

**SKHHP Executive Board
April 18, 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	
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II.	PUBLIC COMMENT	1:05
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III.	APPROVAL OF MARCH 21, 2025 MINUTES	1:07
	<u>Motion</u> is to approve the March 21, 2025 SKHHP Executive Board meeting minutes.	
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IV.	AGENDA MODIFICATIONS	1:09
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V.	BOARD BUSINESS	1:10
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a.	RESERVE POLICY OPTIONS	
	<u>Presenter:</u> Claire V. Goodwin, SKHHP Executive Manager	
	<u>Purpose:</u> Review analysis of reserve policy options and solicit Board feedback on the portion of accrued interest to set-aside in reserve in 2026.	
	<u>Background:</u> Several options of interest were discussed at the March 21, 2025 SKHHP Executive Board Meeting regarding the use of interest earned in 2024 and ongoing. The preferred choice of the Board was to establish a reserve policy which sets aside a portion of the funds to be used to mitigate the impacts of a recession or for larger, unanticipated expenses with the remaining interest being applied to the annual funding round of the SKHHP Housing Capital Fund. Additional feedback is sought from the Board on the portion to set-aside in reserve.	
	For review, discussion, receipt of Board feedback, and possible action.	

b.	2026 WORK PLAN AND BUDGET DRAFT REVIEW	1:40
<p><u>Presenter:</u> Claire V. Goodwin, SKHHP Executive Manager</p> <p><u>Purpose:</u> Review the 2026 draft work plan and budget which incorporates changes discussed at the March 21, 2025 Executive Board meeting.</p> <p><u>Background:</u> SKHHP's Interlocal Agreement requires the Executive Board to recommend an annual work plan and budget for adoption by SKHHP member jurisdictions. The draft 2026 work plan and budget was created through a collaborative process, incorporating feedback from the March Executive Board meeting, direct input from Executive Board members, and contributions from the Advisory Board, Staff Work Group, and South King County planners.</p> <p>For review, discussion, and receipt of Board feedback, no action proposed.</p>		
c.	2025 HOUSING CAPITAL FUND GUIDELINES AND PRIORITIES	2:20
<p><u>Presenter:</u> Claire V. Goodwin, SKHHP Executive Manager</p> <p><u>Purpose:</u> Discuss any revisions to the 2024 Housing Capital Fund Guidelines the Board would like to make for the 2025 Guidelines including any modifications to the funding priorities.</p> <p><u>Background:</u> Each year, the Executive Board adopts guidelines and priorities for the annual funding round of the SKHHP Housing Capital Fund. Feedback is being sought from the Executive Board on any desired changes to the 2024 Guidelines in order to develop a 2025 draft for consideration to adopt at the June 13 Executive Board meeting.</p> <p>For review, discussion, and receipt of Board feedback, no action proposed.</p>		
VI.	UPDATES/ANNOUNCEMENTS	2:50
<ul style="list-style-type: none"> • State legislative update • Annual report 		
VII.	ADJOURN	3:00



I. CALL TO ORDER

Nancy Backus called the meeting to order at 1:07 PM.

ROLL CALL/ESTABLISHMENT OF QUORUM

Executive Board members present: Nancy Backus, City of Auburn; Merina Hanson, City of Kent (alternate); Liz Stead, City of Burien; Kristina Soltys, City of Covington; Katherine Caffrey, City of Des Moines (alternate); Victoria Schroff, 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; Maria Arns, SKHHP Advisory Board; James Alberson, City of Renton alternate; McCaela Daffern, King County; Dafne Hernandez, City of Covington; Laurel Humphrey, City of Tukwila; Angie Mathias, City of Renton; Layelah Wilson, City of Federal Way; Anyah Zupancic, City of Burien; Evan Maxim, City of SeaTac.

II. PUBLIC COMMENT

No public comment was received.

III. APPROVAL OF FEBRUARY 21, 2025 MINUTES

Kristina Soltys moved to approve the February 21, 2025 minutes as presented, seconded by Eric Zimmerman. Motion passed (8-0)

IV. AGENDA MODIFICATIONS

No modifications to the agenda were made.

Sunaree Marshall joined at 1:11 PM

Carmen Riveria joined at 1:15 PM

V. BOARD BUSINESS

a. ICEBREAKER

Executive Board members split into groups of two or three and discussed their dream headline for SKHHP five years from now.

The headline Claire Goodwin developed was, "South King County most affordable and desirable place to live in King County."

Eric Zimmerman and Kristina Soltys developed the headline, "Grand opening for SKHHP! \$100 million in public/private funds opens doors to 1,000 families in need."

Nancy Backus, Merina Hanson, and Victoria Schroff developed the headline, "SKHHP proud to share that funding will occur in all member cities this year."

The headline Thomas McLeod, James Lovell, and Sunaree Marshall developed was, "SKHHP produces record housing again."

The headline Carmen Rivera developed was "South King County and SKHHP solve homelessness."

b. 2024 ACCRUED INTEREST AND FUTURE POLICY

Claire Goodwin explained that from 2019 to 2023, contributions to SKHHP in the operating and capital fund accrued \$153,529 in interest. Most of the interest SKHHP accrued was on contributions to the Housing Capital Fund. Spending interest earnings requires the approval of each SKHHP member council with allocated accrued interest based on their contributions. In 2024, this was done through the annual work plan and budget adoption process, and the Executive Board recommended that those funds be applied to the 2025 operating fund balance. SKHHP member councils approved that use.

The interest accrued in 2024 on all SKHHP funds totaled \$540,377, and the Board has not discussed a reserve policy or other ongoing policy for using interest earnings.

In the draft 2026 budget included in your agenda packet, a reserve line item equal to the total accrued interest in 2024 was added at the bottom. That was intended as a placeholder for this conversation and not a policy recommendation, given that Board direction was needed prior to making that determination. Based on your Council's approval, the draft budget's beginning and ending operating fund balance includes the interest from 2019-23.

Since Kent's contributions account for a large portion of the accrued interest and Dana Ralph isn't present today, Claire Goodwin will ask her to weigh in on this at the April meeting.

Claire Goodwin has prepared five options for the Executive Board to consider.

Option 1: Adopt a policy that maintains 30% of expenditures in reserve and apply the remaining to a Board priority.

A Board priority could be anything. It could be applied towards a rapid acquisition fund for developers to purchase naturally occurring affordable housing (NOAH) and ensure long-term affordability. It could be added to the Housing Capital Fund or the operating fund balance. In the 2026 budget, 30% of expenditures would total approximately \$145,000.

A reserve fund could be used in future years to mitigate increases in member dues if a recession hits hard, or any other unanticipated expenditure need that the Board approves. Under this option, the \$145,000 would show up in reserve in the 2026 operating budget. Member Councils would authorize using 30% of their accrued interest from 2024 as an unrestricted fund balance in reserve, allowing the Board to use it when needed. In future years, councils will approve whatever amount is required to meet the threshold of 30% of total expenditures. The 30% figure is what the Regional Coalition for Housing (ARCH) uses as a goal to maintain in reserve. South Sound Housing Affordability Partners (SSHA3P) and Alliance for Housing Affordability (AHA) do not have reserve policies.

Option 2: Use towards a rapid acquisition fund for South King County.

SKHHP hears frequently about the need for funds to purchase properties for sale quickly. There is currently no dedicated source of funds available for rapid acquisition in South King County. We've discussed it before but haven't had the funds to make it happen. Under this option, we

would add staff capacity to establish a rapid acquisition application, vetting, and approval process. The fund may not have enough until several years of contributions are made to be substantive, but it addresses an identified need in the developer community.

Nancy Backus asked if the options were included in the agenda packet. Claire Goodwin responded that these were initial ideas for discussion and not included in the agenda packet.

Option 3: Apply towards the Housing Capital Fund.

SKHHP would add it to each funding jurisdiction's approval amount during the Housing Capital Fund concurrence process. We could seek approval during the annual work plan and budget process for members who don't contribute to the Housing Capital Fund.

Option 4: Apply to the operating fund balance.

Option 4 would show an incredibly high fund balance of around \$900,000 that SKHHP could continue to spend down as our revenues haven't quite caught up with our expenditures. It may open the question to Member Councils about why they should pay any member dues if the fund balance is so high, but it would provide an additional cushion on the operating side.

Option 5: Any combination of the options discussed.

Kristina Soltys asked if there were opportunities that SKHHP has missed by not having a rapid acquisition fund like Option 2. Claire Goodwin responded that an example is that the City of Burien has a notification of sale policy for NOAH properties. Non-profits are interested in purchasing these properties to secure affordability but lack the funds.

Kristina Soltys asked if the rapid acquisition fund would only purchase properties or if land acquisition would be included. Claire Goodwin responded that it would, but the same requirements for the Housing Capital Fund projects would be used for projects related to the acquisition fund.

Claire Goodwin stated that for jurisdictions without notification of sale policy, there is an informal process by which potential sellers inform the jurisdiction, which tries to find non-profit buyers.

James Lovell added that a rapid acquisition fund is generally not used to purchase land because you're trying to get housing online quickly. Even if you purchase land, it will still be years before housing is available for residents.

Eric Zimmerman asked if the interest earnings on funds awaiting distribution were the only way to earn funding while the money waited to be distributed. Nancy Backus responded that only the interest earnings could likely be used, and the funds were required to be liquid.

Sunaree Marshall asked if Option 6 could use the funds to fill funding gaps in projects SKHHP has already funded through the Housing Capital Fund.

Liz Stead asked about how ARCH or others have used its reserve fund. Claire Goodwin responded that ARCH has never touched its reserve due to an unspent fund balance that carries over into its budget. She anticipates that SKHHP would also not need to touch the reserve fund, but it could be used to reduce an increase in future member dues.

Sunaree Marshall added that ARCH had a situation where they had to conduct a forensic analysis of their compliance related to a funded homeownership project. This could be an example of an unforeseen circumstance that SKHHP could use the reserve fund to cover.

Victoria Schroff asked if the Board could determine whether a portion of the reserve could be split between a restricted and unrestricted fund. Claire Goodwin responded that the Board could design the reserve fund policy as it saw fit.

Victoria Schroff asked if each jurisdiction would have a separate policy related to the interest earnings on their individual funds. Claire Goodwin responded that even though interest accrued on each jurisdiction's individual earnings, it would be logistically easier to manage if the policy applied to all the interest earnings.

