



**SKHHP Advisory Board
August 7, 2025
3:30 – 5:30 PM
Zoom Meeting**

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

Meeting ID: 897 3440 7973

Password: 981696

Phone: 253-215-8782

<u>Time</u>	<u>Agenda</u>
3:30	Welcome / Introductions / Opening
3:35	June 5, 2025 Meeting Minutes
3:40	SKHHP Housing Capital Fund Underwriting Addendum
4:00	SKHHP Housing Capital Fund Criteria and Priorities
4:30	SKHHP 2026 Work Plan – Goal 1 and 2
4:50	Updates / Announcements
5:00	Closing



I. CALL TO ORDER

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

ROLL CALL/ESTABLISHMENT OF QUORUM

Advisory Board members present: Kent Hay, Phoebe Anderson-Kline, Menka Soni, Rumi Takahashi, Hamdi Abdulle, Maria Arns, Angela Weikel, Jessica de Barros.

Other attendees: Dorsol Plants, SKHHP; Claire Goodwin, SKHHP.

II. MAY 1, 2025 MEETING MINUTES

Rumi Takahashi motioned to approve the May 1, 2025 minutes, seconded by Menka Soni. Motion was approved. (8-0)

III. SKHHP EXECUTIVE BOARD MAY MEETING UPDATE

Dorsol Plants provided an update on the May 16, 2025, Executive Board meeting which included the adoption of the 2026 Work Plan and Budget and a reserve policy. The adopted reserve policy dedicates interest earnings to maintain a reserve equal to 100% of annual expenses with any remainder to be dedicated to the Housing Capital Fund. The Executive Board also discussed a draft of the 2025 Housing Capital Fund guidelines and the upcoming legislative forum, tentatively scheduled for September 19, 2025.

IV. SKHHP HOUSING CAPITAL FUND GUIDELINES – FINAL DRAFT

Dorsol Plants and Claire Goodwin presented the final draft of the 2025 SKHHP Housing Capital Fund guidelines to the Board.

V. ADVISORY BOARD RECRUITMENT

Dorsol Plants reviewed the Advisory Board recruitment process with the Board including a suggested list of organizations and community members to contact about applying to the Board.

VI. UPDATES & ANNOUNCEMENTS

Dorsol Plants reminded the Board that the July meeting had been cancelled due to the July holiday and the next Advisory Board meeting would be August 7, 2025.

VI. CLOSING/ADJOURN

Dorsol Plants adjourned the meeting at 4:29 PM.

Dorsol Plants, Program Coordinator

August Meeting

Dorsol Plants, SKHHP Program
Coordinator

August 7, 2025

SKHHP Advisory Board



Highway 99, with land cleared for Federal Shopping Way, 1958
Courtesy Historical Society of Federal Way

2025 Housing Capital Fund Guidelines



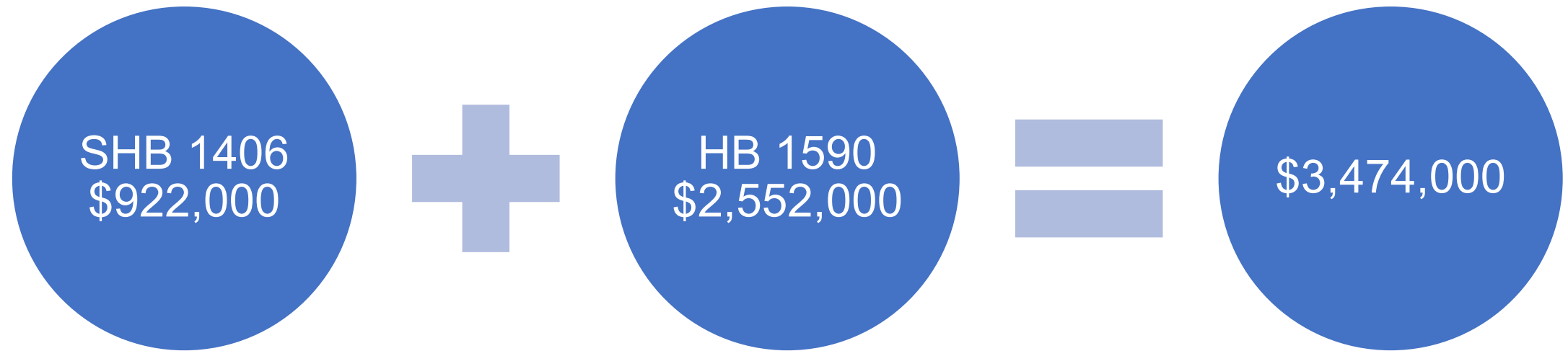
Federal Way's American flag on Flag Day, 2014.
Photo courtesy Darel Roa Photography

