

**2026 Quarter 2 Progress Report (April-June).** The second quarter of 2026 was marked by the launch of the \$5.5 million Housing Capital Fund and a strong focus on regional collaboration and compliance. From advancing key housing contracts and exploring innovative tools like New Market Tax Credits to representing the region on crucial county-wide workgroups, SKHHP continues to amplify South King County's voice in affordable housing advocacy.

## WHO WE ARE

Formed in 2019 by an Interlocal Agreement, we are a collaboration between 11 South King County cities and King County united under the common goal to ensure the availability of housing for all income levels of residents in South King County. We achieve this through a focus on the production and preservation of affordable housing, partnership with public and private organizations, pooling and sharing resources, and advancing housing policies.

## PURPOSE

Create a coordinated, comprehensive, and equitable approach to increasing housing stability, reducing homelessness, and producing and preserving quality affordable housing in South King County.

## CONTACT

Dorsol Plants  
Program Coordinator

### Website:

<http://skhhp.org>

### Phone:

(253) 804-5089

### Email:

[dplants@skhhp.org](mailto:dplants@skhhp.org)



### GOAL 1. Fund the expansion and preservation of affordable housing.

**2026 Housing Capital Fund** - \$5.5 million was made available for the 2026 Housing Capital Fund for the construction and preservation of affordable housing in South King County on May 18, 2026.

**Executed Housing Capital Fund Contracts** – Began process to amend Victorian Place II and White River Apt contracts to align utility calculations with the program model while ensuring AMI levels served did not change.



### GOAL 2. Develop policies to expand and preserve affordable housing.

**Small Investment Strategy** - SKHHP staff coordinated a response to three developers interested in receiving small one-time investment to preserve affordable housing in four South King County cities including a review of the legality of the proposal, collaborating with other public funders, and presenting to the Executive Board.



### GOAL 3. Serve as an advocate for South King County.

**Opportunity Zones 2.0 Support Letters** - SKHHP staff held a briefing on the HUD Opportunity Zone 2.0 program and prepared letters of support for applications submitted by 6 SKHHP cities (Auburn, Des Moines, Federal Way, Kent, Renton, and SeaTac).

**New Market Tax Credits for Affordable Homeownership** - SKHHP staff facilitated a presentation by Smith NMTC Associates, LLC on the use of the New Market Tax Credits Program for the development of affordable housing and continue to host the training online.

**King County Executive's Investment & Revenue Workgroup** – To support regional advocacy, SKHHP staff was recruited to the King County Executive's Investment & Revenue Workgroup which is looking at options available in King County to increase the revenue available for the construction, preservation, and operation of affordable housing and homeless services.

**SKHHP Advisory Board Community Engagement** – The Advisory Board held a listening session to support the Department of Commerce's update of the Evergreen Sustainable Development Standard (ESDS). This session engaged affordable housing residents with disabilities and service providers to evaluate the real-world utility of features prioritized within the ESDS.

**Affordable Housing Week Proclamations** – The Advisory Board sent a representative to receive the City of Federal Way's proclamation for Affordable Housing Week from May 18 - 22, 2026.

**Participation in Local Meetings and Forums** – Represented SKHHP at 50+ regional meetings representing 27 unique groups including attendance at HDC's Public Funder's Panel, WA State Affordable Homeownership Forum, and the American Institute of Architects' Housing Design Forum.



### GOAL 4. Manage operations and administration.

**ILA Requirements** – The Executive Board adopted the 2027 Work Plan and Budget on May 15. SKHHP received concurrence from eleven City Councils per the SKHHP ILA requirements and presented at 9 SKHHP City Councils.

**OPMA Requirements** – Reviewed SKHHP meeting procedures and materials to ensure compliance with OPMA including establishing an in-person meeting location for all SKHHP Boards and refining the SKHHP resolution process.