James Lovell stated that he felt strongly about Option 3. If not Option 3 directly, it should be Option 1. The Board would prioritize the remaining funds for the Housing Capital Fund. This approach would reduce some of the questions the Member Councils may ask.

Nancy Backus asked if the intent was to vote on options at the next Executive Board meeting. Claire Goodwin responded that she would like to put together more detail, but the intent would be to adopt it in May, along with the 2026 work plan and budget.

Nancy Backus asked if the Board members would be able to take the options to their Member Councils in April so that they could receive feedback before the May Executive Board meeting.

Kristina Soltys suggested reducing the options before returning them to the Member Councils. She suggested that the Board reach a consensus on two options and discuss them further with the Member Councils.

Merina Hanson noted that Dana Ralph was leaning toward the reserve policy option but was unsure which Dana Ralph would prefer.

Liz Stead said she supported Option 1, with the Housing Capital Fund as the board priority. Before returning it to her Member Council, she would want more information on the Board priority and the details of a reserve fund.

Thomas McLeod said that he is supportive of Option 1 or Option 3.

Carmen Rivera agreed with Kristina Soltys and would like to narrow the options down to Option 1 and Option 3 before bringing it back to her Member Council.

Nancy Backus stated she liked Option 1 and Option 3.

Victoria Schroff was interested in hearing more of Dana Ralph's perspective. Merina Hanson added that the reserve policy seemed interesting because of some potential future challenges South King County city budgets experience.

Nancy Backus added that federal funding is uncertain, and there have been years of lean budgeting. Having a reserve fund to help cover the membership fees may be beneficial.

Kristina Soltys added that budget issues would likely simultaneously impact all the SKHHP cities, so preparing for those future challenges might make sense.

Nancy Backus added that the Board could always change the policy. If the reserve fund has a sufficient balance, the Board could redirect future interest earnings to one of the other options discussed today.

Claire Goodwin asked if the Board would want to reopen the interest earnings discussion yearly or have a more consistent policy that could be reviewed as needed.

The Board agreed they would want a consistent policy with the option to revisit it as needed.

Claire Goodwin stated she would prepare documents showing each jurisdiction's interest accrued, which would help the discussions. Nancy Backus added that it is essential to remember that the total interest earnings are a combination of all the SKHHP members.

Eric Zimmerman added that Normandy Park did not need a council review, and he supported Option 1 or Option 3.

Claire Goodwin confirmed with the Board that it was most supportive of Option 1 combined with Option 3.

c. 2026 SKHHP WORK PLAN AND FIVE-YEAR PLAN DEVELOPMENT WORKSHOP

Claire Goodwin reviewed the workshop agenda and goals, which are to work collaboratively to get feedback and direction on the 2026 work plan and the five-year plan.

Claire Goodwin always begins this process by referring to the Interlocal Agreement (ILA) and the SKHHP mission statement, "South King County jurisdictions working together and sharing resources to create a coordinated, comprehensive, and equitable approach to increasing housing stability, reducing homelessness, and producing and preserving quality affordable housing in South King County." Claire Goodwin hopes to spend time at the June Executive Board meeting reviewing the mission statement and developing core values for SKHHP.

Claire Goodwin reviewed several of the "whereas" from the SKHHP ILA.

- "common goal to ensure the availability of housing that meets the needs of all income levels in SKC"
- "parties wish to provide a sound base of housing policies and programs in SKC and to complement the efforts of existing public and private organizations to address housing needs in SKC"
- "parties wish to act cooperatively to formulate affordable housing policies and strategies that address housing stability, to foster efforts to preserve and provide affordable housing by combining public funding with private sector resources, to support the implementation of the goals of the GMA, related countywide planning policies and other local policies and programs relating to affordable housing"
- "parties have determined that the most efficient and expeditious way for the parties to address affordable housing needs in SKC is through cooperative action and pooling public and private resources"
- "not to duplicate efforts of non-profit corporations and other entities already providing affordable housing related services"
- "a cooperative work plan with a primary focus on the production and preservation of affordable housing is needed because the lack of access to affordable housing is one of the key contributors to homelessness"
- "workplan activities will be consistent with the purpose described in this agreement"

The ILA states SKHHP's purpose as, "All parties to this agreement have a responsibility for local and regional planning for the provision of housing affordable to residents that work and/or live in SKC. The parties agree to act cooperatively to formulate affordable housing policies that address housing stability and to foster efforts to preserve and provide affordable housing by combining public funding with private-sector resources."

Claire Goodwin reminded the Board that it had completed a survey related to the work plan back in January. SKHHP staff used that feedback and reviewed a draft work plan with the Staff Work Group. Their feedback was also incorporated. The Executive Board was provided two versions of the work plan to review at today's meeting. After today, the input will be added to the draft, and the Staff Work Group will review it with the intent for the Board to adopt the work plan at the May Executive Board meeting. Member Councils will adopt the work plan after the Board approves it.

The work plan's goals remain the same from 2024, and no action items were removed from the draft.

Items that were added to the draft:

- Establish and implement monitoring and compliance processes to ensure Housing Capital Fund projects maintain affordability for tenants
- Indicator to establish the process for monitoring and compliance
- Indicator for the number of collaborative work sessions held with public funders

Items modified in the draft:

- Develop and execute contract documents for projects ready to move forward rather than named projects
- Clarified indicator for number of housing units and number of projects
- Added clarity that the subregional affordable housing preservation strategies would be in coordination with the long-range planners
- Removed 'technical assistance' from project to update the Affordable Housing Inventory Dashboard
- Reordered policy items so those affiliated with long-range planners are next to each other
- Decreased priority on several items under Goals 2 and 3
- Increased priority for collaborative work with public funders to increase alignment

Eric Zimmerman noted that he had underestimated the need to engage with legislators on SKHHP and South King County's work. If he were to complete the survey today, he would rate meeting with legislators as much higher.

Claire Goodwin added that three survey respondents said they would remove meetings with legislators from the work plan if they had to choose two items to remove, and two respondents listed it as their top two items in the work plan. Where an item doesn't have a clear consensus, Claire Goodwin maintains its priority on the work plan draft.

Nancy Backus added that something must be said about coming together after completing a survey to discuss the results and see if different perspectives shine new light on different action items or goals. She added that it would be essential to go through and ensure the priority levels match the Board's intent.

James Lovell added that he was one of the respondents who stated meeting with legislators was a priority but feels a constant second-guessing related to the work laid out in the ILA and the need to confer with Member Councils before taking a legislative position, which can delay

the responsiveness of SKHHP's advocacy. SKHHP would have to make some structural changes to increase the priority of legislative advocacy.

Nancy Backus added that the Association of Washington Cities (AWC) has a legislative priority subcommittee that develops the initial priorities, but during the session, there is a weekly meeting of board leaders to be more reactive. She said this might be an option for SKHHP to consider.

Eric Zimmerman noted that Normandy Park was joining a working group with appointed members of the city government and House and Senate members to prevent some of the concerns that arose during this year's session.

James Lovell asked if the City of SeaTac and Normandy Park were the only SKHHP cities in one legislative district. It was noted that many SKHHP cities are in multiple legislative districts simultaneously. Claire Goodwin stated that around 30 state legislators are in the SKHHP service area.

Carmen Rivera noted that she had challenges adding the SKHHP legislative priority to the City of Renton's priorities due to some pushback about the city's priorities being separate from the region. This could suggest challenges in SKHHP getting consensus to advocate to legislators.

Kristina Soltys asked why pooling resources with member cities was a priority since it's essential to SKHHP's work. Claire Goodwin stated that it was on the work plan because SKHHP staff is still working with a couple of SKHHP member cities in the ongoing conversation on what funds to contribute to the Housing Capital Fund. There are untapped potential resources that can still be pulled. Kristina Soltys felt that it did not need to be stated, but if it's helpful for SKHHP to have it stated in the work plan to continue this work, it should stay.

James Lovell said the work plan is the document that tells SKHHP staff how to spend their time. It can sometimes be essential to include implicit items to ensure a greater understanding of the work that goes into the explicit work. Claire Goodwin concurred that the work plan is how SKHHP staff spend their time, and a staff capacity analysis was included in the agenda packet.

Claire Goodwin explained that the priority level reflects the item in relation to the other items in the work plan. SKHHP staff will prioritize higher priority items over medium and lower priority items.

On the staff capacity analysis, items two, three, and four are all related to the Housing Capital Fund and are anticipated to take up 54% of the Executive Manager's time. This analysis is helpful as the work plan and five-year plan are developed to understand where SKHHP staff time and resources are allocated. Adding items to the work plan would require removing or scaling back items already on the work plan.

Kristina Soltys noted that she did not like having meetings with legislators listed at the bottom of the priority list, fourteen out of fifteen.

Eric Zimmerman stated that the rationale for HB 1380 was a belief that cities weren't doing enough on their own on housing and homelessness issues. Part of meeting with legislators is helping to raise awareness of the great work that SKHHP, ARCH, and others are doing. There isn't a need to address every policy issue or concern, but to build a relationship with the

legislator to build trust and reduce the belief that the legislature needs to work on behalf of cities.

Nancy Backus asked the Board if it would make sense for SKHHP to hold a legislative forum inviting the over thirty state legislators representing South King County to explain SKHHP's work and philosophy.

Eric Zimmerman said it was a great idea, and he intends to work with his Council to invest more in SKHHP and feature it as part of the city's work to end homelessness.

Kristina Soltys added that she would be available to center SKHHP's work in front of the legislature any time.

James Lovell agreed but said the Board would have to reprioritize the list to adjust for an increased focus on scheduling a legislative forum.

Claire Goodwin responded that the Executive Manager's capacity is 91% for the higher priority items, and she would not reduce that. The Executive Manager could reduce her time interacting with the Advisory Board or attend fewer regional meetings to make time to support a legislative forum.

Eric Zimmerman asked if it would be helpful for the Board to help reach out and invite legislators to the event.

Carmen Rivera added that it was a great idea and asked if the Board could take on some of the work, like meeting with legislators to help balance staff capacity. Claire Goodwin said that expanding the Board's role would be great, and work would need to be done to ensure a shared message among the Board members.

Nancy Backus noted that most Board members have a relationship with their legislators. With a united message, Board members could reach out with a familiar name to invite the legislators to a SKHHP event.