Background

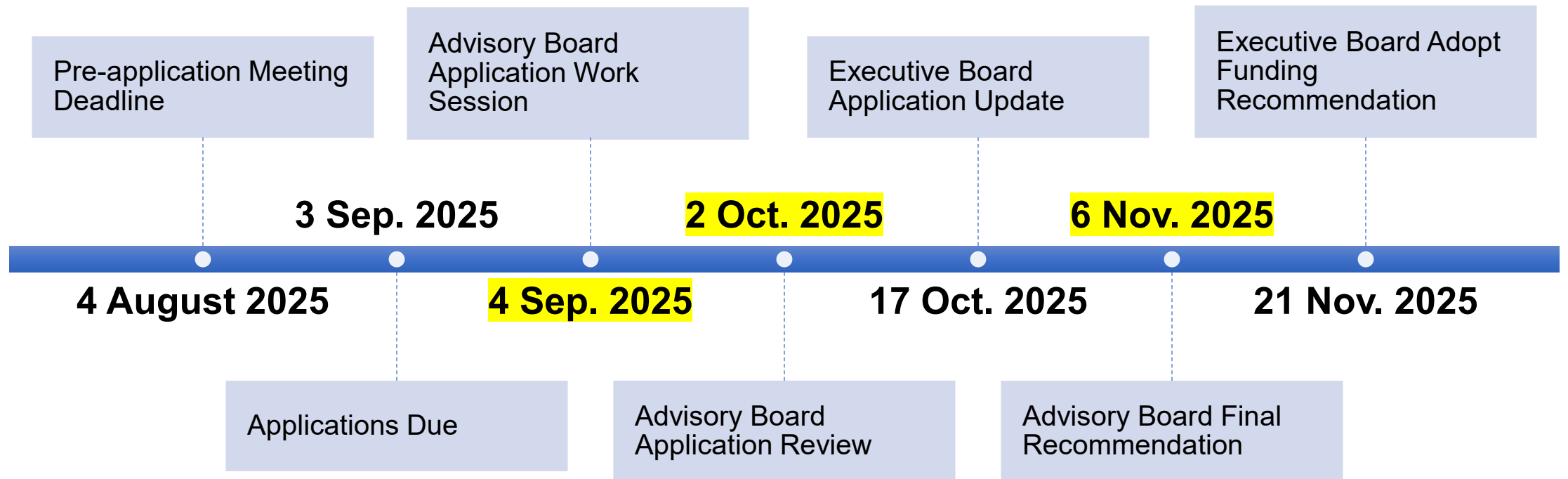
- SKHHP members pool resources from SHB 1406, HB 1590, and the general fund for affordable housing construction and preservation/rehabilitation
- ILA for pooling sales tax receipts to administer funds under RCW 82.14.530 and RCW 82.14.540

The SKHHP Executive Board will identify funding guidelines that will include, but not be limited to: the amount of available funding, household income targets, funding priorities, eligible activities and geographic areas, regulatory terms, other award terms/reporting requirements, application contents, review process, evaluation criteria, and the schedule for funding allocation.

2025 Funding Round



2025 Housing Capital Fund Schedule



Conflict of Interest



Marckx's Farm Store, Federal Way, 1947
Photo courtesy Crows of Arroyos

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

SHB 1406 Eligible Activities

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

- Acquisition, and related costs such as appraisals, financing costs, and transaction costs
- Rehabilitation and new construction costs, including construction site development and off-site development if necessary to ensure utility service to the project site
- Mixed-income projects so long as Housing Capital Fund dollars only assist units affordable at or below 60% AMI or up to 80% AMI for homeownership projects

HB 1590 Eligible Activities

SKHHP funds provided from HB 1590 may be used for the following activities:

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

HB 1590 Eligible Activities

Funds sourced from and authorized under HB 1590 must support at least one of the following population groups whose income is at or below 60% AMI:

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

REVIEW PROCESS



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



Step 2. SKHHP will evaluate the applications at the Advisory and Executive Board meetings in October and November and develop a recommendation to the respective City Councils. SKHHP's initial recommendation will be made by its Advisory Board with the final recommendation provided by the SKHHP Executive Board.



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

General Evaluation Criteria

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

NEW General Evaluation Criteria

- Consistency with underwriting standards, including proposed maximum rents being a minimum of 10% below market rent, a debt coverage credit ratio of at least 1.2, and construction escalation of at least 10% for new construction and 15% for rehabilitation. The underwriting standards are consistent across King County public funders and should be incorporated into applications. A detailed list is included as an addendum to the SKHHP application and should be completed as part of the application package.

Specific Evaluation Criteria

- Development and Operating Budgets
- Project Readiness
- Development Team Track Record
- Property and Assessment Management Capacity:
 - Occupancy
 - Facility
 - Supportive Services
- Displacement and Relocation
- Supporting Equity
- Nature of Location

Funding Priorities

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

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

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

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

Funding Priorities

Environmental Benefit. Projects that encourage positive health outcomes based on environmental factors are a high-priority and may include, but are not limited to, housing within 0.5 mile to open spaces, parks, neighborhood gardens, and tree-canopies and projects which avoid or mitigate exposure to environmental hazards and pollutants.