**Miller's Creek Contract Compliance** – Successfully confirmed income eligibility for 17 homebuyers.

**South King Housing and Homelessness Partners  
Fund Status as of June 30, 2026**

| <b>REVENUES</b>                     | <b>OPERATING<br/>ACTUAL</b> | <b>HOUSING CAPITAL<br/>FUND CONTRIBUTIONS<br/>2026</b> | <b>TOTAL<br/>CONTRIBUTIONS<br/>2026</b> |
|-------------------------------------|-----------------------------|--------------------------------------------------------|-----------------------------------------|
| Auburn                              | \$ 52,295                   | \$ -                                                   | \$ 52,295                               |
| Burien                              | 30,171                      | 67,526                                                 | 97,697                                  |
| Covington                           | 15,086                      | 219,348                                                | 234,434                                 |
| Des Moines                          | 15,086                      | 34,933                                                 | 50,019                                  |
| Federal Way                         | 68,386                      | 127,382                                                | 195,768                                 |
| Kent                                | 68,386                      | 2,539,413                                              | 2,607,799                               |
| Maple Valley                        | 15,086                      | 168,275                                                | 183,361                                 |
| Normandy Park                       | 8,045                       | 6,072                                                  | 14,117                                  |
| Renton                              | 68,386                      | 230,283                                                | 298,669                                 |
| SeaTac                              | 15,086                      | -                                                      | 15,086                                  |
| Tukwila                             | 15,086                      | 115,297                                                | 130,383                                 |
| King County                         | 68,386                      | -                                                      | 68,386                                  |
| King County additional contribution | 6,614                       | -                                                      | 6,614                                   |
| <b>INTEREST EARNINGS</b>            | 149,418                     | -                                                      | 149,418                                 |
| <b>Total</b>                        | <b>\$ 595,517</b>           | <b>\$ 3,508,529</b>                                    | <b>\$ 4,104,046</b>                     |

| <b>EXPENDITURES</b>        | <b>OPERATING<br/>ACTUAL</b> | <b>HOUSING CAPITAL<br/>FUND ACTUAL</b> | <b>TOTAL<br/>EXPENDITURES</b> |
|----------------------------|-----------------------------|----------------------------------------|-------------------------------|
| Wages                      | \$ 118,911                  | -                                      | \$ 118,911                    |
| Benefits                   | 25,778                      | -                                      | 25,778                        |
| Interfund Allocations      | 20,000                      | -                                      | 20,000                        |
| Professional Services/Misc | 12,107                      | -                                      | 12,107                        |
| Travel                     | 201                         | -                                      | 201                           |
| Supplies                   | 68                          | -                                      | 68                            |
| Administration Fee         | 11,136                      | -                                      | 11,136                        |
| Capital Projects           | -                           | 1,000,000                              | 1,000,000                     |
| <b>Total</b>               | <b>\$ 188,201</b>           | <b>1,000,000</b>                       | <b>\$ 1,188,201</b>           |

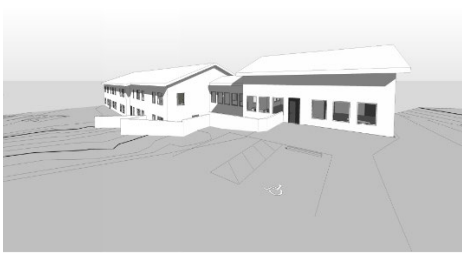
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|-------------------------------------------------------------|-------------|---------------|---|
| Beginning Fund Balance –<br>January 1, 2026                 | 1,488,689   | 10,452,451    | - |
| Estimated net change in fund balance<br>– March 31, 2026    | 423,586     | -             | - |
| Unrestricted fund balance in reserve<br>- December 31, 2025 | (1,026,983) | -             | - |
| Estimated Ending Fund Balance –<br>March 31, 2026           | \$ 885,292  | \$ 10,452,451 | - |