Eric Zimmerman liked that idea.

Liz Stead supported the idea of working together to invite legislators to a forum and then carry the message to individual meetings but is less supportive of SKHHP staff time becoming dedicated to being a lobby organization.

Victoria Schroff agreed and noted that it was like the Southeast Area Legislative Transportation Coalition, whose members meet individually with their legislators and then hold one larger meeting as part of an action day. Unified letters are also sent out, which everyone signs on to.

Maria Arns suggested that the Advisory Board could support the Executive Board in holding a legislative forum.

Sunaree Marshall just wanted to be very clear about the scope of this work. She was less supportive of becoming a lobby organization and taking legislative positions but supported spending time uplifting the work that SKHHP has been doing.

Claire Goodwin stated that she would take feedback on the legislative forum idea and begin doing research on the effort to accomplish it.

Nancy Backus noted that the 2025 work plan may need to be amended so that the forum is held before the 2026 legislative session. Claire Goodwin suggested just holding the legislative forum instead of amending the work plan, which would avoid the need to bring it before all the member councils. Nancy Backus agreed.

Claire Goodwin confirmed that the Board would want a legislative forum in 2026 in addition to one this year.

Claire Goodwin noted that the time remaining in the meeting was short, so the discussion in April would focus on the items the Board wanted to add to the 2026 work plan.

Regarding the 2025 budget, member dues are increasing by 15% through 2026. The Board adopted this policy in July 2021 to move toward a more balanced budget. The Member Councils were briefed on this in 2023 and 2024. SKHHP budget expenditures are increasing by 3% over 2025. Budget categories have been aligned to better match the administrative agency's accounting system. There are additional budget items that Claire Goodwin will seek feedback on at the April Executive Board meeting. There is \$18,000 not included in the draft budget, which would be used to update the Affordable Housing Inventory Dashboard every two years to ensure the NOAH predictive layer and other features remain current.

Claire Goodwin explained that SKHHP does not have a long-term vision outside of the yearly work plans. The Executive Board has presented some big ideas alongside some of the remaining elements to accomplish in the ILA, and implementing them requires a more extended look at SKHHP's future.

The reasons for developing a five-year plan include establishing the vision for the next five years, fostering consensus and clarity, allowing time to adjust accordingly, allocating staffing resources and budget, and providing opportunities for discussion on achieving new goals. The intent is to continue the conversation at each of the in-person meetings in 2025 in June and September.

The first step in the process is to inventory all the ideas suggested by Board members, the ILA, or past work plans to determine which items should be a focus for SKHHP in the next five years. A handout was provided to the Board consisting of the sixteen ideas, their source, the resources to complete the action, and the impact the idea might have. The ideas have been categorized into four quadrants to develop a priority matrix: lower-effort, higher-return; higher-effort, higher-return; lower-effort, lower-return; and higher-effort, lower-return.

Claire Goodwin noted there wasn't time to complete the whole exercise but hoped the Board would be willing to identify their top five ideas today to start the discussion. This would lead to a voting process to determine the Board's interests.

Liz Stead asked if an item already in the ILA should be prioritized the same as the new ideas and proposed that as a strategy for the Board to consider. Claire Goodwin responded that it was up to the Board, as the ILA has ambitious goals for SKHHP that may ultimately require more staffing to implement.

Thomas McLeod asked if he could email his top five. Claire Goodwin responded that would be great.

Claire Goodwin added that the next step of the exercise is to take the five items selected and attempt to determine where they would fall in the work plan draft as priorities. This helps to consider the capacity or resource needs necessary to implement the idea.

Nancy Backus confirmed that the Board would send Claire Goodwin its top five ideas by March 28, 2025.

VI. UPDATES/ANNOUNCEMENTS

Nancy Backus shared that Dorsol Plants, in his role outside of SKHHP as the Co-Chair of the Continuum of Care Board, gave an outstanding presentation to the KCRHA Governing Board.

Claire Goodwin shared that SKHHP has officially closed on its first and second projects since the February meeting. Victorian Place II in Des Moines closed earlier this month, and Burien Miller Creek closed last week. SKHHP has also transmitted its first draw to the Multiservice Center. The contracting and documents required to close are lengthy and arduous and require great patience and perseverance, especially for more complicated projects like Burien Miller Creek. The next project SKHHP staff anticipate closing on will be Burien Family Housing, with a goal of early May.

Nancy Backus asked if SKHHP has been invited to any groundbreaking or opening events related to the projects awarded funding. Claire Goodwin responded that invitations would be coming for future projects. The Board was invited to the Burien Miller Creek groundbreaking in August 2024, but only the Program Coordinator was available to attend.

Dorsol Plants has updated the Legislative Update slides for you as of this morning. SKHHP staff will send out an electronic version after the meeting.

The final numbers for the annual report came in, and Claire Goodwin will update the draft report she shared at the last Executive Board meeting and send it out by the April meeting.

Based on the survey completed in February, the June Executive Board meeting will be moved to June 13.

SKHHP will launch a webpage on our website that shows the location of all our Housing Capital Fund awarded projects on a map once SKHHP staff completes the Council approval presentations.

Claire Goodwin will be on vacation from April 4 to 15. Because of this, she will send April's agenda packet on April 3. For urgent matters related to SKHHP, please contact Dorsol Plants.

Next week, SKHHP staff will present at the City of Renton, Federal Way, and Des Moines to seek concurrence on the Housing Capital Fund projects.

VII. ADJOURN

Nancy Backus adjourned the meeting at 3:00 PM.



South King Housing and Homelessness Partners

Memorandum

TO: SKHHP Executive Board
FROM: Executive Manager Claire Goodwin
DATE: March 27, 2025
SUBJECT: Reserve Policy

SUMMARY

Several options of interest were discussed at the March 21, 2025 SKHHP Executive Board Meeting regarding the use of interest earned in 2024 and ongoing. The preferred choice of the Board was to establish a reserve policy which sets aside a portion of the funds to be used to mitigate the impacts of a recession or for larger, unanticipated expenses with the remaining interest being applied to the annual funding round of the SKHHP Housing Capital Fund. Additional feedback is sought from the Board on the portion to set-aside in reserve with analysis of options provided in this memo.

BACKGROUND

From 2019 to 2023, contributions to SKHHP in the operating and capital fund accrued \$153,529 in interest. To spend interest earnings requires the approval of each SKHHP member council with allocated accrued interest based on their contributions. In 2024, this was done through the annual work plan and budget adoption process and member councils gave their approval for the use of these funds to be applied to SKHHP's operating fund balance. Interest accrued in 2024 on all SKHHP funds totaled \$540,377. At the March 21, 2025 Board meeting, the Board provided direction that the preferred option was a reserve policy that would put a percentage of expenditures into reserve and the remaining would be applied to the Housing Capital Fund. 30% was the percentage presented although there was discussion about different amounts. Other options presented were to apply the funds towards a rapid acquisition fund for South King County, to apply completely to the Housing Capital Fund, or to apply to the operating fund balance.

POLICY OPTIONS

1. Adopt policy that applies annual interest earnings to maintain equivalent of 30% of annual expenditures in reserve and apply remaining to SKHHP Housing Capital Fund.
 - a. Reserve in 2026: \$150,593
 - b. Housing Capital Fund 2025: \$389,784

2. Adopt policy that applies annual interest earnings to maintain equivalent of 60% of annual expenditures in reserve and apply remaining to SKHHP Housing Capital Fund.
 - a. Reserve 2026: \$301,185
 - b. Housing Capital Fund 2025: \$239,192

3. Adopt policy that applies annual interest earnings to maintain equivalent of 100% of annual expenditures in reserve and apply remaining to SKHHP Housing Capital Fund.
 - a. Reserve 2026: \$501,975
 - b. Housing Capital Fund 2025: \$38,402

TABLE 1: Aggregated Allocation of Interest Earned from 2024 and Beyond by Policy Option

Policy Option	Reserve Total 2026	Remaining to Housing Capital Fund (HCF) 2025	Incremental Increase in Reserve 2027 (est.) *	Reserve Total 2027 (est.)	Remaining to Housing Capital Fund 2026 (est.)	Summary
30% Expenses in Reserve (Option 1)	\$150,593	\$389,784	\$2,150	\$152,742	\$197,850	Lower \$ reserve, higher \$ HCF in 2025; ongoing HCF similar
60% Expenses in Reserve (Option 2)	\$301,185	\$239,192	\$4,299	\$305,484	\$195,701	~ even split between reserve \$ and HCF \$ in 2025; ongoing HCF similar
100% Expenses in Reserve (Option 3)	\$501,975	\$38,402	\$7,166	\$509,141	\$192,834	Higher \$ reserve, lower \$ HCF in 2025; ongoing HCF similar

*Note: Assumes a conservative estimate of 2025 interest earnings totaling \$200,000 to be applied to the 2027 reserve and 2026 Housing Capital Fund round.

As shown in Table 1, applying the interest earnings from 2024 to reserve 30% of expenses in 2026 with the remaining contributed to the 2025 Housing Capital Fund funding round, would allocate less funds towards the reserve and more towards the Housing Capital Fund in the first year (Option 1). Applying interest earnings from 2024 to reserve 60% of expenses in 2026 with the remaining contributed to the 2025 Housing Capital Fund funding round, would allocate a similar amount between the two with slightly more going towards the reserve (Option 2). Applying interest earnings from 2024 to reserve 100% of expenses in 2026 with the remaining contributed to the 2025 Housing Capital Fund funding round, would allocate most of the funds towards the reserve with less funds going towards the Housing Capital Fund. Ongoing, all options would result in similar amounts being allocated to the Housing Capital Fund.

Since spending the interest earnings from 2024 requires the approval of each member jurisdiction with allocated interest, the Executive Board would make a recommendation on use of funds as part of the 2026 work plan and budget development process. The reserve amount would be listed in the operating budget as “Reserve” and would be considered an unrestricted fund balance in reserve. This means that the Executive Board could use those reserve funds for any purpose it deems appropriate without the need for approval for that specific purpose by the member Councils, since those member Councils would already have provided their approval. For the funds allocated to the Housing Capital Fund, use of those funds would follow the same process in place and would be added to each member jurisdictions’ Housing Capital Fund balance.

