

SKHHP Executive Board
January 17, 2025, 1:00 – 3:00 PM
Virtual Meeting

Video conference:

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

OR by phone: 253-205-0468

Meeting ID: 998 5739 8028

Password: 085570

I.	CALL TO ORDER	1:00
a.	ROLL CALL	
b.	INTRODUCTIONS OF STAFF WORK GROUP MEMBERS AND ADVISORY BOARD REPRESENTATIVE	
II.	PUBLIC COMMENT	1:08
III.	APPROVAL OF NOVEMBER 15, 2024 MINUTES	1:10
	<u>Motion</u> is to approve the November 15, 2024 SKHHP Executive Board meeting minutes.	
IV.	AGENDA MODIFICATIONS	1:12
V.	BOARD BRIEFING	1:15
a.	Meet the Developer: Low Income Housing Institute (LIHI)	
	<u>Presenter:</u> Sharon Lee, Executive Director; Victoria Chow, Project Manager	
	<u>Purpose:</u> Provide an opportunity to hear and learn from developers working in South King County.	
	<u>Background:</u> Founded in 1991, LIHI owns and/or manages over 3,400 housing units at 75 sites in six counties throughout the Puget Sound region. In 2024, SKHHP awarded the Skyway Affordable Housing project \$2.8 million to support the development of a 54-unit multifamily affordable rental housing project with 40 units set-aside for families transitioning out of homelessness.	
	For review, discussion, no action proposed.	
VI.	BOARD BUSINESS	2:00
a.	2025 STATE LEGISLATIVE UPDATE	
	<u>Presenter:</u> Claire Goodwin, SKHHP Executive Manager	

	<p><u>Purpose:</u> A brief update of legislation introduced for the 2025 State Legislative Session with a focus on housing and land use.</p> <p><u>Background:</u> The Washington State Legislature convened for a regular session beginning January 13, 2025. SKHHP staff will monitor and provide updates on legislation connected with housing at the monthly Executive Board meetings. Special focus will be provided on any bills which further SKHHP's adopted legislative priority, "to fund all aspects of affordable housing."</p>	
b.	2025 EXECUTIVE BOARD MEETING DATES	2:10
	<p><u>Presenter:</u> Claire Goodwin, SKHHP Executive Manager</p> <p><u>Purpose:</u> Review the 2025 Executive Board meeting dates.</p> <p><u>Background:</u> The SKHHP Executive Board holds monthly meetings on the third Friday of every month to facilitate collaboration, information sharing, and decision-making among South King County partners working to address housing and homelessness challenges.</p> <p>For review, discussion, and Board feedback only, no action is proposed</p>	
c.	2026 WORK PLAN AND FIVE-YEAR PLAN SURVEY	2:15
	<p><u>Presenter:</u> Claire Goodwin, SKHHP Executive Manager</p> <p><u>Purpose:</u> Solicit initial feedback from the Executive Board for the development of the 2026 work plan and 5 year plan through a survey.</p> <p><u>Background:</u> SKHHP's Interlocal Agreement requires the Executive Board recommend an annual work plan and budget. In preparation for the Executive Board's in-person workshop on March 21, 2025 to discuss the annual work plan and a five-year plan, this survey will help inform that conversation.</p> <p>For review and discussion, no action is proposed.</p>	
d.	GENERAL UPDATES	2:35
	<p><u>Presenter:</u> Claire Goodwin, SKHHP Executive Manager</p> <p><u>Purpose:</u> General updates.</p> <p><u>Background:</u> An opportunity to receive any updates since the last Executive Board meeting.</p> <p>For review and discussion, no action is proposed.</p>	
VII.	UPDATES/ANNOUNCEMENTS	2:40
VIII.	ADJOURN	2:50



I. CALL TO ORDER

Dana Ralph called the meeting to order at 1:00 PM.

ROLL CALL/ESTABLISHMENT OF QUORUM

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

Others present: Claire Goodwin, SKHHP Executive Manager; Dorsol Plants, SKHHP Program Coordinator; Rumi Takahashi, SKHHP Advisory Board; Angie Mathias, City of Renton; McCaela Daffern, King County; Evan Maxim, City of SeaTac; Matt Torpey, City of Maple Valley; Victoria Schroff, City of Maple Valley Alternate; Nicholas Matz, City of Normandy Park; Dafne Hernandez, City of Covington; Laurel Humphrey, City of Tukwila, Alexandria Teague, City of Auburn.

II. PUBLIC COMMENT

No public comment was provided.

III. APPROVAL OF OCTOBER 18, 2024 MINUTES

Sean Kelly moved to approve the October 18, 2024 minutes as presented, seconded by Traci Buxton. Motion passed (10-0)

IV. AGENDA MODIFICATIONS

No modifications to the agenda were made.

V. BOARD BUSINESS

a. 2024 SKHHP HOUSING CAPITAL FUND RECOMMENDED ALLOCATIONS

Claire Goodwin was thrilled to inform the Executive Board that the SKHHP Advisory Board had completed its review of applications submitted to SKHHP's 2024 Housing Capital Fund. Claire Goodwin acknowledged that this is the first year that every SKHHP member city has contributed to the Housing Capital Fund. As a Board and a group representing South King County, Claire Goodwin felt proud of how SKHHP has rallied the South King County cities to unite to build and preserve affordable housing in our subregion.

A detailed memo of the Advisory Board's recommendation was sent to the Executive Board before the meeting and is available in the agenda packet posted online.

Claire Goodwin briefly outlined the objectives for this agenda topic, which include reviewing the Advisory Board's funding recommendation, reviewing each project with the funding rationale and special conditions, and receiving a final recommendation from the Executive Board that either concurs with or amends the Advisory Board's recommendation.

Claire Goodwin reviewed the SKHHP Housing Capital Fund timeline. After the Executive Board adopted the 2024 SKHHP Housing Capital Fund funding guidelines in the spring, SKHHP opened the application window, accepted proposals through September 13, and scheduled pre-application meetings. On October 3, the Advisory Board reviewed applications SKHHP received, including a summary of each project. At the October Executive Board meeting, the Board did a similar exercise of reviewing each project at a high level. At the November 7 Advisory Board meeting, the Advisory Board reviewed each project again, and a funding recommendation was developed with unanimous support. Claire Goodwin hopes the Executive Board will be able to finalize a funding recommendation and that SKHHP staff will seek concurrence from all the funding member city councils beginning in January 2025.

Several items were considered when the projects were presented to the Advisory Board. In addition to the recommended funding amount, the Advisory Board was asked to discuss its rationale and any special conditions on the grant or loan that should be included. As the administrator of the contracts, the Advisory Board also supported the SKHHP Executive Manager's ability to add the standard and special conditions. The Advisory Board understood the importance of helping previously awarded SKHHP projects achieve full funding in this time of high interest rates and rising construction costs. Additionally, the Advisory Board understood that by funding a project that is applying to other funders, SKHHP funds serve as a green light for that project and say to those other funders – that this is a priority for South King County. Project readiness was a consideration, as well as how well-aligned each project was with SKHHP's priorities. The Advisory Board understood the importance of preservation and homeownership at this time and that it was a high priority for the Executive Board.

SKHHP staff requested that the Advisory Board limit their recommendation to three or four projects, given the limited staff capacity for managing these contracts. SKHHP staff also discussed a preference for contracting for at least approximately \$1 million. There was also no requirement that all the funds pooled in a single year be spent, and funds can carry over into the next funding cycle.

Of the six applications received, two are in Renton, and both projects are eligible to receive HB 1590 funds. The City of Renton collects HB 1590 funds but has not taken action to pool those funds with SKHHP. SKHHP pools these funds from three of the four South King County cities that collect it. City of Renton and SKHHP staff discussed the possibility of the City of Renton directly supporting these projects. After discussions with their elected officials and the Mayor, City of Renton staff will be bringing a recommendation to the Renton City Council to financially support the two projects that applied to SKHHP that are in Renton and eligible for HB 1590 funding. This would include fully funding the request by Homestead Community Land Trust's Willowcrest II for \$600,000 to support homeownership opportunities for families experiencing homelessness and seed money for St. Stephen Housing Association & Way Back Inn's Steele House, which will serve residents transitioning out of homelessness. These two projects were removed from SKHHP's competitive list of projects under consideration before the Advisory Board made their funding recommendation. Claire Goodwin wanted to thank the staff and elected officials in the City of Renton for being a fantastic partner and leading the South King County contribution of these projects in their city. SKHHP Staff will share their expertise on the specialized contracting needed for these types of projects with the City of Renton staff to move them forward.

