

Housing Levy Oversight Committee

January 29, 2020 Meeting Minutes

Committee Members Present: Doug Ito, Traci Ratzliff, Colin Morgan-Cross, Ann Melone, Erin Christensen Ishizaki, Debbi Carlsen, Kelly Rider, Julie Dingley (for Leslie Brinson), Kelli Larsen (calling in)

City Staff Present: Emily Alvarado (OH), Jennifer LaBrecque (OH), Laurie Olson (OH), Stephanie Velasco (OH), Tess Colby (MO)

1. Welcome

Doug Ito opened the meeting at 1:07pm.

2. Approval of Minutes

Ann moved, and Julie seconded, that the minutes of September 12, 2019 be approved. Seven committee members voted to approve, Erin and Debbie abstained. Minutes were approved.

3. Updates and Announcements

Fort Lawton: Emily shared an update on the ongoing legal proceedings related to Fort Lawton redevelopment. Lawsuits have impeded the project's ability proceed. OH staff has been working with HUD staff to answer questions, as regulations and procedures have changed significantly since the redevelopment project was first initiated. OH staff is working with an interdepartmental team (IDT) on infrastructure and planning to prepare in advance for the lawsuit resolution. Traci asked if the City would make a forward commitment of funding to the project. Emily responded that staff anticipates significant infrastructure-related costs. Doug asked if more lawsuits could be initiated at a later point. Emily responded that if the current claims are dismissed, then the people initiating the lawsuits are likely running out of claims with legal basis.

4. 2019 Funding Awards

Laurie shared that thanks to additional fund sources, including REET II, HB 1406, and proceeds from the sale of the Mercer MegaBlock property, we were able to invest \$110 million in 13 projects. We had a large number of projects that include units affordable to individuals and families with incomes of 60-80% AMI, 3 permanent supportive housing projects, and our first highrise project. Laurie shared brief descriptions of each of the multifamily rental housing projects, noting that the exact projects receiving Housing Levy dollars will be finalized by next meeting, with the likely candidates being the Madison Apartments, the Eldridge, Hobson Place II, Ethiopian Village, and Nesbit Family Housing.

Emily stated that one of the roles of the Oversight Committee is to steward the reporting of Levy investments in these projects, and emphasizing the original purpose of the Levy ordinance. It is worth noting that resources in this funding round come from both Council and Mayor. One of the Levy obligations is that 60% of funds are spend on 30% AMI and below. We've made significant headway here, but without additional Operating & Maintenance dollars, we'll likely see more 60% AMI housing, because it helps to maximize existing resources. Doug asked if OH's annual reporting shows Council and Mayor resources separately, and Emily responded that yes, reporting always shows all funding sources.

Ann asked if the cost per unit is higher. Laurie and Emily responded that in the past, we were heavily dependent on Levy dollars, and thus limited. We're now able to count more leverage, especially state

sources and maxing out debt. Doug asked about the now-competitiveness of the 4% tax credits and its effect on funded projects. Laurie responded that every 4% project OH has invested in has done well, even given competitive environment. Emily noted that, in an effort to be more nimble, OH is considering a spring funding round and staff will report back if this does happen. Laurie noted that it will be a modest round of funding, probably not including Levy dollars, considering that other leverage sources still only have fall rounds.

Jennifer shared that she is now stepping into a new role as Planning and Programs Manager, and that Homeownership development program staff is moving to the Policy and Capital Investments teams. Jennifer shared a map showing where homeownership investments have been made, or will be made, across the City over the past few years. Following state legislation authorizing the use of utility-owned property for affordable housing at no cost, two homeownership projects have been funded on Seattle City Light land – one in Loyal Heights and the other in Phinney Ridge. Jennifer described other previously-funded homeownership projects and noted that the City is now in negotiations with Sound Transit and the FTA regarding small surplus sites in SE Seattle, identified for affordable homeownership.

When asked about downpayment assistance, Jennifer noted that we're now seeing people buying limited-use, smaller units/condos through awards made to Habitat for Humanity. The old model is not working as well, but OH is now being intentional about buying back homes, OH is repaid the initial investment, and then turning those homes into permanently affordable – which counts as a “new” homeownership in our portfolio. Erin asked if transit lines and rapid ride lines will be shown alongside the locations of OH investments, and Emily responded that this will be shown in the comprehensive annual investments report.

5. Regional Homelessness Authority

Tess provided background on the new regional authority, noting that many reports had concluded that as a result of multiple funders and approaches across King County, we now have a fractured homelessness response system. Throughout all of the recommendations coming out of these reports, including the most recent reports, the most frequently cited recommendation is that the various systems and jurisdictions come together to form a regional authority with the ability to implement change with an overarching theory of change. This theory of change should drive program design, performance metrics, use of funds, and so on.

Tess outlined the framework for the regional authority, noting the following principles: 1. Change focus from program/provider to customer/end-user; 2. Deliberately address disparity amongst certain groups, including people of color, black and indigenous folks, LGBTQ youth, people with disabilities, and others. In addressing these disparities, move beyond just conversation and actually start working to address; 3. Build the authority with the customer in mind, and ensure there's customer representation at all levels. Tess and Kelly shared additional information on the Interlocal Agreement (ILA), the makeup of the various bodies including the advisory committee, and the process for filling those positions, as well as hiring an Executive Director – which they hope to have in place by early summer.

Tess shared which resources will be going to the regional authority, and which will not be. In general, crisis response will go to the authority – services serving populations currently experiencing homelessness or “on the verge” (two weeks from homelessness). These services may include day centers and rapid rehousing. Resources not going to the authority will be capital – funding for development or construction, assets. Also not going to the authority will be services unique to a specific jurisdiction, for example the Nav Team, which is unique to the City of Seattle. Levy Operating &

Maintenance funds also will not go to the regional authority, but HSD-funded supportive services will go. Kelly asked if the Levy funding for the Homelessness Prevention program will go to the regional authority, and Emily responded that we will report back.

Erin asked if the metrics collected will be different from those collected in the past. Tess responded that they will likely start with the same metrics, to get a sense of inflow/outflow, which is HUD mandated. They are also hoping to do more analytics in HMIS and understand what we've been learning from existing programs. Centralization will hopefully help with this. One of the mandates of the authority is that it be data-informed. Erin asked if metrics will be disaggregated, and Tess responded that we've learned a lot by doing this, especially in regards to serving populations of color and youth. There will be time carved out for this specifically.

5. Next Meeting

Stephanie shared that the next meeting would be scheduled toward the end of February or the beginning of March, in advance of the Annual Levy Report due date of March 31. At the next meeting, Committee members will review the DRAFT Levy report and provide feedback to staff.

Doug Ito adjourned the meeting at 2:20 pm.