Ongoing each year, the incremental difference between the amount in reserve and the amount needed to maintain the adopted percentage in reserve would be allocated to the reserve. The remaining amount would be allocated to the current years’ Housing Capital Fund funding round. During the future annual budget development processes, the Board would have the opportunity to weigh-in on the policy and adjust as desired.

APPENDIX

- Interest Earned by Jurisdiction 2024

APPENDIX

TABLE 2: INTEREST EARNED BY JURISDICTION 2024

MEMBER	TOTAL
AUBURN	\$28,512
BURIEN	\$13,489
COVINGTON	\$31,298
DES MOINES	\$5,767
FEDERAL WAY	\$24,417
KENT	\$352,134
MAPLE VALLEY	24,013
NORMANDY PARK	\$734
RENTON	\$39,001
SEATAC	14,408
TUKWILA	\$6,603
KING COUNTY	--
TOTAL	\$540,377

RESOLUTION NO. 2025-02

A RESOLUTION OF THE EXECUTIVE BOARD OF THE SOUTH KING HOUSING AND HOMELESSNESS PARTNERS (SKHHP), ADOPTING THE 2026 SKHHP WORK PLAN AND OPERATING BUDGET

WHEREAS, pursuant to the Interlocal Agreement, the SKHHP Executive Board approves an annual work plan and budget each year to guide the work of SKHHP staff; and

WHEREAS, pursuant to the Interlocal Agreement, the annual budget includes an itemization of all categories of budgeted expenses and itemization of each Party’s contribution, including in-kind services; and

WHEREAS, upon adoption by the Executive Board, the annual work plan and budget will be transmitted to each participating jurisdiction for approval by their legislative body; and

WHEREAS, the budget will not become effective until approved by the legislative body of each jurisdiction and adopted by the SKHHP Executive Board; and

WHEREAS, if a party does not approve the work plan or budget in a timely manner, the Executive Board may adopt the budget and work plan with a two-thirds majority vote; and

WHEREAS, the purpose of the annual work plan and budget is to provide management and budget guidance, and implement the overarching SKHHP mission to work together and share resources to increase the available options for South King County residents to access affordable housing and to preserve the existing affordable housing stock; and

WHEREAS, the 2026 work plan includes four goals with corresponding action items that further SKHHP’s mission.

NOW, THEREFORE, THE EXECUTIVE BOARD RESOLVES as follows:

Section 1. The Executive Board adopts the 2026 SKHHP Work Plan in Attachment A.

Section 2. The Executive Board adopts the 2026 SKHHP Operating Budget in Attachment B.

Section 3. Each party’s contribution to SKHHP’s operating budget will be transmitted on an annual basis during the first quarter of the calendar year.

Section 4. This Resolution will take effect and be in full force upon approval by the legislative body of each participating jurisdiction.

Dated and signed this _____ day of _____, 2025.

NANCY BACKUS, CHAIR, SOUTH KING HOUSING AND HOMELESSNESS PARTNERS

RESOLUTION 2025-02 – ATTACHMENT A
SKHHP 2026 WORK PLAN

PURPOSE

Establish a 2026 SKHHP work plan and budget that is guided by Executive Board priorities, is consistent with the SKHHP Interlocal Agreement, and furthers SKHHP’s mission.

BACKGROUND

Established by an interlocal agreement, SKHHP jurisdictions work together and share resources to increase options for South King County residents to access affordable housing and preserve existing affordable housing. The 2026 SKHHP work plan builds on work done in previous years and was developed in collaboration with the Executive Board, ~~Advisory Board~~, and staff work group.

The work plan is organized into four goals with corresponding action items. Each action is identified by priority as follows:

- Higher – Identified as higher priority by Executive Board or is necessary to carry out the Interlocal Agreements
- Medium – Identified as mid-level priority
- Lower – Identified as lower priority

Quarterly budget and progress reports on the status of the work plan elements will be submitted to the SKHHP Executive Board and the legislative body of each member jurisdiction as follows:

Quarter 1: May | **Quarter 2:** August | **Quarter 3:** November | **Quarter 4:** February

In accordance with the Interlocal Agreement, the 2026 SKHHP work plan and budget will be approved by the SKHHP Executive Board and the legislative body of each member jurisdiction.

SKHHP MISSION

South King County jurisdictions working together and sharing resources to create a coordinated, comprehensive, and equitable approach to increasing housing stability, reducing homelessness, and producing and preserving quality affordable housing in South King County.

GOALS & ACTIONS

Goal	Actions
1. Fund the expansion and preservation of affordable housing.	1 through 5
2. Develop policies to expand and preserve affordable housing.	6 through 10
3. Serve as an advocate for South King County.	11 through 16 ⁵
4. Manage operations and administration.	17 ⁶ through 22 ⁹



Goal 1

Fund the expansion and preservation of affordable housing.

Actions	Priority of Actions ●●● = Higher ●● = Medium ● = Lower
1. Pool resources from member cities for the Housing Capital Fund, including SHB 1406 funds, HB 1590 funds, and general funds.	●●●
2. Develop and execute contract documents and covenants for projects ready to move forward from 2023-24 Housing Capital Fund funding rounds. (Burien Family Housing – 2022; Kent Multicultural Village – 2023; Skyway Affordable Housing and Early Learning Center – 2023).	●●●
3. Facilitate approval from participating Councils of recommended projects from 2024-2025 Housing Capital Fund funding round and preparing-prepare contract documents and covenants if-for any projects are ready to move forward.	●●●
4. Manage 2025-2026 Housing Capital Fund funding round including adopting annual guidelines, updating application materials, soliciting proposals, and facilitating project selection.	●●●
5. Encourage investment in South King County by private investors, lenders, and philanthropies.	●●
Indicators	
○ Number of housing units or-and number of projects funded with financial support from SKHHP	
○ Number of housing units preserved with financial support from SKHHP	
○ Total dollar amount pooled by member jurisdictions for Housing Capital Fund	
○ Total dollar amount from new sources of revenue added to the Housing Capital Fund	
○ Geographic diversity of applications received for annual Housing Capital Fund funding round	



Goal 2

Develop policies to expand and preserve affordable housing.



Actions	Priority of Actions ●●● = Higher ●● = Medium ● = Lower
6. Facilitate implementation of any subregional <u>affordable</u> housing preservation strategies <u>in coordination with South King County long-range planners.</u>	●●▲
7. Facilitate technical assistance and updates to the Affordable Housing Inventory Dashboard.	●●▲
8. <u>Convene land use planners (SoKiHo) to increase coordination and collaboration on housing policy and planning.</u> Build relationships with developers to learn from their perspective the ways to encourage housing development, especially affordable housing.	●▲
9. <u>Build relationships with developers to learn from their perspective the ways to encourage housing development, especially affordable housing.</u> Convene land use planners to increase coordination and collaboration on housing policy and planning.	●
10. Develop SKHHP Executive Board briefings on key housing and homelessness topics, especially as they relate to the goals of the work plan.	●
Indicators	
○ Number of subregional housing preservation strategies facilitated or supported	
○ Successful <u>progress on</u> update to of data to the Affordable Housing Inventory Dashboard	
○ Number of relationships <u>built-fostered</u> with developers	
○ Number of Executive Board briefings on key housing and homelessness topics	



Goal 3

Serve as an advocate for South King County.

Actions	Priority of Actions ●●● = Higher ●● = Medium ● = Lower
11. Work collaboratively with public funders at the state and local levels to increase alignment and promote shared affordable housing goals and equitable geographic distribution of resources. Coordinate with the Advisory Board in collaboration with housing organizations and stakeholder groups to provide education and engagement opportunities for elected officials and community members.	●●
12. Coordinate with the Advisory Board in collaboration with housing organizations and stakeholder groups to provide education and engagement opportunities for elected officials and community members. Work collaboratively with public funders at the state and local levels to promote shared affordable housing goals and equitable geographic distribution of resources.	●●
13. Represent SKHHP at relevant local and regional meetings and forums that help advance SKHHP’s mission and provide a voice for increasing access to safe, healthy, and affordable housing in South King County.	●
14. Meet with legislators as opportunities arise to inform about SKHHP’s mission, goals, and the Housing Capital Fund <u>and host a legislative forum (odd numbered years).</u>	●

15. Connect affordable housing developers with property owners who intend to sell naturally occurring affordable housing in coordination with member cities.	•
<u>16. Organize a tour of affordable housing sites in South King County with priority given to visiting Housing Capital Fund supported projects (even numbered years).</u>	•
Indicators	
○ <u>Number of collaborative work sessions held with public funders</u>	
○ Number of events or engagement opportunities Advisory Board members organize or support	
○ Number of meetings, forums, or events attended that advance SKHHP's mission	
○ Number of meetings with legislators that promote SKHHP and South King County	
○ Number of affordable housing developers connected with property owners intending to sell naturally occurring affordable housing	
○ <u>South King County affordable housing tour successfully executed</u>	



Goal 4

Manage operations and administration.

Actions	Priority of Actions ••• = Higher •• = Medium • = Lower
<u>16-17.</u> Develop annual work plan and budget.	•••
<u>17-18.</u> Generate and distribute quarterly progress reports to SKHHP Executive Board and member jurisdictions.	•••

<u>18-19.</u> Work with administering agency to maintain records and produce regular financial reports for the SKHHP Housing Capital Fund and SKHHP Operating Account.	•••
<u>19-20.</u> Organize and host monthly Executive and Advisory Board public meetings.	•••
<u>21. Establish and implement monitoring and compliance process to ensure Housing Capital Fund projects maintain affordability for tenants.</u>	<u>•••</u>
<u>20-22.</u> Maintain and update the SKHHP website.	••
Indicators	
○ Work plan and budget adopted	
○ Quarterly progress reports prepared and presented to Executive Board	
○ Financial reports and public records maintained	
○ Monthly Executive and Advisory Board meetings held	
○ <u>Process established for monitoring and compliance of Housing Capital Fund projects</u>	
○ Website maintained	

RESOLUTION 2025-02 – ATTACHMENT B
2026 SKHHP Operating Budget

Estimated beginning fund balance - January 1, 2026	\$ 337,293
	\$
Estimated ending fund balance - December 31, 2026	<u>293,417</u> 343,217
REVENUES	
Auburn	\$ 52,295
Burien	\$ 30,171

Covington	\$	15,086
Des Moines	\$	15,086
Federal Way	\$	68,386
Kent	\$	68,386
Maple Valley	\$	15,086
Normandy Park	\$	8,045
Renton	\$	68,386
SeaTac	\$	15,086
Tukwila	\$	15,086
King County*	\$	68,386
Additional King County*	\$	6,614
Office space (in-kind donation)	\$	12,000
TOTAL REVENUES	\$	458,099
Spend down balance	\$	
		43,824,076
TOTAL	\$	501,948,175
EXPENSES		
Salaries & Wages	\$	253,191
Benefits	\$	68,296
Professional Services	\$	81,963,945
Interfund Allocations	\$	40,000
Office space (in-kind donation)	\$	12,000
Supplies	\$	2,000
Subtotal	\$	45739,432
Administering agency - 10% admin fee**	\$	44,52,743
TOTAL	\$	482,175,501,975
RESERVE		
TOTAL	\$	xxx,xxx

*King County contribution based on the population of unincorporated King County is shown as increasing at the same rate as other partner jurisdictions and the additional allocation decreasing to maintain a total contribution of \$75,000 per year.

