

Minutes: Seattle Housing Levy Oversight Committee Meeting

August 16, 2023, 2:00 pm – 3:30 pm (Virtual)

Committee Members Present: Ann Melone (Chair), Cara Kadoshima Vallier, Colin Morgan-Cross, Damien James, Dan Wise, Denise Rodriguez, Joel Ing, Patience Malaba, Vallerie Fisher

Other City Staff Present: Charles Mason, Dan Foley, Erika Malone, Jessica Gomez, Kelli Larsen, Maiko Winkler-Chin, Nathan Antonio, Rosey Zhou, Stephanie Velasco

Guest Presenters: None

Committee Members not Present: Beth Boram, Erin Ishizaki, Pradeepta Upadhyay, Traci Ratzliff

Members of the Public Present: None

Chair Ann Melone called the meeting to order at 2:03 pm.

1. Welcome and Committee Business

- Chair Ann Melone greeted everyone and thanked them for joining.
- Approval of Meeting Minutes – Valerie moved to approve the minutes of the March 13, 2023 meeting. Colin seconded. The minutes were approved with Denise abstaining.

2. Report Out on 2023 Housing Levy Council Process and Update on Current Status

- Kelli reminded the Committee about the process that the Levy legislation went through with City Council. She noted that the ordinance itself was not importantly amended, but the accompanying resolution did receive a number of amendments. Kelli went through the amendments, first the more substantive ones, then the less impactful ones.
 - Substantive Amendments
 - Examine vacancy rate data for trends, share with KCRHA, report to Council
 - Establish formal Preservation program
 - Establish formal Acquisition goal
 - Relatively Minor Amendments
 - Authorize admin to cover holding and predevelopment costs
 - Authorize interest earnings to cover predevelopment costs
 - OH will provide admin expenditure information during annual budget process
 - Add priorities for Rental investments for BIPOC communities and family-sized units
 - Encourage family-sized units for Homeownership investments
 - Add priority for anti-displacement and equitable access to Homeownership opportunities
 - Encourage partnership on community development goals for ground floor commercial spaces
 - Encourage geographic distribution, focus on anti-displacement and underserved OH neighborhoods
 - Report on Resident Services investments and plan for new contracts
 - Report on PSH Workforce Stabilization Fund



- Explore providing Homelessness Prevention assistance over 12 months
- Encourage providers to use Housing Connector
- Explore Recovery Housing
- Question from Committee members:
 - What was the impetus for the vacancy rate amendment? – Strong interest from one CM, OH shared info, we do not believe there is a major issue and think vacancy in our portfolio is normal for the market and sector, but we can monitor more actively and will work to do so.
 - How are you going about program design and goal setting for the Resident Services and Workforce Stabilization programs? – Some pilot program-like work is already underway with reporting in work. OH will be conducting more external engagement with the participant stakeholders to align on goals and how to evaluate progress.

3. Housing Funding Policies and Housing Levy Administrative & Financial Plan Updating Process

- Kelli introduced this topic by contextualizing the role and importance of the two major policy documents and the substantial update that occurs in this Levy renewal cycle. Kelli shared work already completed in initial scoping, preparation, planning, and early discussions on the 62 items considered for updates. She highlighted plans to employ racial equity toolkits and conduct stakeholder engagement on the most impactful issues. Kelli reminded that both documents will go through Council process and that OH anticipates submitting them in the second quarter of 2024.
- Kelli overviewed the most substantive issues to be addressed in the policy updates process.
 - Implementation and monitoring of Community Workforce Agreements (CWAs)
 - Balance of funding and regulating units by AMI
 - Exploration of options for community ownership to preserve affordability
 - Geographic, acquisition, and community goals
 - New Prevention, Stabilization and Resident Services programs
- Questions and comments from Committee members:
 - What is meant by “community ownership,” what does that look like? – Kelli explained that this is a potential process whereby the residents of a building take on ownership of the structure set their own payments according to an equitable scale that is sufficient to maintain the building while also remaining affordable for the long-term. Jessica shared this is likely not a direct pathway to this model and that organizing and management capacity for tenants to assume ownership would require time and assistance. Current work is focused on first creating entities that can purchase property as an organization that rents units to residents and then to potentially convert to tenant purchase. Work ongoing with consultants is gauging interest from organizations to do this kind of work. There are active models in other jurisdictions, but they are all different and would need to be adapted to the Seattle context.
 - Jessica shared that a thorough study and evaluation will be conducted on future CWA projects to measure labor equity goals and compare with other OH-funded projects. The information collected from the initial CWA project was not conclusive, and was seriously impacted by the pandemic. Committee members encouraged the City to conduct deeper outreach including general contractors and developers along with labor. Staff committed to doing so, particularly around the design of the study.

4. Early Plans for Renewal of the Housing Levy Oversight Committee in 2024

- Kelli explained that a standalone resolution will establish a new Housing Levy Oversight Committee pending the passage of the measure on the November ballot. The composition and other general details of the Committee are unlikely to change. While some current members with less time on the Committee may be asked to continue to serve on the new Committee, several other more senior members will exit to allow for new members to join. As a way of celebrating and recognizing everyone's service, staff are currently planning an in-person meeting in December.

5. OH Site-Based RFPs

- Jessica Gomez provided information about the projects that OH will initiate through Requests for Proposal in 2023 and 2024. She explained that solicitations were issued in April for all four projects. Jessica shared more information about the projects.
 - Mt. Baker
 - Former site of a UW laundry facility and Kings Hall, very close to the Mt. Baker light rail station. Working in collaboration with Seattle Parks and Recreation who also has adjacent land. Will host a minimum of 400 units across two buildings to be built in at least two phases. An early learning center will be located on the ground floor. A CWA will apply to both phases of construction.
 - Lake City
 - The site is owned by Seattle Parks and Recreation and an MOU is already in place. The location is that of the recently condemned Lake City Community Center and is ~27,000 square feet. The project will include child care and a new community center on the ground floor, and will also use a CWA.
 - Sound Transit 45th Street U-District Site
 - A former Sound Transit site that supported construction of the nearby light rail station, the site is ~18,000 square feet. Few other details have been pre-established for the project.
 - South Park Henderson Street
 - The ~12,000 square foot parcel (made up of two lots) was purchased specifically for affordable housing development and is currently in commercial use. OH collaborated with Duwamish Valley Affordable Housing Coalition and Duwamish River Community Coalition to design the project up to this point. The development will be subject to the Duwamish Valley Action Plan and will prioritize racial equity outcomes, creation of family sized units, and other neighborhood amenities on the ground floor.

6. 2024 Coordination and Pipelining with WSHFC

- Rosey shared information about ongoing discussions with other public funders and especially the Washington State Housing Finance Commission (WSHFC) to create a process more like a queue for awarding public funds to housing projects, creating greater certainty for applicants given the anticipated degree of oversubscription of funds next year. The intent is to focus on readiness and community goals. Because the design work is still in progress, there is not much detail to be shared at this point, but WSHFC will soon release more information about their process.
 - Committee members asked about how this would work with surplus Sound Transit coming up for use and if this could result in even greater concentration of awards in the Seattle. – Rosey



replied that Sound Transit sites would be assessed using essentially the same criteria as other projects, and she did not expect more awards to be made in Seattle than has been typical.

7. Adjourn Meeting

- Patience took a moment to recognize the work of OH staff and stakeholders in the creation and passage of Levy legislation, resulting in a unanimous Council vote to place the measure on the November ballot.
- Valerie moved to adjourn. Patience seconded the motion. All concurred and the meeting was adjourned at 3:18 pm.