

# Housing Levy Oversight Committee

## September 12, 2019 Meeting Minutes

**Committee Members Present:** Doug Ito, Leslie Brinson, Pradeepta Upadhyay, Kelli Larsen, Kelly Rider, Colin Morgan-Cross, Vallerie Fisher, Ann Melone (calling in)

**City Staff Present:** Emily Alvarado (OH), Jennifer LaBrecque (OH), Laurie Olson (OH), Stephanie Velasco (OH), Julie Dingley (CBO)

### 1. Welcome and Introductions

Doug Ito opened the meeting at 2:40 pm.

### 2. Updates and Announcements

Office of Housing Director Search: Emily Alvarado stated that she is honored to be nominated. Her confirmation will be considered at the Housing, Health, Energy, and Workers' Rights (HHEWR) Committee meeting on September 19, and then sent to full Council on September 23. Emily thanked the Housing Levy Oversight Committee for their continued work.

2019 Notice of Funding Availability (NOFA): Laurie Olson shared that the 2019 Multifamily Rental NOFA includes \$45 million in available funds, and that applications are due on September 17. The Office of Housing anticipates 18-20 applications, totaling \$220 million in requests and over \$400 million in leverage through tax credits, bonds, and other sources. Laurie said that OH anticipates a highly competitive round this year, with some new applicants, in addition to applicants who have previously applied and received funding. The new applicants are groups wanting to address displacement in their communities. Colin Morgan-Cross asked what percentage of 2019 NOFA funds come from the Housing Levy. Laurie responded that Housing Levy dollars make up the bulk of the funds, around \$20 million.

Homeownership Updates: Jennifer LaBrecque shared that two Seattle City Light-owned surplus properties will be transferred to non-profit affordable housing organizations to develop two permanently affordable homeownership projects. This is the first time under a new Washington State law that a utility-owned surplus property will be transferred at no cost for affordable homeownership. Jennifer shared that Seattle City Light has been a good partner in this process. Legislation will go to City Council in two weeks.

Jennifer also shared that the Fall NOFA for homeownership projects is coming soon. Doug Ito asked if that NOFA has seen good turnout, and Jennifer responded that they do anticipate some applicants. Emily Alvarado added that the homeownership NOFAs used to receive very few applications, but with new opportunities around publicly owned sites, we are seeing new development partners emerge. Leslie Brinson added that the sale of the "Mercer Megablock" property is also helping to enhance homeownership opportunities. Doug Ito asked about utilization for the home repair fund, as this is a huge opportunity to help stem the tide of displacement. Jennifer responded that this program is getting good utilization.

Colin Morgan-Cross asked how Sound Transit properties are being considered for homeownership developments. Jennifer responded that along Martin Luther King Jr. Way, the City is exploring opportunities with Sound Transit, Puget Sound Sage, and other organizations in the Rainier Valley. Emily

added that these are typically small sites not suitable for multifamily rental housing, but that they have potential for affordable homeownership. Colin asked if Sound Transit is decreasing the price for such sites. Emily responded that the City is working with Sound Transit on this, and that the Office of Housing is pursuing these sites because they're good locational and financial opportunities.

Ann Melone asked: given that these sites are being donated, how does this help us meet the homeownership goals for the Housing Levy? Jennifer responded that 280 homebuyers have already been assisted, which provides some flexibility for meeting the remaining goals for the 2016 Housing Levy. Existing leverage for homeownership is limited, or only every other year, so this can help us expedite projects. Emily responded that surplus property sites are not necessarily saving us money, in terms of City investment, but they are helping us expedite development. In other words, OH has not reduced the dollar amount of its investment because of a land grant.

### **3. 2019-2020 Administrative and Financial Plan (A&F Plan) and Housing Funding Policies**

Policies and practices around eviction proceedings: Stephanie Velasco shared that, per the Council-adopted A&F Plan and Housing Funding Policies, OH has been asked to review the policies and practices around evictions and eviction prevention in City-funded affordable housing projects. Stephanie shared that OH would be convening property management staff from City-funded affordable housing developments to discuss this topic, specifically the use of payment plans and mutual lease termination agreements, in late October. After that convening, OH staff will compile a report to Council, due at the end of April 2020.