**10% administrative fee is calculated as a percentage of operating costs which excludes in-kind donations and carry-forwards.

RESOLUTION NO. 2025-02

A RESOLUTION OF THE EXECUTIVE BOARD OF THE SOUTH KING HOUSING AND HOMELESSNESS PARTNERS (SKHHP), ADOPTING THE 2026 SKHHP WORK PLAN AND OPERATING BUDGET

WHEREAS, pursuant to the Interlocal Agreement, the SKHHP Executive Board approves an annual work plan and budget each year to guide the work of SKHHP staff; and

WHEREAS, pursuant to the Interlocal Agreement, the annual budget includes an itemization of all categories of budgeted expenses and itemization of each Party's contribution, including in-kind services; and

WHEREAS, upon adoption by the Executive Board, the annual work plan and budget will be transmitted to each participating jurisdiction for approval by their legislative body; and

WHEREAS, the budget will not become effective until approved by the legislative body of each jurisdiction and adopted by the SKHHP Executive Board; and

WHEREAS, if a party does not approve the work plan or budget in a timely manner, the Executive Board may adopt the budget and work plan with a two-thirds majority vote; and

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Section 3. Each party's contribution to SKHHP's operating budget will be transmitted on an annual basis during the first quarter of the calendar year.

Section 4. This Resolution will take effect and be in full force upon approval by the legislative body of each participating jurisdiction.

Dated and signed this _____ day of _____, 2025.

NANCY BACKUS, CHAIR, SOUTH KING HOUSING AND HOMELESSNESS PARTNERS

RESOLUTION 2025-02 – ATTACHMENT A
SKHHP 2026 WORK PLAN

PURPOSE

Establish a 2026 SKHHP work plan and budget that is guided by Executive Board priorities, is consistent with the SKHHP Interlocal Agreement, and furthers SKHHP’s mission.

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GOALS & ACTIONS

Goal	Actions
1. Fund the expansion and preservation of affordable housing.	1 through 5
2. Develop policies to expand and preserve affordable housing.	6 through 10
3. Serve as an advocate for South King County.	11 through 16
4. Manage operations and administration.	17 through 22



Goal 1

Fund the expansion and preservation of affordable housing.

Actions	Priority of Actions ●●● = Higher ●● = Medium ● = Lower
1. Pool resources from member cities for the Housing Capital Fund, including SHB 1406 funds, HB 1590 funds, and general funds.	●●●
2. Develop and execute contract documents and covenants for projects ready to move forward from 2023-24 Housing Capital Fund funding rounds.	●●●
3. Facilitate approval from participating Councils of recommended projects from 2025 Housing Capital Fund funding round and prepare contract documents and covenants for any projects ready to move forward.	●●●
4. Manage 2026 Housing Capital Fund funding round including adopting annual guidelines, updating application materials, soliciting proposals, and facilitating project selection.	●●●
5. Encourage investment in South King County by private investors, lenders, and philanthropies.	●●
Indicators	
○ Number of housing units and number of projects funded with financial support from SKHHP	
○ Number of housing units preserved with financial support from SKHHP	
○ Total dollar amount pooled by member jurisdictions for Housing Capital Fund	
○ Total dollar amount from new sources of revenue added to the Housing Capital Fund	
○ Geographic diversity of applications received for annual Housing Capital Fund funding round	



Goal 2

Develop policies to expand and preserve affordable housing.

Actions	Priority of Actions ••• = Higher •• = Medium • = Lower
6. Facilitate implementation of subregional affordable housing preservation strategies in coordination with South King County long-range planners.	••
7. Facilitate updates to the Affordable Housing Inventory Dashboard.	••
8. Convene land use planners (SoKiHo) to increase coordination and collaboration on housing policy and planning.	•
9. Build relationships with developers to learn from their perspective the ways to encourage housing development, especially affordable housing.	•
10. Develop SKHHP Executive Board briefings on key housing and homelessness topics, especially as they relate to the goals of the work plan.	•
Indicators	
○ Number of subregional housing preservation strategies facilitated or supported	
○ Successful progress on update to the Affordable Housing Inventory Dashboard	
○ Number of relationships fostered with developers	
○ Number of Executive Board briefings on key housing and homelessness topics	



Goal 3

Serve as an advocate for South King County.

Actions	Priority of Actions ••• = Higher •• = Medium • = Lower
11. Work collaboratively with public funders at the state and local levels to increase alignment and promote shared affordable housing goals and equitable geographic distribution of resources.	••
12. Coordinate with the Advisory Board in collaboration with housing organizations and stakeholder groups to provide education and engagement opportunities for elected officials and community members.	•
13. Represent SKHHP at relevant local and regional meetings and forums that help advance SKHHP’s mission and provide a voice for increasing access to safe, healthy, and affordable housing in South King County.	•
14. Meet with legislators as opportunities arise to inform about SKHHP’s mission, goals, and the Housing Capital Fund and host a legislative forum (odd numbered years).	•
15. Connect affordable housing developers with property owners who intend to sell naturally occurring affordable housing in coordination with member cities.	•
16. Organize a tour of affordable housing sites in South King County with priority given to visiting Housing Capital Fund supported projects (even numbered years).	•
Indicators	
○ Number of collaborative work sessions held with public funders	
○ Number of events or engagement opportunities Advisory Board members organize or support	
○ Number of meetings, forums, or events attended that advance SKHHP's mission	
○ Number of meetings with legislators that promote SKHHP and South King County	
○ Number of affordable housing developers connected with property owners intending to sell naturally occurring affordable housing	
○ South King County affordable housing tour successfully executed	



Goal 4

Manage operations and administration.

Actions	Priority of Actions ••• = Higher •• = Medium • = Lower
17. Develop annual work plan and budget.	•••
18. Generate and distribute quarterly progress reports to SKHHP Executive Board and member jurisdictions.	•••
19. Work with administering agency to maintain records and produce regular financial reports for the SKHHP Housing Capital Fund and SKHHP Operating Account.	•••
20. Organize and host monthly Executive and Advisory Board public meetings.	•••
21. Establish and implement monitoring and compliance process to ensure Housing Capital Fund projects maintain affordability for tenants.	•••
22. Maintain and update the SKHHP website.	••
Indicators	
○ Work plan and budget adopted	
○ Quarterly progress reports prepared and presented to Executive Board	
○ Financial reports and public records maintained	
○ Monthly Executive and Advisory Board meetings held	
○ Process established for monitoring and compliance of Housing Capital Fund projects	
○ Website maintained	

RESOLUTION 2025-02 – ATTACHMENT B
2026 SKHHP Operating Budget

Estimated beginning fund balance - January 1, 2026	\$ 337,293
Estimated ending fund balance - December 31, 2026	\$ 293,417

REVENUES

Auburn	\$ 52,295
Burien	\$ 30,171
Covington	\$ 15,086
Des Moines	\$ 15,086
Federal Way	\$ 68,386
Kent	\$ 68,386
Maple Valley	\$ 15,086
Normandy Park	\$ 8,045
Renton	\$ 68,386
SeaTac	\$ 15,086
Tukwila	\$ 15,086
King County*	\$ 68,386
Additional King County*	\$ 6,614
Office space (in-kind donation)	\$ 12,000
TOTAL REVENUES	\$ 458,099
Spend down balance	\$ 43,876
TOTAL	\$ 501,975

EXPENSES

Salaries & Wages	\$ 253,191
Benefits	\$ 68,296
Professional Services	\$ 81,945
Interfund Allocations	\$ 40,000
Office Space (in-kind donation)	\$ 12,000
Supplies	\$ 2,000
Subtotal	\$ 457,432
Administering agency - 10% admin fee**	\$ 44,543
TOTAL	\$ 501,975

RESERVE

TOTAL	\$ xxx,xxx
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*King County contribution based on the population of unincorporated King County is shown as increasing at the same rate as other partner jurisdictions and the additional allocation decreasing to maintain a total contribution of \$75,000 per year.

**10% administrative fee is calculated as a percentage of operating costs which excludes in-kind donations and carry-forwards.



SOUTH KING HOUSING AND HOMELESSNESS PARTNERS Housing Capital Fund – 2024 Funding Guidelines

INTRODUCTION AND PURPOSE

The Cities of Auburn, Burien, Covington, Des Moines, Federal Way, Kent, Maple Valley, Normandy Park, Renton, SeaTac, and Tukwila, plus King County have entered into an interlocal agreement to cooperatively plan for and provide affordable housing in South King County through an organization called the South King Housing and Homelessness Partners (SKHHP).

To accomplish this, SKHHP member cities provide funding to affordable housing projects through the SKHHP Housing Capital Fund. The general purpose of the Housing Capital Fund is to create and preserve affordable housing that meets the needs of low-income households earning up to 60% of area median income (AMI).

SKHHP welcomes all groups or agencies considering preserving or adding to inventory of affordable housing available to low-income households. We encourage interested parties to contact SKHHP as early in the process as possible. SKHHP welcomes all inquiries, and our goal is to help project proponents connect to partners and leverage funding to move forward in as coordinated an approach as possible.

AVAILABLE FUNDING

Approximately **\$4 million** in funding is anticipated to be available for the 2024 application round. This total is comprised of revenue collected from SKHHP member city sales and/or use taxes authorized by [RCW 82.14.530](#) from House Bill (HB) 1590, [RCW 82.14.540](#) from Substitute House Bill (SHB) 1406, corresponding local enacting legislation, and pooled as authorized by RCW 82.14.540(10) and the SKHHP pooling interlocal agreements. In 2024, this total is also comprised of limited funding sourced from municipal general funds.

Table 1: Available Funding Amount by Source

Revenue Source	Amount
RCW 82.14.530 (HB 1590)	\$2,770,000
RCW 82.14.540 (SHB 1406)	\$1,030,000
Unrestricted General Funds	\$300,000
Total	\$4,100,000

FUNDING PRIORITIES

SKHHP has established the following priorities for the Housing Capital Fund in 2024 which are listed in alphabetical order:

Collaboration. Project sponsors working in collaboration/partnership with local community-based organizations are a high priority.

Community Connections and Engagement. Project sponsors that demonstrate connections and direct experience with populations they are proposing to serve, and proven success in community engagement and involvement in decision-making are a high priority.

Disproportionate Impact. Projects that ensure housing proactively meets the needs of and is available to populations most disproportionately impacted by housing costs while complying with applicable tax revenue restrictions and with relevant federal, state, and local fair housing laws.

Economic Opportunity. Projects that support the advancement of economic opportunity are a high priority. This includes proximity to transit, commercial cores, and connections to workforce development and other services that promote upward mobility, including, but not limited to childcare centers, higher education institutions, and libraries.

Extremely Low Income and Supportive Housing. Proposals that provide rental housing for individuals and families earning 0-30% AMI and proposals that incorporate supportive services are a high priority.

Geographic Equity. The SKHHP Housing Capital Fund has a long-term objective to produce housing across SKHHP member jurisdictions through the creation of a broad distribution in the location of all types of affordable housing over time to maximize choice for individuals and families seeking affordable homes within SKHHP's geographic purview.

Homeownership. Projects that are able to provide homeownership opportunities for individuals and families earning up to 60% AMI or 80% AMI pending all funding jurisdictions have adopted any needed amendments to enabling legislation granting this as an allowable use per the passage of [SB 6173 \(2024\)](#).

Leverage of Private and Public Investment. SKHHP encourages project sponsors to pursue private and public investment that provides maximum leverage of local resources. Projects that already have funding secured and/or leverage private and public investment are a high priority.

Preservation. Projects that preserve affordable housing through acquisition and/or rehabilitation are a high priority. This includes housing units with expiring affordability requirements, income-restricted properties, and residential rental properties that are affordable to households earning up to 60% AMI, but do not have affordability requirements (naturally occurring affordable housing).

Racial Equity. SKHHP encourages proposals that advance racial equity through strategies that intentionally dismantle the racially disparate impacts of our current housing system and that interrupt cyclical generational poverty. Strategies may include, but are not limited to: preserving communities at

risk of displacement; creating project partnerships that give voice and ownership to communities of color; affirmatively marketing new housing opportunities to populations disproportionately experiencing cost burden and housing insecurity; and addressing historic inequities in access to homeownership.

Transit-Oriented Development. Projects located within ½ mile of an existing or planned high capacity transit station, defined as fixed rail (light rail or Sounder train), bus rapid transit, or other high frequency bus stop are a high priority. Transit-oriented development is designed to support dense, walkable communities that increase access to employment, services, and other opportunities.

SCHEDULE

The following schedule is anticipated for the 2024 Housing Capital Fund application round:

June 2024	Application package available
No later than August 16, 2024	Intent to apply form and pre-application meeting
September 13, 2024	Applications due by 5pm
November 15, 2024	SKHHP makes funding recommendations
January – March 2025	SKHHP recommendation reviewed by City Councils
April 2025	Award letters sent

INTENT TO APPLY FORM AND PRE-APPLICATION MEETING

Applicants are required to schedule a pre-application meeting held no later than August 16, 2024 and to submit an intent to apply form in advance of the required pre-application meeting to identify and discuss potential issues. An intent to apply form and pre-application meeting are required in order to be eligible to apply to the funding round.

Pre-application meetings will include SKHHP staff as well as staff from the jurisdiction where the project is proposed to be located. First-time applicants will benefit from meeting early and often with SKHHP. Applicants should be prepared to provide a project description identifying the population to be served, approximate number of units, income and affordability, type of construction (rehabilitation or new), neighborhood issues, whether relocation or displacement will be required, team members (developer, architect, property manager), likely funding sources, and demonstration of how the proposed project meets SKHHP’s goals and priorities. The intent to apply form will assist in providing this information in advance of the pre-application meeting.

For projects located in cities, SKHHP staff shall notify the Mayor and City Manager (if applicable) of the applicant’s intent to apply. For projects located in unincorporated King County, SKHHP staff shall notify the County’s SKHHP Board Member. Within thirty days of being notified, a jurisdiction may submit a statement on the project proposal to SKHHP staff as part of the project’s Housing Capital Fund application. Should the jurisdiction not be supportive, the proposal shall not move forward for consideration in the current funding cycle.

Pre-application meetings will be held between May 6 and August 16, 2024. To set up a pre-application meeting, please email Dorsol Plants at dplants@skhhp.org.

ELIGIBLE APPLICANTS

Housing Capital Funds may be applied for by applicants or a group of applicants that are:

- Non-profit organizations
- Private for-profit organizations
- Public housing authorities
- Public development authorities
- Units of local government

Partnerships involving combinations of the above groups are encouraged, especially in the case where a private for-profit organization and/or applicants with less experience looking to strengthen affordable housing development skills and abilities applies for funding. Partnerships are seen as opportunities to build organizational capacity, achieve community outcomes, and reduce investment risk for the Housing Capital Fund.

ELIGIBLE BENEFICIARIES

The general purpose of the Housing Capital Fund is to create and preserve affordable housing that meets the needs of low-income households earning up to 60% of AMI. SKHHP uses the United States Department of Housing and Urban Development income limits and rent limits developed for the Seattle-Bellevue Metro Area.

2024 Income and Rent Limits – King County AMI \$147,400

Table 2: Maximum 2024 Household Income for Multifamily Rental Properties¹

% of AMI	Household Size							
	1-person	2-person	3-person	4-person	5-person	6-person	7-person	8-person
20%	\$21,080	\$24,100	\$27,120	\$30,140	\$32,560	\$34,980	\$37,360	\$39,780
30%	\$31,650	\$36,200	\$40,700	\$45,200	\$48,850	\$52,450	\$56,050	\$59,700
35%	\$36,890	\$42,175	\$47,460	\$52,745	\$56,980	\$61,215	\$65,380	\$69,615
40%	\$42,160	\$48,200	\$54,240	\$60,280	\$65,120	\$69,960	\$74,720	\$79,560
45%	\$47,430	\$54,225	\$61,020	\$67,815	\$73,260	\$78,705	\$84,060	\$89,505
50%	\$52,700	\$60,250	\$67,800	\$75,350	\$81,400	\$87,450	\$93,400	\$99,450
60%	\$63,240	\$72,300	\$81,360	\$90,420	\$97,680	\$104,940	\$112,080	\$119,340
70%	\$73,780	\$84,350	\$94,920	\$105,490	\$113,960	\$122,430	\$130,760	\$139,230
80%	\$77,700	\$88,800	\$99,900	\$110,950	\$119,850	\$128,750	\$137,600	\$146,500

¹ <https://www.huduser.gov/portal/datasets/mtsp.html>; <https://www.huduser.gov/portal/datasets/il/il24/Section8-IncomeLimits-FY24.pdf>; and <https://www.huduser.gov/portal/datasets/il.html>

Table 3: Maximum Rent and Utilities for Projects Based on Unit Size*

% of AMI	Number of Bedrooms					
	Studio	1-bedroom	2-bedroom	3-bedroom	4-bedroom	5-bedroom
20%	\$527	\$564	\$678	\$783	\$874	\$964
30%	\$791	\$848	\$1,017	\$1,175	\$1,311	\$1,446
35%	\$922	\$988	\$1,186	\$1,371	\$1,530	\$1,687
40%	\$1,054	\$1,129	\$1,356	\$1,567	\$1,749	\$1,928
45%	\$1,185	\$1,270	\$1,525	\$1,763	\$1,967	\$2,169
50%	\$1,317	\$1,411	\$1,695	\$1,959	\$2,186	\$2,410
60%	\$1,581	\$1,694	\$2,034	\$2,351	\$2,623	\$2,892
70%	\$1,844	\$1,976	\$2,373	\$2,743	\$3,060	\$3,374
80%	\$1,942	\$2,081	\$2,497	\$2,885	\$3,218	\$3,551

*Maximum rent and utilities for projects based on unit size includes the cost of basic utilities paid by resident. Unless the property pays ALL utilities, property must allow for the estimated amount the resident pays for utilities when calculating rent charges, so that both together do not exceed the rent limits. Most properties use public housing authority utility allowances. [King County Housing Authority energy assistance supplements \(formerly called utility allowances\)](#).

Funds sourced from and authorized under [RCW 82.14.530](#) (HB 1590) must support at least one of the following population groups whose income is at or below 60% AMI:

- Persons with behavioral health disabilities
- Veterans
- Seniors
- Persons who are homeless or at-risk of being homeless², including families with children
- Unaccompanied homeless youth or young adults
- Persons with disabilities
- Survivors of domestic violence

ELIGIBLE ACTIVITIES

SKHHP funds provided from RCW 82.14.540 (SHB 1406) may be used for the following activities:

- Acquisition, and related costs such as appraisals, financing costs, and transaction costs
- Rehabilitation and new construction costs, including construction site development and off-site development if necessary to ensure utility service to the project site
- Mixed-income projects so long as Housing Capital Fund dollars only assist units affordable at or below 60% AMI, or up to 80% AMI for homeownership projects pending all funding jurisdictions have adopted any needed amendments to enabling legislation granting this as an allowable use per the passage of SB 6173 (2024)

² At-risk of being homeless defined by HUD as earning less than 30% AMI with other conditions: https://files.hudexchange.info/resources/documents/AtRiskofHomelessnessDefinition_Criteria.pdf

SKHHP funds provided from RCW 82.14.530 (HB 1590) may be used for the following activities:

- Construction or acquisition of affordable housing, which may include supportive housing and new units of affordable housing within an existing structure
- Acquisition of land for affordable housing

SKHHP funds provided from Unrestricted General Funds may be used for any cost associated with the development or preservation of affordable housing up to 80% AMI.