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 Distribution: 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 80% AMI.

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

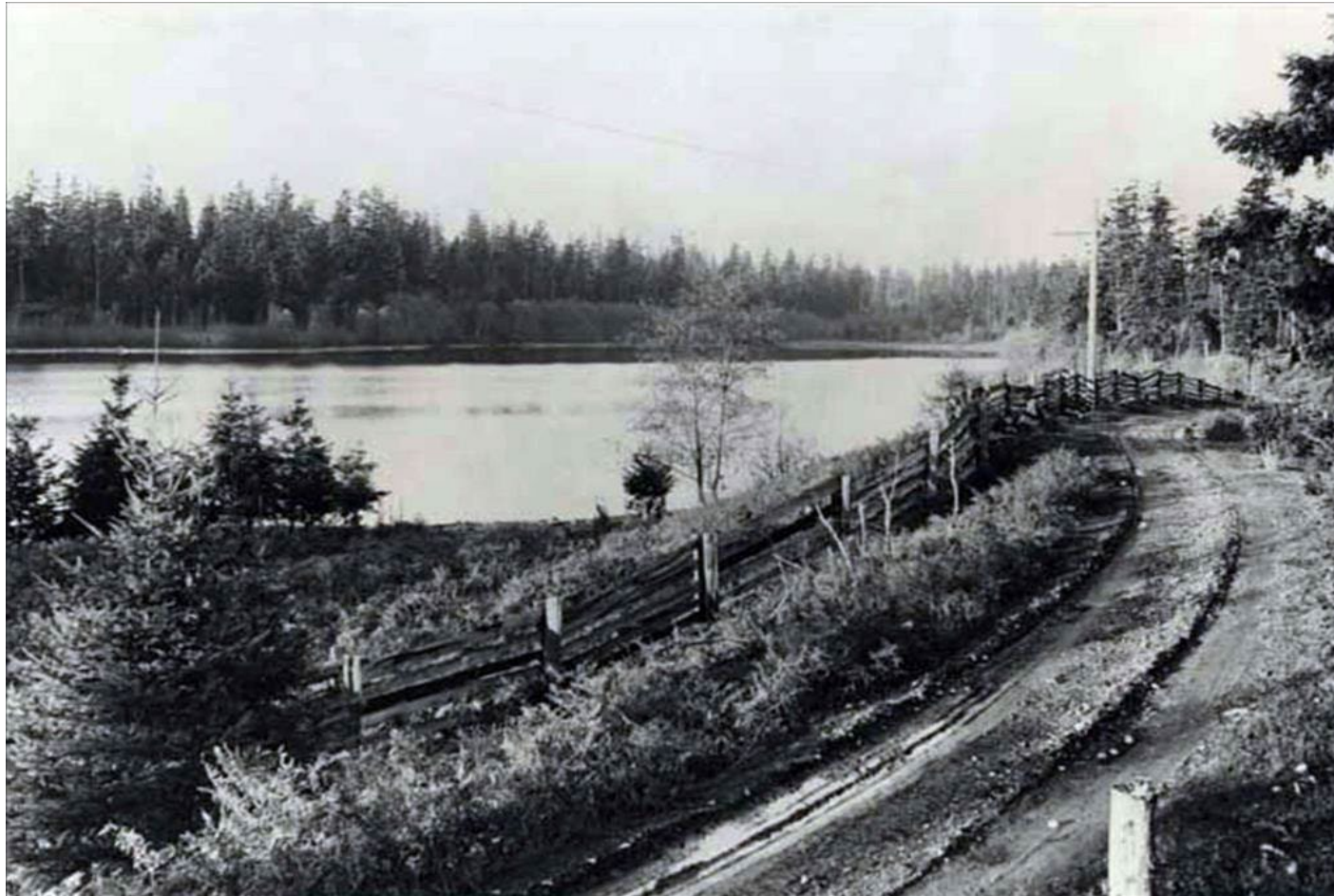
Funding Priorities

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

Racial Equity: SKHHP encourages proposals that advance racial equity through strategies that intentionally dismantle the racially disparate impacts of our current housing system and that interrupt cyclical generational poverty. Strategies may include but are not limited to: preserving communities at risk of displacement; creating project partnerships that give voice and ownership to communities of color; affirmatively marketing new housing opportunities to populations disproportionately experiencing cost burden and housing insecurity; and addressing historic inequities in access to homeownership.

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

SKHHP 2026 Work Plan: Goal 1 & Goal 2



Military Road beside Five Mile Lake at present-day Five Mile Lake County Park, Federal Way
Courtesy MOHAI (SHS435)

2026 Work Plan 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.	••

2026 Work Plan 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.	•