Since the Advisory Board comprises passionate community members of South King County and subject matter experts employed by organizations affiliated with affordable housing production and preservation, a few conflicts of interest were disclosed. Claire Goodwin wanted to make the Executive Board aware of this. Project applicants or partners employ three members on the Advisory Board. Those members did not participate in evaluating the projects, the discussion or deliberation, nor vote on the final recommendation. Four additional Advisory Board members had potential conflicts of interest. Two members are employed by organizations that have partnered with applicants in the past. One member is employed by a city where a project is located. One is employed by an organization that provided one of the applicants with housing vouchers. These members participated in deliberations and voted on the recommendation. Disclosures occurred at the beginning of the past two Advisory Board meetings and before the vote was taken.

Carmen Riveria joined the meeting at 1:15 PM

The Advisory Board recommends funding for four projects totaling \$4.1 million. Of this total, the Advisory Board recommends using \$1,030,000 of the total \$1,035,141 sourced from SHB 1406 revenue contributions for one homeownership and one preservation project; \$2,770,000 of the total \$2,775,969 sourced from HB 1590 revenue contributions for two new construction projects; and \$300,000 of the total \$300,000 sourced from general funds to be applied to the homeownership project. This recommendation leaves a balance of \$5,141 in SHB 1406 funds and \$5,969 in HB 1590 funds in the Housing Capital Fund, which will roll over into the next funding round in 2025.

The balance included on the first page of the initial memo was incorrect, and the numbers provided in this presentation are correct. The corrected balances will be included in the final memo to the member Councils.

The Advisory Board recommends funding Mercy Housing NW—Burien Family Housing at the full requested amount of \$2 million, the TWG—Pandion at Star Lake at a reduced amount of \$770,000, the Multi-Service Center (MSC)—White River Apartments at a reduced amount of \$775,000, and Habitat for Humanity—Burien Miller Creek at a reduced amount of \$555,000.

Claire Goodwin reviewed each project, including the funding rationale and special conditions.

Burien Family Housing is a multi-family 91-unit rental project near high-frequency transit in Burien. The project will support households earning between 30% and 60% AMI, focusing on households with children, including 34 units set aside for families with children exiting homelessness and 18 units set aside for households with a physical disability. The project includes redeveloping a 4-acre site owned by Mary's Place, which operates an on-site emergency shelter. Mary's Place will donate 2 acres of the project site to Mercy Housing while retaining over an acre of the site to develop a new shelter to replace the existing one. The development comprises a mix of one-, two-, three-, and four-bedroom units. Of the total unit count 52% are family-sized two-, three-, and four-bedroom units. This project received a financial award from SKHHP during the 2022 funding round and secured funding from King County, the Washington State Department of Commerce, the 9% Low Income Housing Tax Credit (LIHTC) program, and the Amazon Housing Equity Fund (HEF) program over the course of 2023 and 2024. The project is a combination of 4% and 9% LIHTC project. The project also secured 34 Project-Based Vouchers from the King County Housing Authority and a Resident Services award from King County to support families exiting homelessness.

The Advisory Board supports this project for many reasons and recommended funding it at \$2 million in HB 1590 funds. The Advisory Board supports this project because it is ready to begin construction in early 2025. The project was awarded significant financial contributions from King County, the State Department of Commerce (Housing Trust Fund), Amazon, and \$1,093,308 from SKHHP in the 2022 funding round. Additionally, the project received a 9% bond allocation in the 2024 funding round through the Washington State Housing Finance Commission. The sponsor's partnership with Mary's Place demonstrates a commitment to serving households experiencing homelessness and will develop a pipeline of permanent housing for Mary's Place clients. The project strongly aligns with SKHHP Housing Capital Fund adopted priorities, including collaboration with local community-based organizations, connections and direct experience with populations the project is proposing to serve, addressing the needs of populations most disproportionately impacted by housing costs, advancing economic opportunity due to its proximity to transit and other amenities, providing rental housing for individuals and families earning 0-30% AMI and incorporating supportive services, and the leverage of private and public investment.

Special conditions for Burien Family Housing include distributing funds as a deferred, contingent, forgivable loan. The funding commitment lasts 36 months from the original award. At least 34 housing units shall be set aside for families with children exiting homelessness who earn no more than 60% AMI, and 18 of the housing units shall be set aside for households with a physical disability who earn no more than 60% AMI. Use of funds and population eligibility must align with RCW 82.14.530 for the 2024 award. The current description of the project will replace the project description of the original award from the 2022 funding round. The previous funding award shall be combined with the current recommended award but will retain eligibility for use under RCW 82.14.540 since the previous award was sourced from SHB 1406 funds.

Changes to the Burien Family Housing project since it was awarded funds in 2022 include 39 fewer units for families with children and fewer 30% and 60% AMI units. The current project added 18 units for households with a physical disability and 22 units for the general population. The project added one unit for an on-site manager and one additional affordable unit. The project added more 50% AMI units and the 9% LIHTC component. The memo in the agenda packet details the differences between the project proposal for 2022 and this year.

Pandion at Star Lake is a 251-unit multi-family, mixed-use rental project in Kent adjacent to the Kent/Star Lake Link light rail station. The project will support households earning between 30% AMI and 80% AMI. 47 units will support households up to 80% AMI. The project has been proposed as a 4% LIHTC development. Pandion at Star Lake secured an award from SKHHP in the 2023 Housing Capital Fund funding round totaling \$1,170,000, and in this funding round, the project has been modified. This transit-oriented development (TOD) project will provide a mix of studio, one-, two-, and three-bedroom units. The project will include ground floor commercial space consisting of a K-12 learning center for low-income children operated by the Renton-based STEM Paths Innovation Network (SPIN). The developer purchased the property in December 2022. The 251 units include 163 units for the general population, 59 units for families with children, and 29 units for families with children who require permanent supportive services and are at risk of being homeless. 24 units would be accessible. Twenty-nine units of the project are eligible for HB 1590 funds, which includes those units for families with children at risk of homelessness and require permanent supportive services who earn up to 30% AMI. Vision House would serve those units and provide on-site supportive services.

The Advisory Board recommended funding this project at \$770,000 in HB 1590 funds. The rationale for recommending this project includes that it will support 29 families with children at risk of homelessness. The project has secured a prior funding award from SKHHP, and additional funds will assist the project to leverage other funding sources. The construction start date is anticipated by early 2026, and the sponsor may have more time to secure the additional funds than other recommended projects before beginning construction. The project is adjacent to the future Kent/Star Lake Link light rail station and has convenient access to transit, schools, grocery stores, and services. The project has strong partnerships with Vision House, which will provide on-site supportive services for 29 families with children, and SPIN, which will operate a K-12 learning center in the commercial space. The project is large and will provide a high number of affordable units near areas with high displacement risk potential. The project strongly aligns with SKHHP Housing Capital Fund adopted priorities, including being a transit-oriented development (TOD) project, collaboration with local community-based organizations, addressing the needs of populations most disproportionately impacted by housing costs, advancing economic opportunity due to its proximity to the future Link light rail station and other amenities, and providing rental housing for individuals and families earning 0-30% AMI and incorporating supportive services.

Special conditions for the Pandion at Star Lake include the method for distributing funds as a deferred, 1% interest, non-forgivable loan to LIHTC partnership. The funding commitment lasts 36 months from the original award. At least 29 housing units shall be set aside for families with children at risk of homelessness who earn no more than 60% AMI per the requirements of RCW 82.14.530. The current description of the project will replace the project description of the original award from the 2023 funding round. Previous funding awards shall be combined with the current recommended award.

Changes to the Pandion at Star Lake since the 2023 fund award include changing from two buildings to one and removing the building that would have served seniors at 80-100% AMI. The current project doesn't include units for households transitioning out of homelessness or households with an intellectual/developmental disability (IDD). Pandion at Star Lake will no longer apply for the combo 4%/9% LIHTC award and will stick solely with applying for the 4% award. The current project was reduced by 90 units but added 80% AMI units, more 50% and 60% AMI units, and more units for families with children and the general population.