Currently, SKHHP does not have funds to support early technical assistance or predevelopment costs. Applicants in very preliminary stages are encouraged to apply to [Impact Capital](#) for predevelopment funding.

SKHHP member cities understand that certain County, State, and Federal housing programs require some level of matching by local resources. The SKHHP Housing Capital Fund is encouraged to be used as a local match for these programs.

INELIGIBLE ACTIVITIES

Housing Capital Funds may **NOT** be used for:

- The development of any non-residential use. Housing capital funds may be used in a mixed-use development only for that portion of the development that is specific to the residential use. This restriction also applies to site development and off-site development costs for non-residential uses.
- The cost of any program operating expenses
- The cost of any political or lobbying activities or materials
- Rehabilitation of single-family housing units in a manner that would duplicate participating jurisdictions' housing repair assistance programs
- Uses that are public capital facilities such as correctional facilities or inpatient treatment facilities
- Construction or acquisition of behavioral health-related facilities, or acquiring land for these purposes
- Funding the operations and maintenance costs of new units of affordable housing and facilities where housing-related programs are provided, or newly constructed evaluation and treatment centers
- Operation, delivery, or evaluation of behavioral health treatment programs and services or housing-related services

PROJECT LOCATION

All projects funded under this program must be located within the SKHHP sphere of influence (**see ATTACHMENT A**).

LOAN AND REGULATORY TERMS

Housing Capital Fund dollars will be made available as either secured grants or loans. SKHHP has flexible terms designed to accommodate a range of projects and loan terms will vary based on the financial needs of the project. Applicants should indicate in the application whether they are applying for a grant or loan, and what loan terms are proposed for the project. Loan applicants will not receive priority over grant applicants.

PERIOD OF AFFORDABILITY

SKHHP expects that projects will commit to providing long-term affordability in the form of a 50-year covenant. A covenant will be recorded against the property that requires continued use of the property for low-income housing for the period of affordability. During this period the owner or property manager will be required to do annual reporting of tenant incomes and rents to ensure that affordability requirements are met, and SKHHP will monitor those reports to ensure compliance. If the project is converted to an alternative use or is otherwise not meeting the agreed upon terms in the covenant any time during the project's agreed-to term of affordability, the SKHHP Housing Capital Fund contribution to the project will be subject to immediate repayment, and potentially a proportionate share of appreciation.

REPORTING REQUIREMENTS

Additional funding conditions will be spelled out in an award letter to successful applicants. At a minimum, the following reporting requirements shall apply during development and occupancy:

Quarterly Status Reports

Quarterly status reports are required from all Housing Capital Fund funded projects during the development stage (from the time funds are awarded until completion and occupancy of the project). The quarterly reports will minimally include the status of funds expended and progress to date. A final budget must be prepared and submitted at the time of construction start and project completion. SKHHP will rely on the quarterly reports to determine if satisfactory progress is being made on the project. Additionally, SKHHP staff will be entitled to inspect the project site during the development/construction stage.

Ongoing Monitoring

After occupancy, the project sponsor or manager will submit an annual report to SKHHP summarizing the number of project beneficiaries, housing expenses for the target population, and the proportion of those beneficiaries that are low- and/or moderate-income, and that meet other eligibility criteria established in the SKHHP covenant. In addition, for projects with loan payments, financial information must be reported annually which will be used for assessing contingent loan payments and project health. All projects will also be evaluated periodically for long-term sustainability. The annual reports will be required for the full duration of affordability.

OTHER AWARD TERMS

The terms of the award will be detailed in the final contract and funding documents. For common questions SKHHP receives regarding award terms, the following are provided:

Timeframe for Funding Commitment

The funding commitment continues for thirty-six (36) months from the date of final Council approval and shall expire thereafter if all conditions are not satisfied. An extension may be requested to SKHHP staff no later than sixty (60) days prior to the expiration date. At that time, the awardee will provide a status report on progress to date and expected schedule for start of construction and project completion. The SKHHP Executive Board will consider a twelve-month extension only on the basis of documented, meaningful progress in bringing the project to readiness or completion. At a minimum, the project sponsor will demonstrate that all capital funding has been secured or is likely to be secured within a reasonable period.

Compensation and Method of Payment

SKHHP only provides funding on a reimbursement basis and only for activities agreed to in the contract. SKHHP retains 5% of the funding award (“retention”) and shall release the retention only after construction is complete and all other obligations outlined in the contract have been satisfied.

Procurement Requirements

Awardees shall use and document an open and competitive bidding process (consisting of at least three bids) for construction and related consultant services associated with the project, regardless of the source of funds used to pay their costs. Awardees shall pay RCW 39.12 prevailing wages in all projects funded by SKHHP that include construction activities, unless federal funds awarded to the project mandate use of federal prevailing wage rates.

APPLICATION CONTENTS

SKHHP uses the Combined Funders Application, developed jointly with other public funders including the Washington State Department of Commerce and King County. The Combined Funders Application forms, SKHHP application addendum, and SKHHP notice of intent to apply are available on SKHHP’s website at: <http://skhhp.org/home/housing-capital-fund/>

Letter of consistency

Projects that are selected for funding must demonstrate consistency with community priorities and plans. Applicants must include a letter of consistency from the jurisdiction where the project is located affirming the project is consistent with the Consolidated Plan, local comprehensive plan and its housing element, and any local housing action plans. The jurisdiction will be provided a template from SKHHP which can be used to provide the needed information to the applicant.

Letter of community support

Projects that are selected for funding must demonstrate community support. Applicants must include at least one letter of support from a community organization, faith-based institution, community center, or school that serves the community where the project is proposed to be located.

The following materials are to be submitted for each application:

1. A letter of consistency from the jurisdiction where the project is proposed (PDF format)
2. A letter of community support (PDF format)
3. SKHHP Addendum with narrative responses (Word format)
4. Combined Funders Application that meets the following:
 - Attachments under each Tab should be placed in a separate folder labeled with the Tab number.
 - The Project Workbook must be in Excel format with linked sheets unlocked and formulas visible.

To submit an application please send an email with a link from OneDrive, Dropbox, Google Drive, or other file sharing services to Dorsol Plants, SKHHP Program Coordinator, at dplants@skhhp.org no later than 5pm Pacific Standard Time on Friday, September 13, 2024.

Please note, if you have already received funding through SKHHP in a previous funding round, are re-applying to SKHHP for additional funds, and are seeking other public funds, (e.g. King County, Washington State Department of Commerce, Washington State Housing Finance Commission), you must provide SKHHP with electronic copies of applications submitted to other funders.

If you applied for funding in a previous funding round of the SKHHP Housing Capital Fund, were not selected for funding, and were provided feedback on your application, please include a letter in your application describing how any previously identified issues have been resolved.

If you have any questions about application requirements, please contact Claire Vanessa Goodwin, SKHHP Executive Manager, at (253) 931-3042 or email cvgoodwin@skhhp.org or Dorsol Plants, SKHHP Program Coordinator, at (253) 804-5089 or email dplants@skhhp.org.

REVIEW PROCESS

Proposals will be reviewed using the following process:

Step 1. An initial screening will be conducted by SKHHP staff to determine the completeness of each application. Staff reserves the right to deny applications that are incomplete.

Step 2. SKHHP will evaluate the applications at the Advisory and Executive Board meetings in October and November and develop a recommendation to the respective City Councils. SKHHP's initial

recommendation will be made by its Advisory Board with the final recommendation provided by the SKHHP Executive Board.

Step 3. SKHHP member City Councils that have contributed funding will review and approve the funding recommendation submitted by SKHHP, or will return the recommendation, with comments, for further investigation before a final decision is made.

EVALUATION CRITERIA

General

Evaluation of applications will focus on an overall evaluation of all of the following key areas:

- **Advancing the goals of equity**, including the extent that projects are community-driven and/or reduce or undo disproportionate harm to communities most impacted by historic injustice and displacement, including extremely low-income households with incomes at or below 30% AMI and Black, Indigenous, and People of Color (BIPOC) communities.
- **Feasibility, timeliness, and cost effectiveness**, including total development cost per unit/square feet, reasonableness and feasibility of schedule, budgets, and proforma, adequacy of resources and ongoing sustainability, and site control to ensure timely completion.
- **Relevance of the project to local housing needs and funding priorities**, including the extent to which the project is consistent with the local plans (e.g., Consolidated Plan, Housing Element, or area plans), and the extent to which housing need will be met and help to achieve SKHHP's stated priorities.
- **Suitability of the project sponsor and development team**, including any track record and/or housing development for success, adequacy of management plans, duration of affordability, ongoing sustainability, adequacy of support services, and firmness of financial commitments or likelihood of receiving those commitments.

Specific

The following specific information areas will be evaluated for data to support the key focus areas described above.

A. Development and Operating Budgets

Projects will be evaluated for cost effectiveness on a per unit and per square foot basis. Higher up-front development costs may be justified to create long-term operational efficiencies (e.g., through use of high-efficiency building systems), provided that those increased costs have a relatively short payback period. Higher land costs may be justified to account for strategic location such as proximity to transit or other local amenities. SKHHP may use third party reviewers to evaluate estimated construction costs and feasibility of the overall project. Development and operating budget forms should provide detailed explanation to support estimated expenses. If support services are identified as an integral part of the project, a detailed services budget must also be submitted. Proposed financing will be evaluated for feasibility based on expressed interest from lenders and investors, and

applicant (or applicant team, including more-experienced consultants and partners) should have experience in obtaining financing, and other competitive criteria (e.g., estimated tax credit score if LIHTC equity is proposed).

B. Project Readiness

Projects will be evaluated for their readiness to proceed. Applications should be complete and thoroughly reviewed and vetted prior to submission to ensure accuracy of reported information. Applicants should demonstrate full site control. Projects that propose significant fundraising should demonstrate steps taken to prepare for and implement a capital campaign, including a plan and timeline for the proposed capital fundraising and, preferably, a track record of past or current capital fundraising ability. Projects that will rely on public funding to cover the costs of ongoing operations or services should identify and describe the availability of such funding, and report on the project's competitiveness for such funds based on discussions with likely funders.

C. Development Team Track Record

Project review will take into consideration how well experienced development teams have performed on previously funded projects and, in the interest in increasing the diversity of housing and community developers, how less experienced developers (or partners/consultants on their team) demonstrate an understanding of the steps and structures needed for success. When there is an applicable track record (for the applicant or partner/consultants), the application should identify lessons learned from those projects and describe how performance/actions have been modified as a result.

