



**SKHHP Advisory Board
May 1, 2025
3:30 – 5:30 PM
Zoom Meeting**

Zoom Link: <https://us06web.zoom.us/j/89734407973?pwd=cnlISFU4dXFJaFN5TGlwTWlxZHINZz09>

Meeting ID: 897 3440 7973

Password: 981696

Phone: 253-215-8782

<u>Time</u>	<u>Agenda</u>
3:30	Welcome / Introductions / Opening
3:35	April 3, 2025 Meeting Minutes
3:40	SKHHP Executive Board April Meeting Update
3:45	SKHHP Member City Updates <ul style="list-style-type: none">• Auburn• Burien• Covington• Des Moines• Kent• Maple Valley• Renton• SeaTac• Tukwila
5:20	Updates / Announcements <ul style="list-style-type: none">• July 3, 2025 Advisory Board meeting
5:30	Closing



I. CALL TO ORDER

Dorsol Plants called the meeting to order at 3:36 PM.

ROLL CALL/ESTABLISHMENT OF QUORUM

Advisory Board members present: Ashley Kenny, Kent Hay, Kathleen Hosfeld, Phoebe Anderson-Kline, Menka Soni, Grace Wood, Brady Nordstrom, Zzaj Collins.

Other attendees: Dorsol Plants, SKHHP; Claire Goodwin, SKHHP; Joy Hunt, Seattle Office of Housing.

II. MARCH 6, 2025 MEETING MINUTES

Kathleen Hosfeld motioned to approve the March 6, 2025 minutes, seconded by Phoebe Anderson-Kline. (7-0)

III. ADVISORY BOARD LIAISON UPDATE

Dorsol Plants informed the Board that Maria Arns could attend the March Executive Board meeting but couldn't attend today. The Executive Board had its first in-person meeting of 2025, which included a workshop to develop the 2026 work plan and budget and begin planning the next five years for SKHHP. An important topic of discussion was options to take advantage of the high-interest earnings collected on the Housing Capital Funds awaiting distribution. The Executive Board is considering a reserve policy and whether to dedicate additional funds to the Housing Capital Fund. Finally, the Executive Board held a legislative forum to gather the state legislators representing South King County to learn more about SKHHP's work on affordable housing.

IV. MEET THE FUNDER: SEATTLE OFFICE OF HOUSING (OH)

Joy Hunt, Senior Homeownership and Policy Specialist for the Seattle OH, provided a brief overview of the funding process for the Resale of Restricted Ownership Homes program and the evaluation process for applications.

The program funds permanently affordable resale-restricted homes. Homes bought through this program follow a formula when being sold to ensure affordability remains. The formula allows for an annual increase of 1-3% every year in the home's resale price. Affordability is secured through a ground lease, covenant, or other recording document for at least fifty years. Homes would be affordable to households earning 80% of the area median income (AMI). The home must be located in the City of Seattle to be eligible for funding.

Seattle OH uses two funding processes: a Notice of Funding Availability (NOFA) and a Request for Funding Proposals (RFP). When utilizing the NOFO process, there are two ways to apply this year: development subsidy loans or short-term loans for site acquisitions. Seattle OH primarily provides development subsidy loans, which can assist qualified developers in developing or rehabilitating homes. There is 0% interest, and payments are deferred for fifty

years. Seattle OH will often use the RFP process when surplus public land is available to develop affordable housing.

One unique feature of the funding Seattle OH, receives is that it's provided by a voter-approved levy, which has been approved every seven years for a couple of decades. Seattle OH, has a funding cap per unit, such as \$120,000 per unit for a one-bedroom home. This makes the process easier because it trusts the developer to be an expert in their field without the evaluator needing to count widgets. Seattle OH is often the first funder for applicants, which is an important role for them. Going first sends a signal that the project has local support.

Seattle OH has a surplus public land pipeline. Each jurisdiction maintains a list of all lands and property it owns. Each year, Joy Hunt coordinates with the other departments at the City of Seattle to review that list for potential underutilized or surplus lands that the Seattle OH could turn into RFPs for affordable housing. She will visit sites with her team to do an initial assessment of the feasibility of development on the site. The Dumar Substation, currently under development by Homestead Community Land Trust, was one project generated by this public land process. Sound Transit has also been an excellent partner using surplus land from the Link Light Rail construction to create affordable housing in Rainier Valley.