The White River Apartments is a multi-family, preservation, and rehabilitation 24-unit rental project in Auburn. The building was constructed in 1978, and MSC took over ownership in 2000. The project consists of 24 two-bedroom, one-bathroom units in active use, which include three units serving households earning up to 30% AMI, sixteen units at 45% AMI, and five units at 80% AMI. The 80% AMI units are currently occupied by households earning less than 60% AMI, and those units will shift to income-restricted to 60% AMI if funding is awarded. The project would not displace current residents. SKHHP funds are requested to support rehabilitating the 24 units, including siding replacement, site lighting, parking lot improvements including curbs and seal coating, replacing domestic hot water tanks in all units, re-grading areas adjacent to siding, and replacing exterior entry doors. This project previously applied to SKHHP's 2023 Housing Capital Fund.

The Advisory Board prioritized this project and recommended funding it at \$775,000 with SHB 1406 funds. The justification for funding White River Apartments included a need for rehabilitation to support the health and safety of the residents. Preserving the project is a high

priority because it consists of two-bedroom units to support larger household sizes. Limited SKHHP funds available this year require a partial award, allowing most residential building rehabilitation to proceed.

Limited funding sources are available for preservation and rehabilitation—SKHHP is the only funder on this project. Larger public funders have historically focused on creating new affordable housing units. Smaller preservation projects like this one are less competitive than larger ones. The project applied for funding in early 2024 to the State Department of Commerce Housing Trust Fund, and SKHHP provided a letter of support but was unsuccessful in securing funding then.

White River Apartments strongly aligns with SKHHP Housing Capital Fund adopted priorities, including the project sponsor's community connection and engagement with the populations they intend to serve, advancing racial equity, addressing the needs of populations most disproportionately impacted by housing costs, advancing geographic equity of the Housing Capital Fund, providing rental housing for extremely low-income households, and preservation.

Special conditions for the White River Apartments include the method for distributing funds in the form of a grant with no repayment. The funding commitment lasts 36 months. SKHHP funds shall be used solely for the rehabilitation of the property and shall be prioritized to support building improvements - parking lot improvements shall not be funded in favor of residential building rehabilitation. Claire Goodwin added that this final special condition was important to the Advisory Board to justify not fully funding the project. Should cost overruns occur that require funds above SKHHP's contribution, MSC will work towards filling the funding need through their capital budget process or seeking funds through other sources.

Burien Miller Creek is a 40-unit homeownership project in Burien. The project comprises three- and four-bedroom homes for purchase: 20 units for households earning an average 50% AMI and 20 units for households earning up to 80% AMI. The project is currently under construction, and SKHHP awarded the project \$300,000 in the 2022 funding round, which has been requested to support the construction of five units for households earning an average of 50% AMI, not to exceed 60% AMI. All homebuyers must have lived in King County for at least one year, and 25% of the homes are reserved for households connected to the community – defined as within two miles of the project. The project will provide permanent affordability by executing a ground lease upon the home's sale. Habitat for Humanity requires the house to be the buyer's primary residence and owner-occupied for the home's life. The buyer's housing costs will be kept at or below 35% of gross household income. The project has secured awards totaling \$23 million and reports a funding gap of \$3.3 million. The funding gap is due to increased construction costs, higher interest rates on construction loans, and lower mortgage revenue due to Habitat's commitment to serve families at lower AMIs in this development.

This project was a high priority for the Advisory Board, and funding was recommended at \$555,000 with \$300,000 in general funds and \$255,000 with SHB 1406 funds. The justification for funding the Burien Miller Creek project includes the fact that homeownership is a high priority for SKHHP. Habitat for Humanity has implemented a community preference policy to help guide homeowner selection. All applicants must have been residents of King County in the past year, and 25% of the homes are reserved for those with a connection to the community (within a 2-mile radius of the project site). Over \$7 million has been invested in the site, and over \$23 million has been committed. The project began vertical construction in October 2024 and is fully

permitted. Historically, out of the total number of households the sponsor has served, 65% identify as BIPOC families. Limited funds available from SKHHP required a partial award to balance the need for other priority projects with consideration of geographic equity. The 32 three-bedrooms and eight four-bedrooms spread across ten buildings will provide badly needed larger, family-sized homes. The project was approved for participation in the City of Burien affordable housing demonstration program and has strong alignment with SKHHP priorities: homeownership, community connection, racial equity, addressing needs of priority populations, and leverage of public and private funds.

Special conditions for Burien Miller Creek include distributing funds as a secured grant with no repayment. The funding commitment lasts 36 months from the original award. The current description of the project will replace the project description of the original award from the 2022 funding round. The previous funding awarded shall be combined with the current recommended award. The proposed \$300,000 (2024) from general fund contributions would support the development of five housing units at an average 50% AMI on initial sale (among the 20 units with an average 50% AMI restriction) and be permanently restricted at 70% AMI upon resale. The proposed \$255,000 (2024) and the previously awarded \$300,000 (2022) would support the development of five units at an average 50% AMI on initial sale (among the 20 units with an average 50% AMI restriction) and be permanently restricted not to exceed 60% AMI.

Changes to Burien Miller Creek since the 2022 fund award include the removal of the phased approach to construction and building all forty units at once. Twenty units have been shifted from serving households at 50% AMI to serving households at an average of 50% AMI. Habitat for Humanity also requested that SKHHP funds support five units to support the initial affordability described in the project.

Claire Goodwin reviewed the proposed funding sources and analyzed how funding contributions from each member jurisdiction were distributed among the projects.

Carmen Rivera expressed gratitude and appreciation for the partnership between SKHHP and the City of Renton on the two projects in Renton. She asked how Habitat for Humanity determines community connections as part of the screening process for Burien Miller Creek. Claire Goodwin responded that SKHHP staff requested clarification from the developer and forwarded their responses to the Executive Board. The developer's definition of community connections is designed to be flexible and could include attending religious services, having family in the city, or growing up in Burien.

Carmen Rivera reviewed the response and appreciated the information but wanted to understand how the community connection piece ensures accuracy. Claire Goodwin responded that it was flexible and could be a letter from a family member or faith-based community attesting to the community connection.

Traci Buxton expressed gratitude for the Advisory Board and their extensive work in reviewing each project and making a recommendation. She asked for clarification about how the SKHHP funds would be directed to only five units at the Burien Miller Creek project and how it would impact affordability for the whole project. Claire Goodwin explained that as other public funders invested in the Miller Creek project over the years, the developer could recalculate the project budget. SKHHP funds would be used to support a total of ten units, and five of those units would be income-restricted at first sale to an average of 50% AMI, but when the home is resold,

it can be sold to households up to 70% AMI. Due to different funding constraints, the other five units would be sold in perpetuity to households at 50% AMI, not to exceed 60% AMI.

Sean Kelly moved to approve the Advisory Board Funding Recommendation as presented and forward the recommendation to the SKHHP member councils, seconded by Brian Davis. (11-0)

b. NOTIFICATION ON AWARDED HOUSING CAPITAL FUND PROJECT CHANGES

Claire Goodwin explained that in the time between when SKHHP receives approval from funding member jurisdictions and the contract stage, projects can experience several changes, including the building footprint, unit mix, use of funds, and number of units set aside for specific populations. A few of the projects SKHHP had awarded funding to in 2022 and 2023 have had changes that Claire Goodwin reviewed as part of the Housing Capital Fund presentation. A compromised funding award is a scary concept for a developer, and the Executive Board has not discussed its interest in being notified when projects have changed.

Claire Goodwin expressed that there should be a limited number of reasons for an awarded project to return to councils for reapproval. These include when a project physically changes locations, when an applicant submits another funding request to the SKHHP Housing Capital Fund, or other circumstances not currently known. A Regional Coalition for Housing (ARCH) uses similar criteria to decide when a project should return to the council for consideration.

Claire Goodwin presented three options for the Executive Board to consider when SKHHP staff should communicate project changes. Option 1 is to provide the Executive Board with quarterly project updates. This would assume projects are moving forward in the meantime. Option 2 is to update the Executive Board as changes happen at the next Board meeting. This would assume that contracting for the project halts until the update is shared with the Board. Option 3 is to update the Executive Board on larger changes and consider minor changes administrative. This assumes that smaller changes would be handled at the administrative level, and the project would move forward under those circumstances. And more significant changes would halt the contracting process until the update is shared with the Executive Board. Claire Goodwin prepared a document reviewing what would be considered a minor, administrative-level change and the more significant changes requiring notification.