D. Property and Asset Management Capacity

The proposed property and asset management entities will be evaluated on their experience, performance, or developing capacity in managing comparable developments. Successful asset managers will have a detailed understanding of the physical and financial condition of their properties, regularly updated capital needs assessments, and thoughtful policies for balancing the objective of maintaining affordable rents and planning for healthy reserves and operating income to cover current and future expenses. If a project is in its preliminary stages, a boiler plate management plan may be submitted with the application. A final management plan will be required prior to contracting.

A successful management plan will include the following information:

- **Occupancy:** Information in the occupancy management plan must include lease information (length, tenant eligibility and selection standards, standards for termination of lease, eviction, lease renewal) and marketing strategies including local outreach.
- **Facility:** The facility management plan should include provisions for both routine and long-term building maintenance.
- **Supportive services:** If applicable, the applicant must describe how any supportive services identified as an integral part of the project will be provided, either directly or through linkages with an existing network of service agencies and describe how those services will be in

accordance with best practices for the intended population including number of staff providing the supportive services and hours dedicated solely to service provision at the project location.

E. Displacement and Relocation

Any activity which would result in the displacement of existing residents, especially low- and/or moderate-income residents and/or BIPOC residents is discouraged. If displacement may occur, the applicant must submit, as part of the application for capital funds, a plan for providing relocation assistance to the displaced residents. If relocation may occur, the applicant is strongly encouraged to contact the King County Housing Finance Program to discuss what relocation assistance may be available. Relocation costs should be included in the project budget. Projects funded with federal dollars (e.g., CDBG funds) must meet all applicable federal relocation requirements.

F. Supporting Equity

The proposed project will be evaluated based on whether the development will advance SKHHP's goals of equity, including preserving existing communities at risk of displacement (which includes manufactured housing communities); increasing opportunities for extremely low-income households (households with incomes at or below 30% AMI); creating meaningful project partnerships (including with BIPOC-lead organizations) that give voice and ownership to residents and communities of color; affirmatively marketing new housing opportunities to communities less likely to access opportunities in South King County; providing affordable housing as a public investment – and potential catalyst – in areas that have traditionally received less services and/or public investments; and addressing historic inequities in access to homeownership.

G. Nature of Location

As part of the decision process, reviewers will want to understand how the proposed development fits into the neighborhood and would help further any number of public policy goals. Examples of furthering public policy goals could include:

- Locating in a “high opportunity” location, with proximity to or easy access to jobs, grocery stores, pharmacies, schools/childcare, transportation, and community or cultural centers.
- Providing affordable housing in areas at high-risk of displacement or experiencing a loss of naturally occurring affordable housing.
- Investing public dollars in areas traditionally/historically underserved or as a catalyst for further investments and development.

2025 State Legislative Update

Dorsol Plants, SKHHP Program Coordinator
SKHHP Executive Board

Updated on April 17, 2025 at 10:30 AM

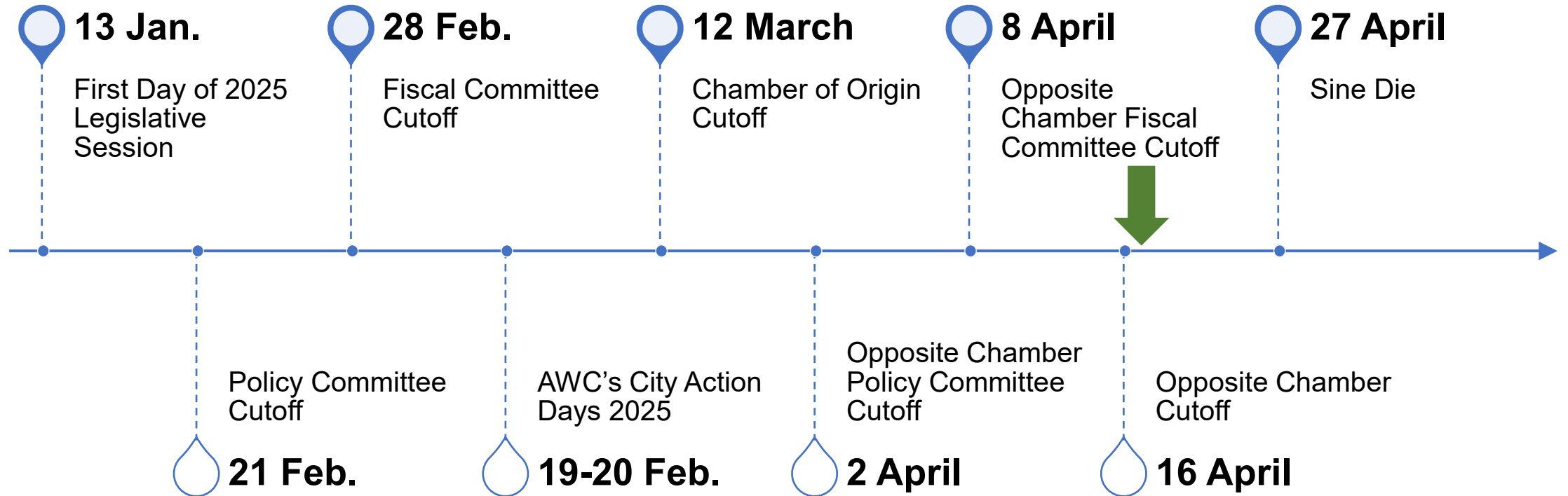
SKHHP 2025 Legislative Priority

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



Funding Affordable Housing

Bill Number	Description	Status
HB 1075	Expanding housing supply by supporting the ability of public housing authorities to finance affordable housing developments.	4/11 - Signed by the Governor
HB 1206	Expanding eligibility to utilize the multifamily tax exemption program to all counties required or choosing to plan under RCW 36.70A.040.	1/21 - Public Hearing 4/7 - Second Reading by Rules
HB 1210	Concerning targeted urban area tax preferences.	2/11 - Public Hearing
HB 1334	Modifying the annual regular property tax revenue growth limit.	1/21 - First Reading
HB 1480	Allowing all counties to impose a real estate excise tax for the purpose of developing affordable housing, subject to the will of the voters.	4/16 - House Speaker Signed
HB 1494	Concerning the property tax exemptions for new and rehabilitated multiple-unit dwellings in urban centers.	

Funding Affordable Housing Continued

Bill Number	Description	Status
HB 1694	Concerning revenues from the excise tax on real estate transactions imposed by cities and counties under RCW 82.46.035.	2/13 - Public Hearing 4/17 - Delivered to Governor
HB 1696	Modifying the covenant homeownership program.	2/26 - Referred to Appropriations
HB 1717	Creating a sales and use tax remittance program for affordable housing.	2/7 - Public Hearing
SB 5591	Creating a sales and use tax remittance program for affordable housing.	2/18 - Public Hearing 4/8 - Referred to Rules
HB 1763	Providing state funding for essential affordable housing programs.	4/16 - House Speaker signed
SB 5576	Providing state funding for essential affordable housing programs.	2/25 - Public Hearing
HB 1791	Increasing the flexibility of existing funding sources to fund public safety and other facilities by modifying the local real estate excise tax.	
HB 1808	Creating an affordable homeownership revolving loan fund program.	

Funding Affordable Housing Continued

Bill Number	Description	Status
HB 1867	Allowing counties or cities to impose a real estate excise tax for the purpose of developing affordable housing, subject to the will of the voters.	2/28 - Referred to Rules
HB 1907	Defining the rental or lease of individual storage space at self-service storage facilities as a retail transaction for the imposition of business and occupation and sales and use taxes.	2/25 - Public Hearing
HB 2027	Increasing the supply of affordable and workforce housing.	2/27 - First Reading
SB 5711	Defining the rental or lease of individual storage space at self-service storage facilities as a retail transaction for the imposition of business and occupation and sales and use taxes.	3/13 - Public Hearing
SB 5553	Providing a sales and use tax incentive for multifamily affordable housing.	1/28 - First Reading
SB 5647	Providing a real estate excise tax exemption for the sale of qualified affordable housing.	3/17 - Senate Rules X file

Housing and Land Use

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.	3/19 - Returned to Rules Committee
SB 5497	Concerning compliance with siting, development permit processes and standards, and requirements for permanent supportive housing, transitional housing, indoor emergency housing, or indoor emergency shelters.	2/5 - Public Hearing
HB 1212	Concerning the siting of childcare centers.	2/22 - Public Hearing
HB 1235	Ensuring compliance with the housing element requirements of the growth management act.	1/21 - Public Hearing
SB 5148	Ensuring compliance with the housing element requirements of the growth management act.	4/14 - Passed
HB 1299	Concerning minimum parking requirements.	2/4 - Public Hearing
SB 5184	Concerning minimum parking requirements.	4/11 - Passed

Housing and Land Use

Bill Number	Description	Status
HB 1380	Allowing objectively reasonable regulation of the utilization of public property.	2/28 - Referred to Rules
HB 1403	Simplifying condominium construction statutes.	4/8 - Passed
HB 1491	Promoting transit-oriented housing development.	4/15 - Passed
HB 1732	Preserving homeownership options by limiting excessive home buying by certain entities.	2/10 - Public Hearing
SB 5496	Preserving homeownership options by limiting excessive home buying by certain entities.	3/17 - Senate rules X file
HB 1974	Establishing land banking authorities.	2/18 - Public Hearing
SB 5197	Ensuring that local government planning complies with the growth management act.	3/17 - Senate rules X file
SB 5332	Concerning mobile dwellings.	2/26 - Public Hearing

Housing and Land Use Continued

Bill Number	Description	Status
SB 5559	Streamlining the subdivision process inside urban growth areas.	4/10 - Passed
SS 5587	Concerning affordable housing development in counties not closing the gap between estimated existing housing units within the county and existing housing needs.	4/16 - Passed
SB 5614	Concerning impact fees.	3/17 - Senate Rules X file
SB 5686	Expanding and funding the foreclosure mediation program.	4/8 - Referred to Rules
SB 5725	Expanding affordable housing opportunities on community and technical college lands.	2/21 - Referred to Ways & Means

Thank you

Dorsol Plants, SKHHP Program Coordinator

SKHHP Executive Board

April 18, 2025