maintaining and updating the SKHHP website, which provides the community with one way to see and interact with SKHHP's work. In this category, his passion is less on the website and more on SKHHP's YouTube channel, which receives slightly more traffic as people tend to watch the recordings. Action Item 19 hides some online tools that SKHHP uses to increase engagement with our mission, including our YouTube channel.

The indicators for the action items are apparent and include confirming that the annual work plan is adopted. Did SKHHP staff maintain records and hold monthly Advisory and Executive Board meetings? The SKHHP website and YouTube channel are up to date, and Dorsol Plants is currently working on an additional resource page to support developers interested in South King County.

VIII. UPDATES & ANNOUNCEMENTS

Kathleen Hosfeld invited the Advisory Board to Homestead Community Land Trust's "A Conversation with Isabel Wilkerson" event, which will be held on September 12 at the Seattle Town Hall.

Dorsol Plants informed the Advisory Board that Tina Narron had stepped down from the Advisory Board and that Ziquora Banks would be replacing her.

IX. CLOSING/ADJOURN

The meeting was adjourned at 5:12 PM.