Another unique element of the Seattle OH process is its emphasis on affirmative marketing and community preference. Affordable homeownership is a considerable investment of public funds, and it's essential to ensure that these projects are open and accessible to communities that have traditionally been left out of the homeownership market. Additionally, community preference policies help to ensure that new construction projects do not perpetuate the displacement of vulnerable or marginalized communities. Projects are required to do significant outreach to the local community or communities that have been displaced to encourage them to take advantage of the newly constructed homes.

Seattle OH uses two types of evaluation criteria: threshold and evaluation criteria. The threshold criteria is an effort to be as transparent about what a developer needs to apply for funding. The minimum threshold criteria include elements like the home being required to be affordable for at least fifty years to households earning 80% AMI. Additionally, the developer needs to demonstrate experience in the construction and stewardship of similar projects in the recent past. If the developer doesn't have that experience, they must show a partnership to help them learn that ability. The project must also pencil or have a sensible budget among other factors. To be eligible to apply, the applicant must be ready to demonstrate these minimum criteria.

Seattle OH's evaluation criteria are used to help decide between two qualified proposals. Seattle OH will provide technical assistance for projects that meet the threshold criteria but may not meet all of the evaluation criteria. While the threshold criteria is for projects serving households earning up to 80% AMI, projects that serve lower AMI are prioritized during the evaluation process. When considering homeownership projects, a range of AMI levels must be supported to ensure a market for the homes, such as having homes that serve between 65% and 80% AMI. Similarly, the threshold criteria is affordability for 50 years, but projects with longer affordability will be prioritized during the evaluation process. Additionally, evaluation criteria include the quality of the housing product and the provision of culturally competent stewardship. The goal is also to support projects that partner with women- and minority-owned businesses (WMBE).

Claire Goodwin asked what Seattle OH defines as stewardship. Joy Hunt responded that it included continued support after the initial sale to ensure the owner understood the resale formula for the home and assisted in finding qualified homeownership. Stewardship can also include supporting Homeowner Associations or individual owners to maintain and coexist in their communities, such as in a stacked flat building. Grounded Solutions is a nationwide organization that provides training and support on stewardship for affordable housing.

Kathleen Hosfeld added that stewardship cascades from the idea of ensuring homes stay permanently affordable in the Community Land Trust world. This includes two aspects: the first is keeping compliance with the affordability term, including ensuring the home is in good repair or that it passes to a qualified buyer. The second includes providing support to keep owners in the homes they bought. It's important to sustain the human element to help ensure the home avoids foreclosure or other issues that can affect affordability.

Claire Goodwin asked how Seattle OH defines anti-displacement. Joy Hunt responded that depending on where the home is located, there is a clear history of racial displacement. Seattle OH tries to encourage those communities to return to their initial neighborhoods through community preference. This can look like a tiebreaker between two qualified applicants determined by their connection to the community, such as a relationship with a faith-based or community group.

Claire Goodwin asked how the City of Seattle supports homes not in community preference policy areas to prioritize the local community. Kathleen Hosfeld said that the response would vary based on the developer, but at its basic level, it has a criterion that encourages applicants from the local community. This could be awarding points during an evaluation process for having community connections in the area where the home is being sold.

Applicants have eight weeks to apply when Seattle OH issues an RFP or a NOFA and must schedule a pre-application meeting. The application uses the same workbook as the Combined Funders Application, but Seattle OH edits the narrative to better align with the city's specific process. Narrative questions where the applicant needs to express the need for affordable housing have been removed since there is a well-established need for affordable housing. The application requires several attachments demonstrating site control or outlining the legal mechanism to maintain affordability. Seattle OH is willing to be one of the first funders because the level of criteria for the application is so strong.

Beginning tomorrow, Seattle OH will open an RFP for short-term loan applications on a rolling basis. The intent is for these loans to be available for rapid acquisition of sites for affordable housing across the year. While this had been something Seattle OH had piloted in the past, they are taking steps to codify it this year. The loan will be 2% for up to five years for projects close to closing and need additional funding for an additional permit or to acquire a site for future development in the next three to five years. The loan can cover up to 95% of the property's value as determined by an OH committee appraisal. If the short-term loan exceeds the per unit cap, the applicant will pay the difference to Seattle OH when the project closes.