Under Option 3, items that would be considered as needing to be an update to the Board include when:

- a project has a greater than 10% AMI change
- a project added or reduced its entire project unit count by 20% or more
- a specific population is added or entirely removed from a project
- a footprint change is greater than 20% or more of total square footage
- a unit mix change on 50% or more of units (population served, AMI, unit type)
- SKHHP Funds would support a different number of units.

Under Option 3, examples of administrative level changes would include when:

- a project has a less than 10% AMI change
- a project added or reduced the entire project unit count by less than 20%
- use of funds changes for construction, soft costs, acquisition, and other development costs

- a footprint change is less than 20% of total square footage
- a unit mix change is on less than 50% of units (population served, AMI, unit type)
- changes are made in the project development budget.

Victoria Schroff asked at what point SKHHP staff is notified of project changes. Claire Goodwin responded that the changes had all occurred before the contract. The contract contains significant language around notifications for when a project changes. Claire Goodwin's hope for this conversation is to gauge where the Executive Board is at during the waiting period between award and contracting.

Thomas McLeod asked how waiting a month to update the Executive Board might impact construction timelines and if there might be a way to provide updates sooner. Claire Goodwin responded that there would be an option to consider where she sends an email upon receiving a notice of a project change. A straightforward process should be in place so that Claire Goodwin knows the email update has been received and the Executive Board approves the change.

Thomas McLeod said that was a good example, and the email notification could include an element determining whether the email update is enough or whether a full discussion should take place at the next meeting. Claire Goodwin agreed.

Liz Stead liked the proposal to use email to communicate updates sooner. She continued that she had concerns about the 50% threshold for notification of a unit mix change and suggested that it be at 20%.

James Lovell felt there may be a need to consider the project type when setting notification thresholds. He continued that 50% would be too high for multi-family, but for a smaller development such as a four-unit homeownership project a 20% threshold would be $\frac{1}{4}$ of the units. He hoped to avoid becoming too technical and not having a variety of notifications for different project types. An example of other items he would like to be notified of would be when a project isn't awarded funds from other funders, such as the State Housing Trust Fund. He concluded that the question was how technical the Board would want to get, and he would rather not be notified by email since it can be lost in the shuffle. James Lovell also suggested it could be a quarterly, not monthly, update.

Dana Ralph asked a clarifying question about moving to a quarterly update and James Lovell's thoughts on a project being held until the in-person update. James Lovell responded that he would not want a project to pause contracting for a quarter and that the updates on administrative changes could be made quarterly.

Kristina Soltys liked the idea of quarterly updates on minute changes, but waiting even a month for large updates could impact the developer. She suggested a thirty-minute meeting to provide updates on the project so there was no delay, and she was comfortable with the notification thresholds that Claire Goodwin had proposed.

Sunaree Marshall raised the point that projects SKHHP funds will have other public funders, and a project change would require a notification of all the public funders. She asked how this process would align with other public funders. Claire Goodwin responded that she was trying to gauge the interest level of the Board for diving into these issues. Claire Goodwin is having conversations with other public funders, but each agency has its own funding process, which is

inherently more administrative. The staff of the public funders make the decisions that the Advisory and Executive Board make, so SKHHP is under some different constraints. Claire Goodwin continued that the ILA does not provide clear direction on how project changes will be communicated to the SKHHP jurisdiction councils, which also have a hand in the approval process.

Dana Ralph added that her concern includes maintaining the trust of the community. When SKHHP approves and begins talking about a project, and the project changes who it serves, it can have a major impact on the community. She would like to understand why projects have been changed and be able to articulate that to community. She added that one element not on the list was a change in the nonprofit providing the project's services, which can have a significant impact on the long-term health of the project.

James Lovell asked if the Advisory Board has similar thresholds for when a project would return to them for review. Claire Goodwin responded that there was not. This was the first step in the conversation. James Lovell added that he would like to see the Advisory Board included in this process since they have a much deeper understanding of each project. He would not want to overturn a decision the Advisory Board had made.

Dana Ralph noted that a significant change in the project may mean it is no longer the project the Advisory Board approved. She said at the end of the day, it's the Executive Board that either supports a project or not. Dana Ralph added that the notification method for project changes can be adjusted in a year if it becomes cumbersome or unworkable.

Traci Buxton supported the notification thresholds prepared by SKHHP staff. She suggested sending an email, "If anyone would like to convene a Board meeting to discuss, please respond." If no one responds, the Board is not interested. Dana Ralph added that if a majority of the Board has concerns or the Board Member from the project location jurisdiction has concerns, the Board will convene a meeting to discuss. Traci Buxton said the idea should be to receive updates to remain informed but not to impede good projects.

Liz Stead agreed with Traci Buxton's suggestion and asked how often projects change to trigger a notification. She was reluctant to create a lot of structure for something that may occur infrequently. Claire Goodwin acknowledged that the process was still new, and SKHHP staff received notifications in various ways. For most of the changes, SKHHP did not receive full details until the project had applied to the most recent Housing Capital Fund round.

Claire Goodwin clarified that she has been in communication with the receiving jurisdictions to keep them aware of project changes and to respect the local authority of the jurisdictions.

Liz Stead was supportive of email notifications, and if there were significant concerns, the changes should be brought to a meeting.

Eric Zimmerman raised the concern that project changes may not just be fiscal but could also change the program's philosophical approach, so it is no longer in alignment with SKHHP's priorities. It is important to respect the philosophical differences of the voters in each jurisdiction.

Brian Davis agreed with Dana Ralph that it was important for elected officials to remain informed of the projects but that there is a difference between small and significant administrative changes. He recommended including the threshold language when notifying the member cities

during the pre-application process, which would allow the city to weigh in if they have concerns about the levels of flexibility provided to staff for administrative-level changes.

Dana Ralph clarified that her proposal would not be for project changes to go back to the city councils but would be an update to the Executive Board. She felt it would be up to the individual city to determine whether further action was required.

Brian Davis agreed and clarified that including the thresholds was to provide the city councils with a clear picture of the way project changes are handled by SKHHP.

Traci Buxton acknowledged that there appeared to be consensus on the process but still needed to adjust the percentage of unit mix change to trigger a notification. Traci Buxton suggested that the Executive Board be notified if the unit mix change was greater than 25% or more on the number of units.

Dana Ralph confirmed that the Executive Board was comfortable with Option 3, which would result in an update to the Executive Board on larger changes and consider minor changes administrative in nature with the adjustment to the percentage of unit mix change to trigger a notification.

Sunaree Marshall asked whether Option 3 would delay the project when larger changes require notifying the Executive Board.

Dana Ralph clarified that the notification would be by email and that the project would only be paused if a concern was raised by a majority of the Board or the representative of the receiving jurisdiction.

Kristina Soltys expressed support.

Thomas McLeod agreed that there should be a consideration for the receiving jurisdiction.

Traci Buxton motioned to amend Option 3 so that the Executive Board would be notified when a project's unit mix change was greater than 25% or more, seconded by James Lovell (11-0)

Thomas McLeod asked if the receiving jurisdiction would receive a phone call in addition to the email notification. Claire Goodwin confirmed that her process would include both.

c. 2024 THIRD QUARTER PROGRESS REPORT

Dorsol Plants provided a brief overview of the third quarter progress report required by the SKHHP ILA. He began by acknowledging the essential work of SKHHP's Staff Work Group and the South King County Planners. Additionally, SKHHP's success from July to September was empowered by the extensive preparation the Executive Manager undertook before starting her leave and the immense support of Jeff Tate.

The primary focus of SKHHP's work in the third quarter was advertising and coordinating the applications for the Housing Capital Fund. SKHHP and city staff met with seven potential applicants in quarter three and received six applications by the September 13 deadline. As part of this work, Dorsol Plants spent time supporting the Advisory Board in preparing to evaluate the applications. This included coordinating presentations from the WA State Dept. of Commerce and King County Housing Finance Program to understand their process better. Dorsol Plants acknowledged the amazing work of the SKHHP Advisory Board and the countless hours spent reviewing hundreds of documents to get at the heart of each project.

Beyond the Housing Capital Fund, Dorsol Plants worked with the SKHHP Advisory Board to share their expertise on practical solutions to ending the cycle of homelessness and to support a tour of affordable housing in September. Dorsol Plants reminded the Board that the presentation and the tour had been recorded and made available on the SKHHP YouTube channel.