| <b>Housing Capital Fund Expenditures</b> |                     |                          |
|------------------------------------------|---------------------|--------------------------|
|                                          | <b>Year To Date</b> | <b>Inception To Date</b> |
| Victorian Place II (Des Moines)          | -                   | 777,306                  |
| Burien Miller Creek (Burien)             | -                   | 840,000                  |
| Burien Family Housing (Burien)           | -                   | 2,938,643                |
| Kent MCV (Kent)                          | 950,000             | 950,000                  |
| Project Retainage – Miller Creek         | -                   | 15,000                   |
| Project Retainage – Burien Family        | -                   | 154,665                  |
| Project Retainage – Kent MCV             | 50,000              | 50,000                   |
| <b>Total</b>                             | <b>1,000,000</b>    | <b>5,725,614</b>         |

## SKHHP Housing Capital Fund Awarded Project Status

|                                                                                     |                                                                                                                                                                                                                                                                                                                                                                       |
|-------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Multi-Service Center – Victorian Place II                                           |                                                                                                                                                                                                                                                                                                                                                                       |
|    | Rehabilitation completed June 2025. The scope included a full exterior renovation featuring comprehensive replacement of siding, insulation, windows, and all entry and sliding doors. Additionally, the project involved soffit and gutter replacement, deck recoating, new railing installation, and a complete repainting of both buildings.                       |
| Habitat for Humanity Seattle-King & Kittitas Counties – Burien Miller's Creek       |                                                                                                                                                                                                                                                                                                                                                                       |
|    | Construction reached completion in Q1 2026, and home sales have officially commenced. All on-site work regarding common areas and residential units is finalized. The project has transitioned to the operational phase, with buyer identification and income certification currently underway.                                                                       |
| Mercy Housing Northwest – Burien Family Housing                                     |                                                                                                                                                                                                                                                                                                                                                                       |
|   | As of July 2026, the project is 82% complete and on schedule for opening in Fall 2026. Recently completed work includes the installation of behind-the-wall plumbing, electrical, and mechanical systems for the kitchens and bathrooms on all four floors. Additionally, Mary's Place has begun construction on the adjacent shelter facility for unhoused families. |
| Mercy Housing Northwest – Kent Multicultural Village                                |                                                                                                                                                                                                                                                                                                                                                                       |
|  | As of June 2026, the project is 10% complete and on schedule for opening in Summer 2028. Recently completed work includes installation of underground storm and plumbing pipes, as well as the main electrical power connection. Building concrete work has begun.                                                                                                    |
| Multi-Service Center – White River Apartments                                       |                                                                                                                                                                                                                                                                                                                                                                       |
|  | SKHHP closed in December 2025. The rehabilitation is on holding pending additional funding commitments.                                                                                                                                                                                                                                                               |

## SKHHP Housing Capital Fund Awarded Project Status

| Low Income Housing Institute (LIHI) – Skyway Affordable Housing                     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
|-------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|    | <p>The Skyway Mixed-Use project is currently in pre-construction, with construction completion targeted for early Summer 2028 pending an October 2026 financial closing. The project is navigating a \$4.2 million budget deficit resulting from rising construction costs, a major civil scope redesign during permitting, and unfavorable tax credit equity pricing. To close the gap, the team is seeking a tax credit swap to 2026 from the State, negotiating increased rental subsidies with the local housing authority, and pursuing supplemental public capital. Additionally, the project is seeking a new early learning provider to operate the on-site childcare space following the withdrawal of the previous operator.</p> |
| Mental Health Housing Foundation – Steel Lake                                       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
|    | <p>SKHHP issued an intent to award letter on April 24, 2026. Formal contracting is anticipated to commence in Q1 2027.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| St Stephen Housing Association – Steele House                                       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
|  | <p>SKHHP issued an intent to award letter on June 2, 2026. Formal contracting is anticipated to commence in Q1 2027.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| African Community Housing & Development – African Diaspora Cultural Anchor Village  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
|  | <p>SKHHP issued an intent to award letter on April 21, 2026. The project is now working to secure additional funding commitments to finalize the capital stack.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |