

Minutes: Seattle Housing Levy Oversight Committee Meeting

December 13, 2023, 2:00 pm – 3:30 pm (In-Person and Virtual)

Committee Members Present: Ann Melone (Chair), Beth Boram, Cara Kadoshima Vallier, Colin Morgan-Cross, Dan Wise, Erin Ishizaki, Joel Ing, Traci Ratzliff, Vallerie Fisher

Other City Staff Present: Charles Mason, Erika Malone, Jessica Gomez, Kelli Larsen, Laurie Olson, Maiko Winkler-Chin, Nathan Antonio,

Guest Presenters: None

Committee Members not Present: Damien James, Denise Rodriguez, Patience Malaba, Pradeepta Upadhyay

Members of the Public Present: Febbe Fekadu

Chair Ann Melone called the meeting to order at 2:09 pm.

1. Welcome and Committee Business

- Chair Ann Melone greeted everyone, thanked them for coming and prompted everyone in attendance to introduce themselves.
- Approval of Meeting Minutes – Vallerie moved to approve the minutes of the August 16, 2023 meeting. Colin seconded. The minutes were approved unanimously.
- Colin Morgan-Cross of Mercy Housing Northwest, representing the organization that owns Gardner House, the in-person meeting location, in partnership with Mary's Place, the operator of the Allen Family Center where the meeting was space was, added his words of welcome and made some comments about the building and its development. He went into some detail about Gardner House and the cross-section of populations it houses, as well as the in-person services provided through the Allen Family Center on the ground floor.
- Director Maiko Winkler-Chin also took a moment to offer remarks and thanks to the Committee members for their service over the period of the 2016 Housing Levy. She acknowledged the effort that the Oversight Committee has put in on a number of fronts and how it has resulted in homes and services like those offered at the meeting location.

2. 2023 Housing Levy Status

- Kelli Larsen reported on the final results of the general election vote on the 2023 Housing Levy, observing that the final tally of votes to approve was 149,567 yes votes, 69.2%, of the total, the most in Levy history. Kelli recognized the need to celebrate the clear mandate from voters and the results of the work that the Committee and staff have put into making the 2016 Levy a success. Kelli talked about follow-up work, pointing to work already in progress on updating both the Housing Levy Administrative and Financial (A&F) Plan and Housing Funding Policies (HFP).

3. Housing Funding Policies and Housing Levy Administrative & Financial Plan Update Status

- Nathan Antonio overviewed the process of updating the A&F Plan and HFP. He explained that work

began in April and has progressed through scoping, internal discussions and research, drafting, and stakeholder engagement up to the present as issues are being resolved and language prepared for consolidated drafts. He highlighted that there would likely be more public engagement in early 2024, followed by socialization with City Council, followed by Council adoption by ordinance, likely in June of 2024. Committee members asked questions about the precise meaning of certain status terms used in the meeting slides and the timing of policy completion.

4. Plans for the 2023 Housing Levy Oversight Committee

- Kelli returned to present the list of new and returning members for the 2023 Housing Levy Oversight Committee to be convened in 2024. Kelli highlighted the new members who had not served on the present 2016 Housing Levy Oversight Committee.
 - James Lovell, Chief Seattle Club
 - Febbe Fekadu, ETS REACH
 - Sunaree Marshall, King County HHCD
 - Andrea Caupain Sanderson, BIPOC ED Coalition
 - Noah Fay, DESC
 - Paul Park, Solid Ground
- Staff confirmed plans to hold four meetings in 2024 and mentioned some likely work items: report review, policy review, Notice of Funding Availability reporting, Community Workforce Agreements, implementation of new Levy programs like Permanent Supportive Housing Workforce Stabilization and Resident Services.

5. Payroll Tax (JumpStart) Oversight Committee

- Kelli introduced the topic, explaining that a Payroll Tax Oversight Committee will be established with staffing from the Department of Neighborhoods. She shared information about the known composition of the committee members, including Patience Malaba, who also serves on the Housing Levy Oversight Committee. Kelli also explained that the City Innovation and Performance team would work with the Committee to create reporting programs for the various activities that the JumpStart Payroll Expense Tax (PET) supports. Staff shared that 62% of PET collections are intended to go toward housing investments according to statute (\$140M in 2024). In response to questions from Committee members, Kelli explained that PET funds for rental operating, maintenance, and services funds support projects that receive Levy capital investment, among other points of overlap.