Some additional highlights of the work completed by SKHHP staff in the third quarter were preparations for future work. This included the Association of Washington Cities' presentation on the upcoming 2025 legislative session and updating SKHHP's legislative priority flyer. SKHHP staff also participated in work King County Public Health and the University of Washington are undertaking with the City of Auburn to prepare our region for changes to our climate which disproportionately impact South King County compared to the rest of King County. While the current work is specific to the City of Auburn, King County Public Health hopes to expand its efforts across South King County so every jurisdiction can benefit.

Claire Goodwin briefly reviewed the budget included in the quarter three progress report. The operational and housing capital fund contributions have not changed from the second quarter report except for the interest earned, which continued to increase from the high interest rates collected on the housing capital funds awaiting distribution. Claire Goodwin reminded the Executive Board that last year's interest earnings were rolled into the beginning fund balance for 2024, and a similar discussion will need to occur in 2025. SKHHP has an estimated operating end fund balance of \$868,561, but if the interest earnings were removed, the balance would be \$521,522.

d. GENERAL UPDATES

Claire Goodwin reminded the Executive Board that she was collecting nominations for the SKHHP Chair and Vice Chair by December 20, and the goal is to elect a new Chair and Vice Chair in January.

Claire Goodwin informed the Executive Board that the December meeting would be canceled since the Housing Capital Fund recommendations had been adopted.

Claire Goodwin reminded the Executive Board that she would be out of the office attending a conference in Chicago the week of November 18 to 20 and would be on vacation November 21 and 22. SKHHP offices will be closed on November 20 and 27.

Claire Goodwin informed the Executive Board she was slightly modifying the talking points connected to the 2025 legislative priority flyer to ensure the Naturally Occurring Affordable Housing point represents each SKHHP jurisdiction.

Claire Goodwin will contact the Executive Board members to schedule meetings to discuss how the 2024 year went and prepare for 2025.

Claire Goodwin informed the Executive Board that Rep Adam Smith is planning to introduce a bill on November 19 to create a program at HUD to encourage local governments to reform zoning and permitting, promote and incentivize prefabricated housing construction, build partnerships between local governments and community land trusts, and create a national building code to standardize and streamline affordable housing development. Claire Goodwin had additional information on the bill, which she would happily share with any interested Executive Board members.

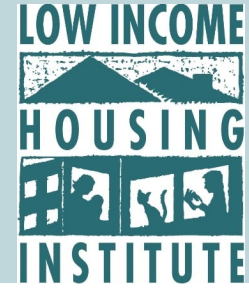
VI.UPDATES/ANNOUNCEMENTS

No updates or announcements were provided.

VII.ADJOURN

Traci Buxton adjourned the meeting at 2:59 PM.

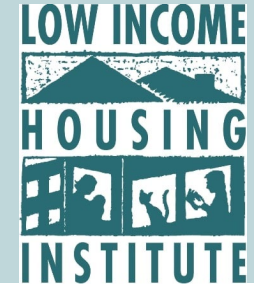
Organization Info



Low Income Housing Institute (LIHI)

- Established in 1991
- 450 staff
- Annual operating budget of \$63M
- BIPOC director, staff and board
- Certified by HUD as a Community Housing Development Organization (CHDO)
- NeighborWorks Charter Member
- Mission Statement: LIHI develops, owns and operates housing for the benefit of low-income, homeless and formerly homeless people in Washington State; advocates for just housing policies at the local and national levels; and administers a range of supportive service programs to assist those we serve in maintaining stable housing and increasing their self-sufficiency.

Low Income Housing Institute (LIHI)



Affordable Housing

Over 75 buildings and 3,500 units of affordable housing throughout the Seattle and Puget Sound Region.



Urban Rest Stops

2 Urban Rest Stops in Seattle providing showers, laundry and other free hygiene resources to people experiencing homelessness.



Tiny House Villages

14 tiny house villages in Seattle and Puget Sound region providing shelter and case management to individuals, couples, and families experiencing homelessness.

Plans in South King County

Current Projects in South King:

- Skyway Progressive Village
- Auburn Manor
- White River Garden (Auburn)
- Miracle Tiny House Village (Tukwila)
- Riverton Park Village (Tukwila)
- Tukwila House
- June Leonard Place
- May Valley Home Parks
- Benson East (past project)

Upcoming Projects:

- New THV at Church by the Side of the Road
- White River Garden Rehab
- We are always researching new projects in the area!



Challenges Building in South King County

- Experience with Past Projects:
 - Aggressive Parking Requirements
 - Unclear code and timing for permits in some instances
 - Design Review
 - AMI limits too high for potential residents
 - Harder to meet TOD funding requirements
 - Construction Costs similar to Seattle



Skyway Mixed Use

- Providing 54 units of affordable housing, and 4 Early Learning classrooms serving up to 80 students in the unincorporated neighborhood of Skyway.
- The housing will serve households making 30-50% of the area median income, including households that are exiting homelessness.
- There will be an increased ratio of family and large family units.
- The Early Learning Center will be operated by Akin.



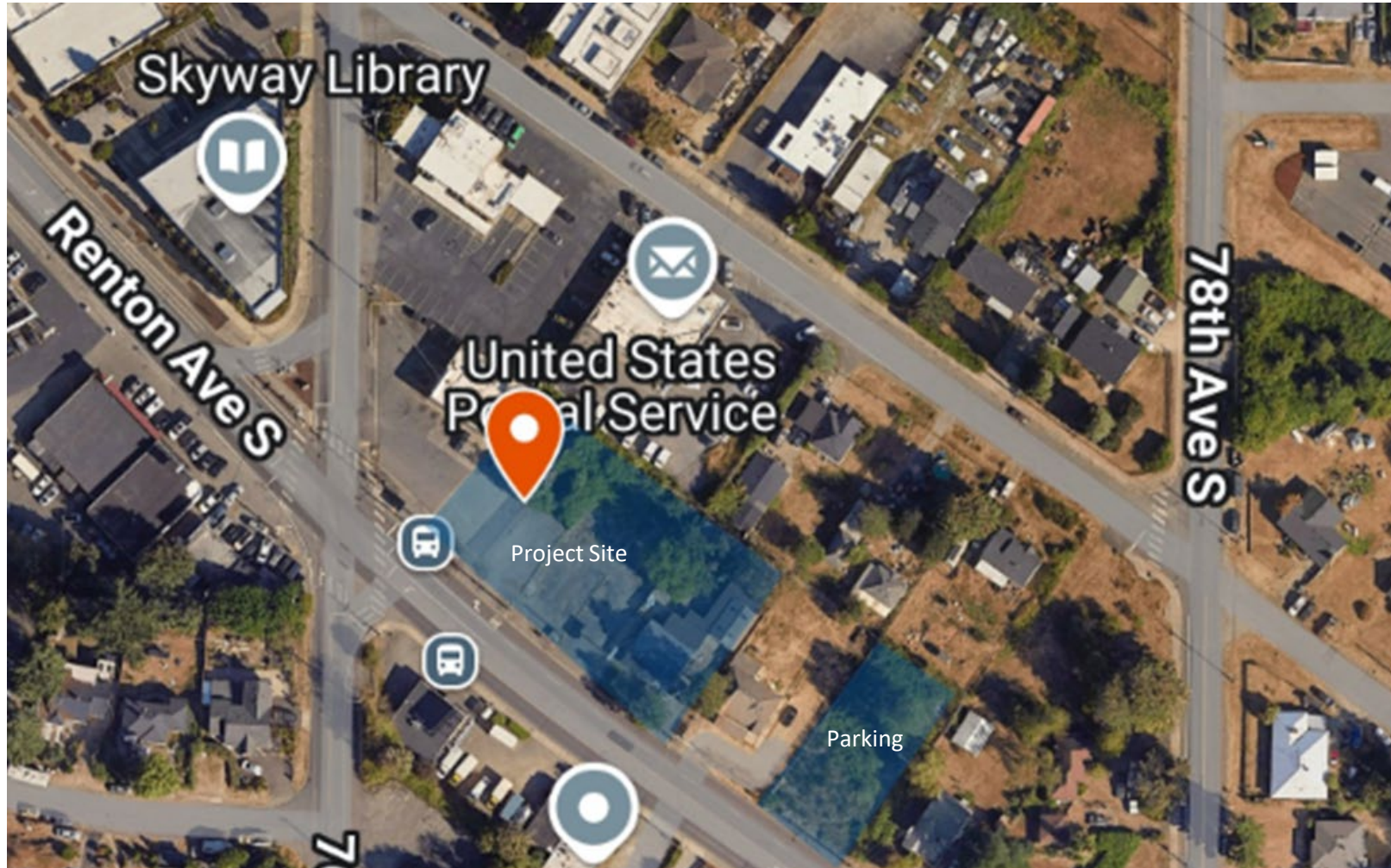
Unit Mix

- Feedback from community meetings asked us to prioritize:
 - Large Family Units
 - Serving households at <50% AMI
 - Community Preference
- Family units (2-3 BR) make up 50% of the units
- 75% of the units will serve households leaving homelessness

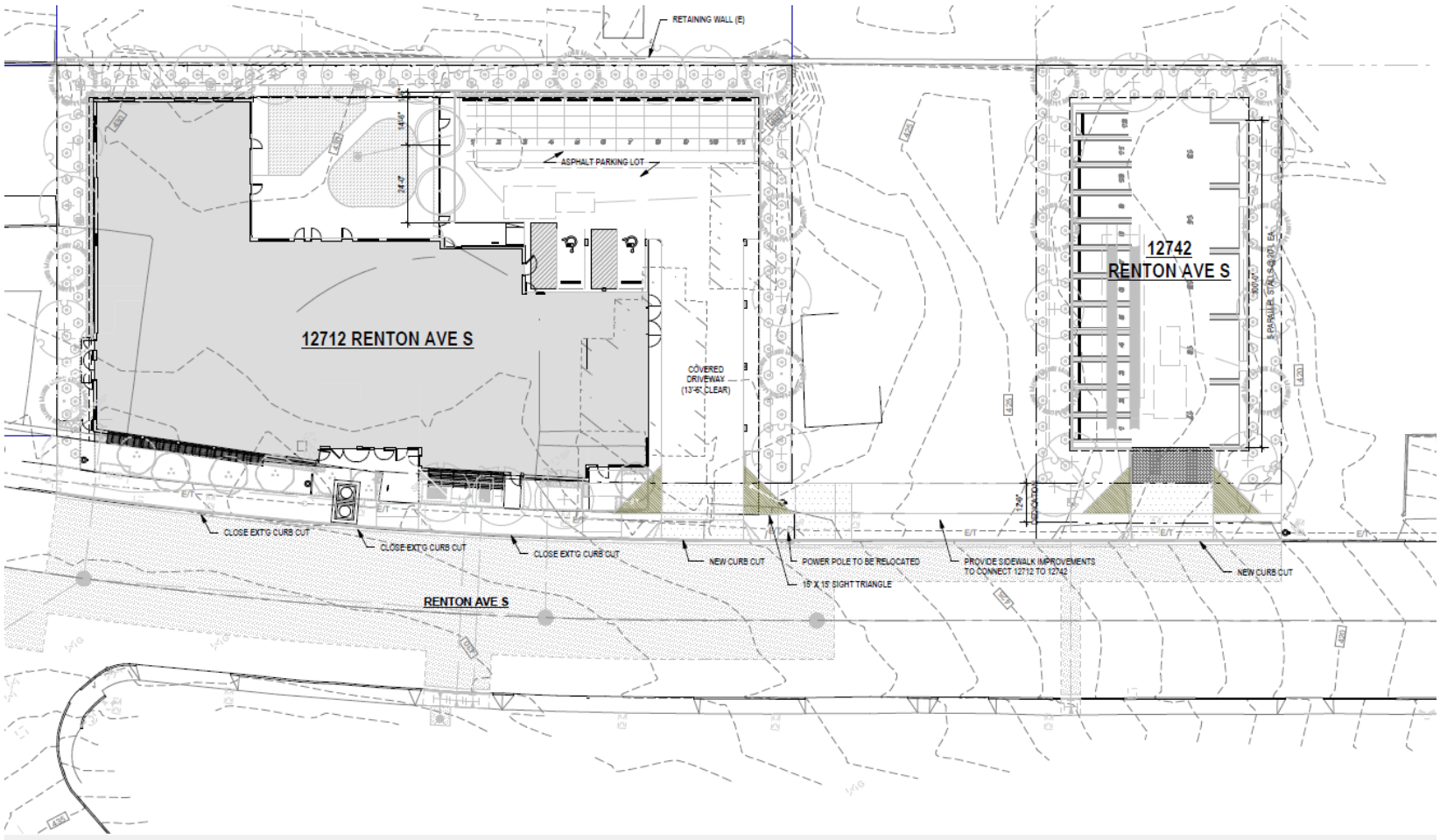
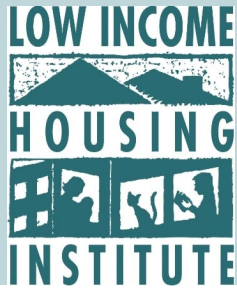


AMI Targets	Beds	SRO	Studio	1 BR	2 BR	3 BR	4 BR	5+ BR	Total Units
25%	-	-	-	-	-	-	-	-	0
30%	-	-	8	13	8	11	-	-	40
35%	-	-	-	-	-	-	-	-	0
40%	-	-	-	-	-	-	-	-	0
45%	-	-	-	-	-	-	-	-	0
50%	-	-	-	5	8	-	-	-	13
55%	-	-	-	-	-	-	-	-	0
60%	-	-	-	-	-	-	-	-	0
65%	-	-	-	-	-	-	-	-	0
80%	-	-	-	-	-	-	-	-	0
Total Low-Income Units	0	0	8	18	16	11	0	0	53
Market Rate	-	-	-	-	-	-	-	-	0
CAUs / Managers	-	-	-	1	-	-	-	-	1
TOTAL UNITS	0	0	8	19	16	11	0	0	54
# Accessible Units	0	0	1	1	1	0	0	0	3
Avg Sq Ft	0	0	400	516	816	900	0	0	

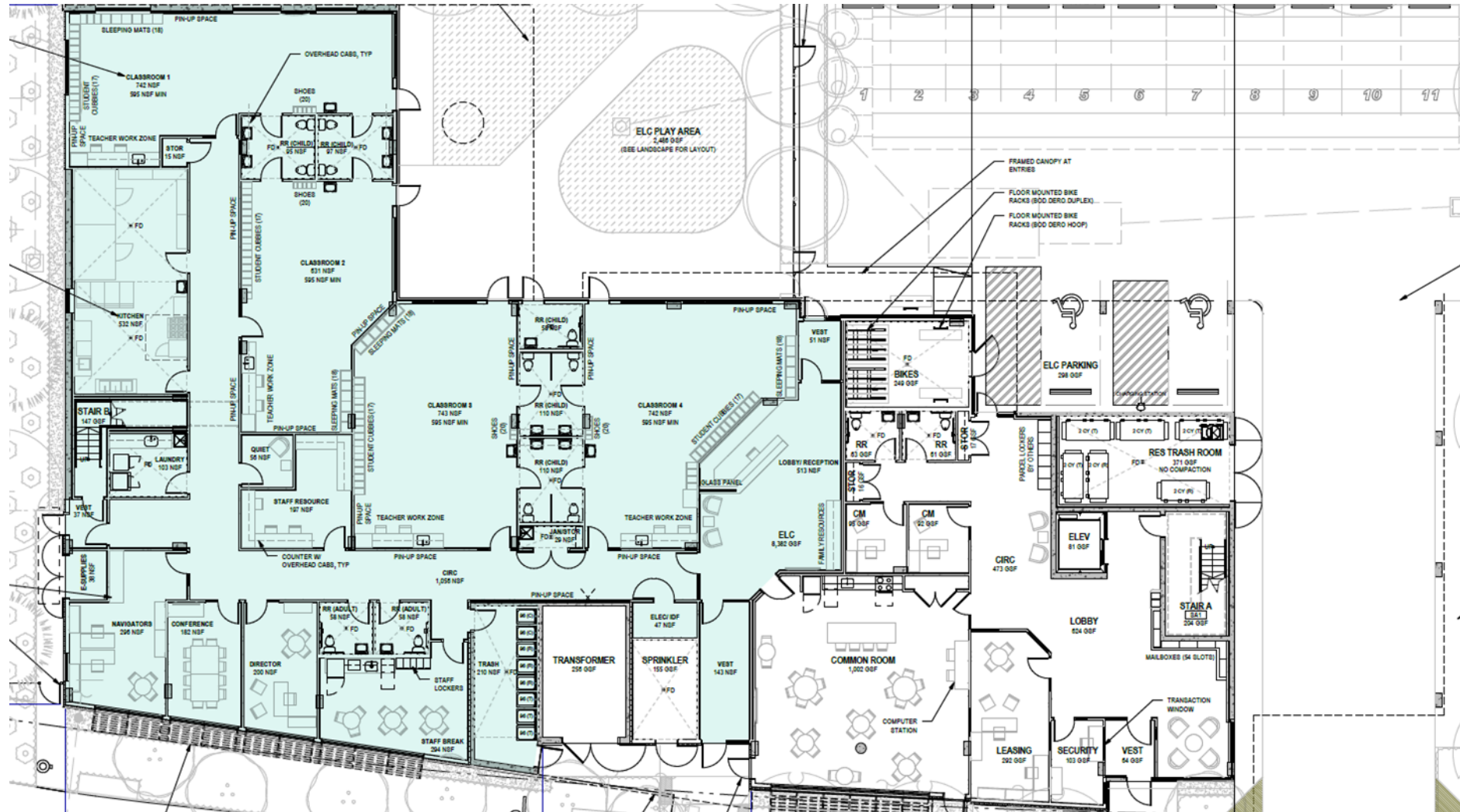
Site Plan



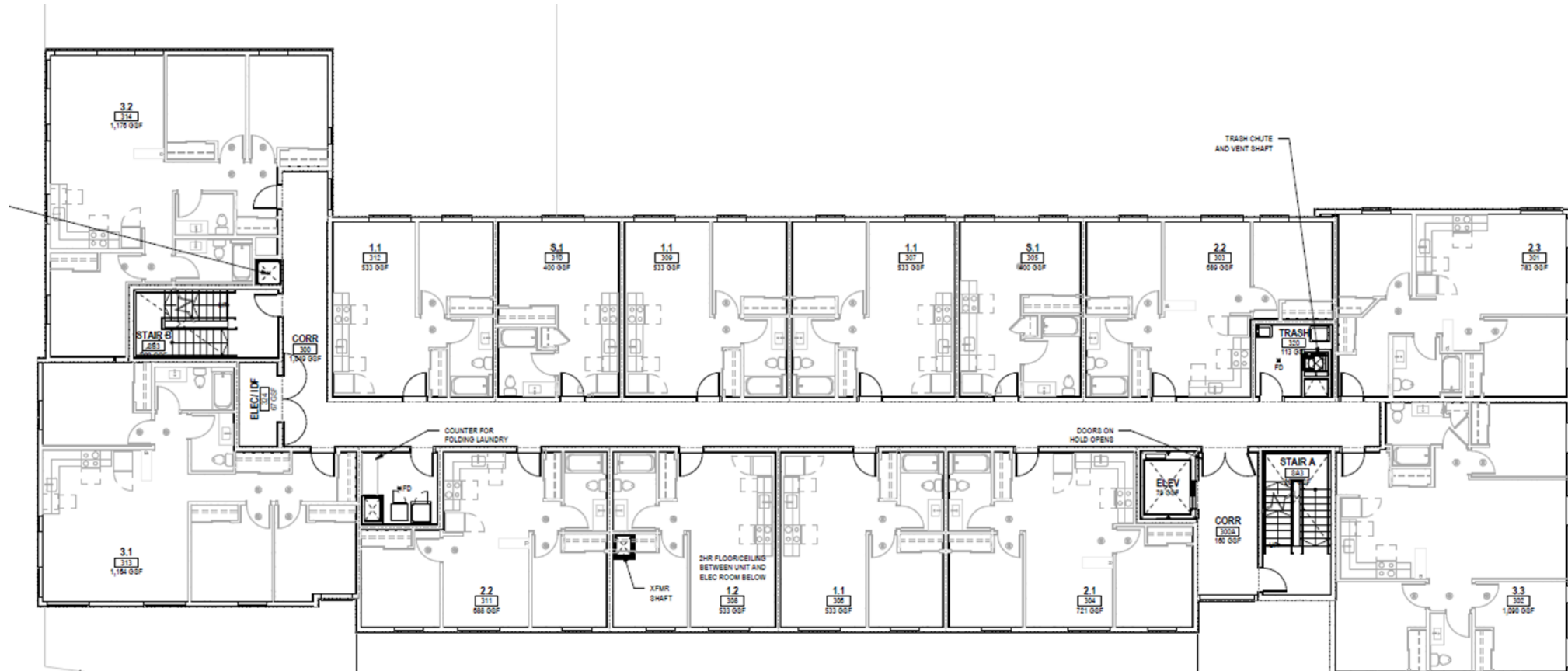
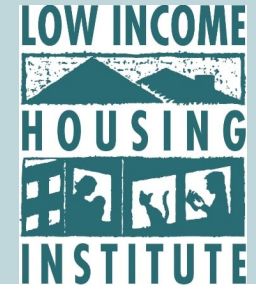
Site Plan



First Floor Plan



Unit Floor Plans

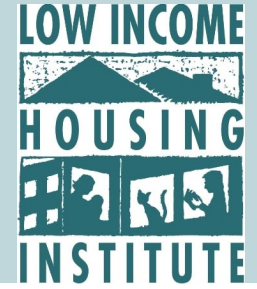


Development Budget

- Total Residential Budget: \$41M
- Total ELC Budget: \$5.5M
- Public funders Include:
 - King County
 - SKHHP
 - State Department of Commerce HTF
 - State and Federal Appropriations (Rep. Adam Smith)
 - 9% LIHTC
- Private Sources:
 - Foundation Funding
 - Construction Financing



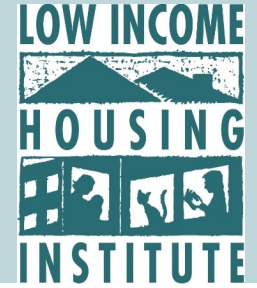
Latest Updates



- Building Naming Process
- Design Timeline
- Funding
- Next Steps



Questions?



- Contact Us:
 - Victoria Chow, Project Manager
 - Victoria.chow@lihi.org
 - 206-957-8076
 - Sharon Lee, Executive Director
 - SharonL@lihi.org
 - 206-443-9935 ext. 1031



Thank you to the South King Housing and Homelessness Partners for your support for this project.

And thank you to the Skyway Coalition, Akin, and Councilmember Girmay Zahilay for their support from the very start!

2025 State Legislative Update

Claire Goodwin, SKHHP Executive Manager

SKHHP Executive Board

Updated as of January 10, 2025

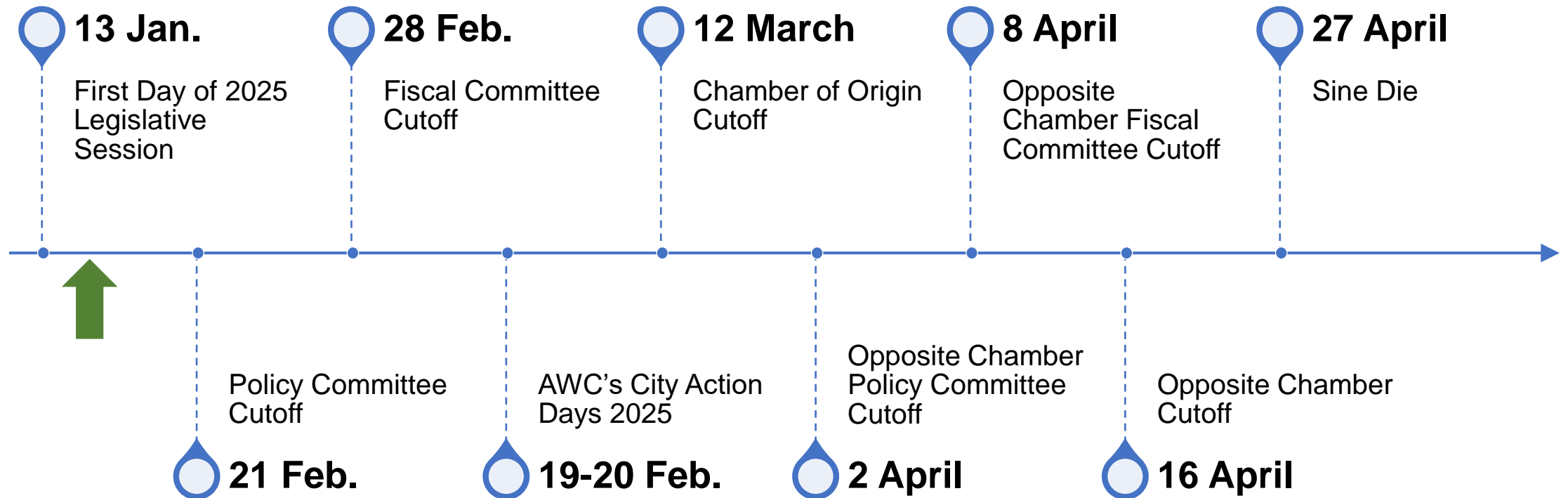
SKHHP 2025 Legislative Priority

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

- Homeownership for moderate income households and below
- Preservation of naturally occurring affordable housing (NOAH)
- Land acquisition to secure permanent affordability
- Permanent supportive housing (PSH)
- Infrastructure around affordable housing developments
- Workforce housing; especially smaller sized units below 60% AMI and family sized units at all income levels