Ashley Kenny asked if Seattle OH has an estimate for how much it would cost to build a two-bedroom home. Joy Hunt responded that even as recently as two years ago, a construction loan, Seattle OH funding, and the mortgage could fund the home's construction. That is no longer the case, and developers must look at other options, such as subsidizing affordable

homes by offering market-rate homes on the same site. Joy Hunt estimates it would require a construction loan and two subsidies from two separate public funders to build a home in Seattle.

Ashley Kenny asked if the per-unit caps are adjusted based on market changes. Joy Hunt responded that they are governed by the Housing Funding Policies available on the Seattle OH website, and the caps were raised recently. The Housing Funding Policies are updated every three years, which is when the caps are available to be adjusted.

Seattle OH expects to release two sites from the Rainier Valley Affordable Homeownership Initiative this year and another next year. Within the next two years, Seattle OH will review the list of city-owned properties to determine if there are other properties that can be released for affordable housing development.

Ashley Kenny asked how many homes the resale program supports per year. Joy Hunt responded that the total pipeline is about 500 homes, but it continues to grow as the need for additional funding from other public funders grows. Seattle OH funds 100-150 homes yearly, but the list for who waits for state funding continues to grow.

As an early funder for projects, Claire Goodwin asked if there is a sense of how long it may take a developer to move from the funding being committed before construction starts. Joy Hunt responded that for projects awarded Seattle OH funding this year, they are expected to apply to the State Housing Trust Fund in the fall. The developer is unlikely to get funded on the first application round and must apply a second or third time. These projects won't be able to break ground until the Housing Trust Fund funding is secured.

Claire Goodwin asked how the surplus land process began in Seattle. Joy Hunt responded that a City Council resolution established that surplus land should be used for affordable housing. The question of what surplus land is often becomes a challenge to answer. The Dumar Substation, which belongs to Seattle City Light and was no longer used in the current energy infrastructure, but because Seattle City Light is a quasi-city entity, Seattle OH had to buy the land before being able to do an RFP. Other land may seem available and look great, but there is a wetland or something you don't initially see. It's best to have a real conversation with the department that controls the site and discuss the real opportunity to use the land for affordable housing.

Claire Goodwin asked if Seattle OH maintains an active list of sites. Joy Hunt responded that the city maintains a list of all sites it owns. Seattle OH will review the list and visit the sites to determine if the land is a good candidate for housing development. Seattle OH monitors changes in property use over time to keep an eye out for potential opportunities.

Claire Goodwin asked if the Rainier Valley sites were found on the property list. Joy Hunt explained that those sites had belonged to Sound Transit for Link Light Rail construction, and Sound Transit has a clear policy of using surplus land for affordable housing.

V. SKHHP HOUSING CAPITAL FUND GUIDELINES & EVALUATION PROCESS

Dorsol Plants provided a brief overview of the 2024 Housing Capital Fund Guidelines and evaluation process in preparation for the 2025 funding round.

SKHHP member cities pool SHB 1406 and HB 1590 funds, which refer to the state legislative bills that established those funding sources. Last year, SKHHP also added general funds from

the City of SeaTac. The SKHHP Interlocal Agreement details the minimum criteria to consider when awarding funds.

Dorsol Plants informed the Board that the estimated funds available in 2025 will be around \$3.4 million. This total comprises about \$2.5 million in HB 1590 funds and about \$883,000 in SHB 1406 funds.

Reviewing a rough timeline for the 2025 funding round: The first step is to review last year's process at this and the April Executive Board meetings. The intent will be to adopt the guidelines in June and begin pre-application meetings. Our application is the Department of Commerce Combined Funders Application, which usually becomes available in July. Applications will be due in September. Dorsol Plants asked Board members to note in their schedules the October 2 and November 6 meetings which will focus on the application review and funding recommendation to the Executive Board.

Dorsol Plants reviewed the eligibility criteria and ineligible expenses from the 2024 Housing Capital Fund guidelines. He noted that operating expenses are not eligible expenses but are a need SKHHP staff still hears our region needs.

Dorsol Plants explained that the evaluation process starts when SKHHP and city staff meet with each applicant before they apply. This enables staff to ensure the project aligns with the jurisdiction's goals and informs SKHHP staff where the project is located in the local process. Projects do not move forward without the approval of the member jurisdiction.

After the pre-application meeting, the developer will complete the application, and the SKHHP staff will briefly review it to ensure it is complete. Both boards will review the applications in October and November, and the Advisory Board will make its funding recommendation. The Executive Board will adopt the Advisory Board's recommendation, and SKHHP staff will present and seek approval from each member council from January through April of the following year.

The 2024 Housing Capital Fund 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.

The 2024 Housing Capital Fund specific evaluation criteria:

- Development and Operating Budgets
- Project Readiness
- Development Team Track Record
- Property and Asset Management Capacity
- Displacement and Relocation
- Supporting Equity
- Nature of Location

In addition to the evaluation criteria, SKHHP has eleven priorities the Board considers when reviewing project applications.

- Collaboration
- Community Connections and Engagement
- Disproportionate Impact
- Economic Opportunity
- Extremely Low Income and Supportive Housing
- Geographic Equity
- Homeownership
- Leverage of Private and Public Investment
- Preservation
- Racial Equity
- Transit-Oriented Development

Dorsol Plants reviewed the evaluation form used by the Advisory Board in the last two funding rounds. The Advisory Board never used the form to decide on the funding recommendation, but as a starting point of discussion to develop the funding recommendation. One element to consider about the evaluation form is that SKHHP's priorities are not in competition or even always comparable to each other. The solution to the housing crisis means there is a need for housing to serve 0-30% of AMI households and a need for affordable homeownership. While both elements are priorities for SKHHP, you cannot compare or contrast them as they are both essential but separate solutions to the problem.

Dorsol Plants began the discussion by asking the Advisory Board three questions. The first question was whether the Advisory Board wanted to maintain the flexibility to be the first funder in a project or if SKHHP should prioritize permit-ready funding projects, like ARCH. Reviewing previous years' projects, Dorsol Plants informed the Board that SKHHP required applicants to have permits within 15 months of award, which would have changed the projects awarded in 2022. Two of the projects listed would have been permit-ready within the window, but it took longer than 15 months to receive a permit. The third project would not have received funding due to the time to get a permit, but it is a project that is currently under construction.

Kent Hay said he liked keeping the flexibility.

Ashley Kenny asked about the potential downside of keeping flexibility during the review process. Dorsol Plants responded that one of the key concerns was ensuring that projects that receive funding will be built relatively soon. ARCH mentioned funding a project over five years ago that still has not entered construction, but SKHHP is slightly different in that our contracting requires funding to be used within three years of the award. Claire Goodwin added that for

projects awarded funding in 2024, the applicant will have three years from April 2024 to claim the funds.

Kathleen Hosfeld added that the three-year window was good and reasonable. Every public funder wants to be last-in, but that isn't realistic. While three years is a good window, the Southard project received an award from the state in 2016, which had to be rolled forward over multiple years as Homestead Community Land Trust secured the rest of the funding. One element to consider moving forward is the current uncertainty around labor or materials costs, which may mean that funders that had previous awards will need additional funds to cover gaps. A public funder must maintain flexibility to provide grace and flexibility with funders with market changes.

Brady Nordstrom asked Kathleen Hosfeld how requesting an extension may create a barrier or hardship for the developer. Kathleen Hosfeld said that flexibility is essential, but there must also be a line where the developer is held accountable. The City of Seattle has rescinded awards under certain conditions, and SKHHP should have similar options available to ensure funding isn't wasted. Claire Goodwin added that based on legal advice, SKHHP has built flexibility in our contracts, and the Advisory Board would be briefed on whether funding will be rescinded. The Executive Board would make any decision regarding whether to rescind funding.

Dorsol Plants asked if the Board would be interested in dividing up the work of application review and evaluation by creating subcommittees to review individual applications and report back to the whole Board.

Kent Hay said he was fine with the earlier process of the Board reviewing applications together.

Ashley Kenny felt the small group review could work but had to rescue herself last year so that she couldn't make a direct comparison. Dorsol Plants concluded that the application review would take place with the whole Board, and he could create in-person opportunities for Board members interested in working together.

Dorsol Plants asked the Board if the current evaluation form was still helpful for application review or if there was any interest in changing or not using the form in 2025.

Menka Soni said that flexibility is important because we need to consider each project individually. She added that the evaluation form was helpful, but she would like more training and instruction on how to use it.

Claire Goodwin informed the Board that she intends to clean up the Housing Capital Fund Guidelines to ensure that they are relevant for this year. If there are any significant changes, she will be happy to provide a briefing at the May Advisory Board meeting.

VI. WORK PLAN ACTION ITEM II: AFFORDABLE HOUSING WEEK EVENT

Dorsol Plants informed the Board that at the March Executive Board meeting, the Executive Board asked that SKHHP hold a legislative forum instead of an affordable housing tour. The intent would be to invite all the state legislators representing South King County to meet with SKHHP to learn more about the work we have done in our region to support affordable housing. The plan will be to hold an affordable housing tour in 2026, alternating yearly between a tour and a legislative forum. Maria Arns suggested at the March Executive Board meeting that the Advisory Board would be interested in supporting a legislative forum.

Kathleen Hosfeld supported the idea and asked if the state legislators were invited to the housing tour in 2024. If not, it would be great to invite them on future tours. Dorsol Plants confirmed that the state delegation wasn't invited in 2024, but it would be a great idea to invite them in 2026.

The Executive Board only made the request to SKHHP staff last week, and more information will be coming as staff begins the process of planning the forum. It would likely be held toward the end of summer or the beginning of fall.

Dorsol Plants continued that the deadline to send HDC initial information about holding an event during Affordable Housing Week was April 4. There is not currently a South King County-themed event for the week, but there is a building tour in Tukwila and SeaTac. Kathleen Hosfeld confirmed that the Southard was the Tukwila tour site, and the theme of the tour is environmentally friendly design.

Dorsol Plants continued that community engagement idea had been to hold an informal BBQ or gathering. Another suggestion was for the Advisory Board to hold a virtual forum highlighting the Housing Capital Fund. This would include inviting an awardee to talk about the process and benefit of SKHHP's funding and would serve to advertise the upcoming 2025 funding round.

Brady Nordstrom, a long-time South King County resident who represents HDC on the Advisory Board, added that Affordable Housing Week was about increasing visibility and awareness of some of the amazing housing work in South King County. While both events would work, a virtual meeting tends to be more accessible.

Phoebe Anderson-Kline agreed that a virtual meeting would align better with her current capacity.

Ashley Kenny asked who SKHHP would target for each event. Dorsol Plants responded that the Housing Capital Fund event would target developers or organizations interested in developing or rehabilitating in South King County. The informal event would be geared toward engaging the community directly and encouraging community members with capacity and interest in affordable housing to take part in the topic in South King County.

Ashley Kenny asked if there was a need to advertise the Housing Capital Fund. Claire Goodwin responded that SKHHP does attend an annual event that HDC holds on public funds available that year. She added that SKHHP staff does receive feedback from developers who didn't hear about our fund, but how to access those people is one of the key questions.

Ashley Kenny said she wasn't sure either event would have an impact and was leaning toward not holding an event during Affordable Housing Week.

Kathleen Hosfeld appreciated Ashley Kenny's perspective and wasn't sure that the event would reach the audience that we would truly want to target. This year, Homestead Community Land Trust is participating because the Southard felt like a good fit, and some conversations are taking place around the environment and residential development. For SKHHP, there is a question about whether an event during Affordable Housing Week would be effective. She would be interested in consulting with a public relations firm to figure out what more effective strategies around engagement might look like.

Zzaj Collins added that many virtual events are well-intended and provide access to information but lack connection. For an event trying to pique someone's interest with new information, a virtual environment can be overwhelming, and it can be challenging to ensure you're reaching the community you intend to. ACHDO implemented community conversations, which have helped them learn how to connect with the community and what information is missing. It is well intended, but the information doesn't always take root like it's intended.

Dorsol Plants reiterated that the Advisory Board's survey responses clearly stated that the Board wanted to ensure its community engagement was effective. He was not certain that the Board had enough time or information to hold a meaningful event in May but could focus on ensuring the legislative forum's success.

VII. UPDATES & ANNOUNCEMENTS

The City of Burien is holding a Housing Code and Zoning Map Amendments Community Open House and Public Hearing on Wednesday, April 30, 2025, from 3:30 to 5:30 PM, followed by the Planning Commission meeting and Public Hearing at 5:30 PM.

Long-range planners from the SKHHP member cities have been invited to attend the May Advisory Board meeting to provide an update on the housing work taking place in each member city. The hope is that this will also create an opportunity for the planners and Advisory Board to begin working together to raise awareness amongst the community about the affordable housing work happening in South King County.

VIII. CLOSING/ADJOURN

The meeting was adjourned at 5:19 PM.