6. Program Updates

- Rental Housing
 - Laurie Olson introduced her updates by reminding committee members about how investments are made through the Notice of Funds Available (NOFA) process at a high level. She also noted the work of Rosey Zhou and staff in making it all possible. In the most recent NOFA, \$28M was announced available while over \$300M in requests were made in 22 applications. On the preservation side, Charles Mason added that acquisition program is on a temporary pause to give time to ensure a secure plan for the extensive pipeline of projects in waiting. In response to a committee member question about the amount of funds that would be made available in 2024 and pipelining coordination with the Washington State Housing Finance Committee (WSHFC), Laurie reminded everyone of the special process for determining awards by WSHFC in coordination with other



public funders to ensure available funds for the pipeline of public sites coming up for development. Laurie said she hoped to be able to share more about what to expect in terms of available funding soon. A committee member asked a question about how the Levy goals might be impacted by the award process changes being undertaken by WSHFC, Laurie responded that the Office of Housing may need to look out and potentially invest more deeply in 0-30% AMI units to meet Levy requirements. In conclusion, Laurie observed that 2016 Housing Levy rental goals were exceeded despite headwinds and thanks to staff and other funding partners working innovatively to help cover the gaps.

- Site-Based RFPs
 - Jessica Gomez spoke about the status of site-based RFPs. Jessica said that these RFPs present amazing opportunities for unique, community responsive development and that more RFPs are in progress than any other time in recent history. The last was the “K-Site,” which is now known as Kristin Benson Place. Mt. Baker/UW Laundry site, very near to the meeting location, will be the biggest project by far, with up to 400 units. Jessica said the development would be more like a campus with likely multiple buildings, open spaces, natural areas, and community amenities on the ground floor. Other RFP projects in the works include 45th Street NE, the Lake City Community Center (a first of its kind collaboration with the Parks Department), and the South Park (Henderson Street) project, which represents the first time OH proactively acquired land for housing development. Jessica remarked that the South Park project in particular is meaningful to her because of the strong and intentional community input taken and novel partnership with the Office of Sustainability and the Environment. While all of these projects take years of work to prepare (often around five years), OH hopes to deliver them during the period of performance of the new Housing Levy.
- Homeownership
 - Erika Malone began her update by reminding committee members of the four legs of the Levy Homeownership program stool: Downpayment Assistance (DPA), Development Subsidy, Home Repair Grants, and Foreclosure Prevention Loans. Erika highlighted some accomplishments of the Levy, including 223 new homeowners made possible through DPA, sale of newly built permanently affordable homes, and resale income restricted affordable homes. In addition, Erika noted that 20 new homeownership development projects are underway. Erika also spoke some on the unique funding model that homeownership development projects employ and about proposed policy changes to facilitate more development. A committee member asked if the Homeownership program has ramped up over the 2016 Levy period. Erika replied affirmatively and noted that previously the program’s primary activity was making DPA loans. But, as base land and home values have skyrocketed in Seattle over the same period, DPA has become less effective as a means of promoting homeownership for low-income people and the importance of development subsidy has increased commensurately. Erika concluded by observing that the 2016 Levy Homeownership program also exceeded its goals.
- Operating Maintenance, and Services (OMS)
 - Kelli returned to update on Levy OMS investments. She shared a chart of the 7-year OMS spend plan for the Levy, making additional note of voucher support from the Seattle Housing Authority. Kelli explained that Levy OMS funds will not be enough to cover full needs that projects that receive Levy capital investment will need. She said that while PET will cover many projects with expiring Levy-funded contracts, advocacy is ongoing to expand State, County, and federal funds to support operating expenses. Kelli

also highlighted the new Workforce Stabilization and Resident Services programs that will also bring a level of support for operating expenses. Kelli concluded by observing that the 2016 Levy OMS program has achieved its goals exactly as planned.

7. Adjourn Meeting

- Chair Melone thanked everyone again for their service and highlighted what the new members of the successor oversight committee would have to look forward to in the coming year.
- Valerie moved to adjourn. Colin seconded the motion. All concurred and the meeting was adjourned at 3:31 pm.