2025 Legislative Session Timeline



Budget Shortfall



“Washington is among several states facing a budget shortfall. The costs to maintain current services and program levels for the next four years went up approximately \$12.6 billion due to inflation, higher projected caseloads in several safety net programs, expansion of popular programs like early learning, and workforce costs. Revenues dipped lower than forecasted due to lagging home sales and collections for sales and capital gains taxes.” – [WA State Office of Financial Management](#)

Funding Affordable Housing

Bill Number	Description	Status
HB 1004	Increasing the personal property tax exemption.	1/16 Public Hearing House Finance Committee
HB 1040	Concerning rental income received by people eligible for certain property tax exemption programs.	Pre-filed
HB 1044	Concerning county fees for administration of the real estate excise tax.	Pre-filed
HB 1057	Promoting economic development by increasing support for local communities to access federal funds.	1/17 Public Hearing House Technology, Economic Development, & Veterans
HB 1075	Expanding housing supply by supporting the ability of public housing authorities to finance affordable housing developments.	1/16 Public Hearing House Housing Committee
HB 1094	Providing a property tax exemption for property owned by a qualifying nonprofit organization and loaned, leased, or rented to and used by any government entity to provide character-building, benevolent, protective, or rehabilitative social services.	Pre-filed
HB 1100	Creating a local sales and use tax.	Pre-filed

Funding Affordable Housing Continued

Bill Number	Description	Status
HB 1179	Providing a property tax valuation freeze for senior citizens and disabled veterans.	Pre-filed
HB 1206	Expanding eligibility to utilize the multifamily tax exemption program to all counties required or choosing to plan under RCW 36.70A.040.	Pre-filed
HB 1165	Expanding access to the property tax exemption program for seniors, people retired due to disability, and veterans with disabilities.	Pre-filed
HB 1198	Making 2025-2027 fiscal biennium operating appropriations.	1/13 Public Hearing House Appropriations Committee
SB 5167	Making 2025-2027 fiscal biennium operating appropriations.	1/14 Public Hearing Senate Ways & Means Committee
HB 1216	Concerning the capital budget.	1/16 Public Hearing House Budget Committee
SB 5195	Concerning the capital budget.	1/13 Public Hearing Senate Ways & Means Committee

Housing and Land Use

Bill Number	Description	Status
HB 1010	Authorizing accessory dwelling units in rural areas.	Pre-filed
HB 1015	Concerning energy labeling of residential buildings.	1/17 Public Hearing House Local Gov Committee
HB 1022	Creating a homes for heroes program.	1/16 Executive Session House Housing Committee
HB 1029	Concerning 3D-printed building construction.	Pre-filed
HB 1039	Concerning extending governmental services from cities to tribal lands.	Pre-filed
HB 1040	Concerning rental income received by people eligible for certain property tax exemption programs.	Pre-filed
HB 1061	Providing additional parking flexibility in residential neighborhoods.	Pre-filed
HB 1081	Establishing consumer protections for owners of solicited real estate.	1/15 Public Hearing House Consumer Protection & Business Committee
HB 1088	Preparing for revisions to the residential landlord-tenant act by creating a task force and establishing a moratorium on new residential landlord-tenant regulations.	Pre-filed

Housing and Land Use Continued

Bill Number	Description	Status
HB 1089	Concerning eviction reform and tenant safety.	Pre-filed
HB 1096	Increasing housing options through lot splitting.	1/13 Public Hearing House Housing Committee
HB 1097	Extending governmental services beyond the urban growth area in specific circumstances.	Pre-filed
HB 1099	Creating a tenant assistance program.	Pre-filed
SB 5028	Increasing support and services for veterans.	Pre-filed
HB 1106	Recognizing the tremendous sacrifices made by our military veterans by phasing down the disability rating requirements to ensure more disabled veterans are eligible for property tax relief.	Pre-filed
HB 1108	Creating a task force on housing cost driver analysis.	1/14 Public Hearing House Housing Committee
HB 1135	Ensuring that local government planning complies with the growth management act.	1/17 Public Hearing House Local Gov Committee

Housing and Land Use Continued

Bill Number	Description	Status
HB 1160	Concerning local government design review.	1/16 Public Hearing House Housing Committee
HB 1164	Expanding urban growth area boundaries for residential development.	Pre-filed
HB 1165	Expanding access to the property tax exemption program for seniors, people retired due to disability, and veterans with disabilities.	Pre-filed
HB 1175	Allowing small business establishments in residential zones.	Pre-filed
HB 1179	Providing a property tax valuation freeze for senior citizens and disabled veterans.	Pre-filed
HB 1183	Concerning building code and development regulation reform.	Pre-filed
HB 1191	Concerning removing vehicle titles from manufactured homes.	Pre-filed
HB 1235	Ensuring compliance with the housing element requirements of the growth management act.	Still Processing
SB 5148	Ensuring compliance with the housing element requirements of the growth management act.	Pre-filed

Housing and Land Use Continued

Bill Number	Description	Status
HB 1195	Concerning compliance with siting, development permit processes and standards, and requirements for permanent supportive housing, transitional housing, indoor emergency housing, or indoor emergency shelters.	Pre-filed
HB 1201	Identifying accommodations allowing pets in an emergency or extreme weather event.	Pre-filed
HB 1204	Concerning senior shared housing in manufactured home communities.	Pre-filed
HB 1217	Improving housing stability for tenants subject to the residential landlord-tenant act and the manufactured/mobile home landlord-tenant act by limiting rent and fee increases, requiring notice of rent and fee increases, limiting fees and deposits, establishing a landlord resource center and associated services, authorizing tenant lease termination, creating parity between lease types, and providing for attorney general enforcement.	1/13 Public Hearing House Housing Committee
SB 5020	Providing property tax relief to senior citizens.	Pre-filed
SB 5156	Concerning elevator standards in smaller apartment buildings.	Pre-filed

Housing and Land Use Continued

Bill Number	Description	Status
SB 5028	Concerning unlawful camping.	Pre-filed
SB 5061	Requiring certain wages in public works contracts to be at least the prevailing wage in effect when the work is performed.	Pre-filed
SB 5082	Creating a housing assistance program for youth enrolled in extended foster care.	1/13 Public Hearing Senate Human Services Committee
SB 5109	Concerning the mortgage lending fraud prosecution account.	Pre-filed
SB 5125	Calculating the provider rate for certain community residential services.	Pre-filed
SB 5129	Concerning common interest communities.	1/15 Public Hearing Senate Housing Committee
SB 5142	Providing owners of real estate taken through eminent domain by school districts, or sold under threat of eminent domain, the opportunity to purchase the real estate back when it is not put to intended public use.	Pre-filed
SB 5173	Concerning county comprehensive plans and development regulations.	Pre-filed
SB 5184	Concerning minimum parking requirements.	Pre-filed

Questions?



2025 SKHHP Executive Board Meeting Schedule

Third Friday of Every Month

1:00 pm – 3:00 pm

Date
January 17
February 21
March 21 (in person)
April 18
May 16
June 20 (in person)
July 18
August 15
September 19 (in person)
October 17
November 21
December 19 (in person)