Emily Alvarado reminded committee members that Councilmember Herbold is particularly interested in this topic from a tenant protection perspective. Following a similar model that OH used around criminal history screenings for tenants, OH is gathering best practices from non-profit affordable housing organizations to be used as a potential template citywide. Leslie Brinson asked if mutual lease termination agreements were perceived as tools that are being abused by landlords, and Emily responded that yes, there is this perception. Stephanie added that the intent behind the October convening and April 2020 report is to provide some data and additional context for the use of various eviction prevention strategies by non-profit affordable housing providers. Vallerie Fisher noted the importance of this topic, as she pointed out that it is very difficult for tenants to find housing once they have an eviction on their record.

Labor equity outcomes in affordable housing development: Stephanie Velasco shared that, per the Council-adopted A&F Plan and Housing Funding Policies, OH has been asked to work with Finance and Administrative Services (FAS) to evaluate strategies to advance labor equity outcomes in affordable housing development, including an evaluation of the "K" site pilot project. The evaluation of the "K" site pilot will include data on the Priority Hire Program outcomes, including apprenticeship utilization and utilization of workers from economically distressed areas. OH will be submitting a memo to Council soon, outlining the data it intends to collect. Emily added that this report, along with OH's Annual Investments Reports, will show that OH-funded affordable housing is expected to provide multiple public benefits, but that these additional benefits may have impacts on cost and production numbers. Vallerie Fisher asked for clarification and confirmed that OH is using a racial equity lens in this reporting.

Colin Morgan-Cross asked if the forthcoming memo will report on actual data. Jennifer LaBrecque responded that OH and FAS intend to share descriptions of the data the City is already collecting. Emily added that OH and FAS staff have already reviewed the available data, and on the whole we see very strong outcomes in affordable housing projects, as compared to non-housing public projects with

Community Workforce Agreements. Colin noted that, as an organization, Mercy Housing Northwest has just started collecting this kind of data for their development projects. Laurie Olson noted that the City automatically collects some of this data through payroll, so there would be no additional requirement on developers. Colin shared that there's new technology that incorporates computer chips into workers' hard hats, and that Mercy Housing Northwest has started using this technology on their projects. Laurie shared that this technology is not available on all projects, and there is an added cost to use this infrastructure. Colin reiterated that the cost component is important to consider, adding that additional costs may affect affordable housing developers' ability to provide more units. Emily added that it is within the Housing Levy Oversight Committee's responsibilities to critically examine and evaluate these policy/public benefit levers.

#### **4. Regional Homelessness Authority**

Stephanie Velasco acknowledged that the Committee had requested a briefing on the Regional Homelessness Authority. Emily noted that we have an ask out to Tess Colby (Mayor's Office) and Jason Johnson (Human Services Department) to provide a briefing at a future Committee meeting. Kelly Rider and Leslie Brinson provided a brief overview of the Regional Homelessness Authority, including the proposed Interlocal Agreement (ILA). Pradeepta Upadhyay noted that there's a lot of anxiety among organizations, such as Interlm, that provide City-supported homelessness prevention programs. These organizations are concerned about what will happen to these grants. Pradeepta noted that the earlier they get an understanding of the process, the more these concerns will be alleviated. Leslie stated that the first step is to pass the ILA, and the next step would be to hire an executive director, so there is still some time before the regional authority will be operational. Doug Ito asked who is participating in the ILA. Kelly responded that the ILA has Seattle and King County as initial proposed participants, with opportunities for other jurisdictions to join.

In response to a question from Doug about whether the regional authority will focus on programs or construction, Leslie responded that it will be more about human services. Kelly noted that the proposal has attempted to separate Housing Levy funds, to keep them undisturbed. Pradeepta asked if there is a known timeframe for implementation, and Kelly responded that because it is contingent upon council action, it is a challenge to predict. For example, if councils decide to rework the governance structure, then this will affect the whole timeline for execution.

Emily noted that there are many changes happening in the affordable housing and homelessness worlds, including permanent supportive housing. She stated that the Housing Levy Oversight Committee acts as a steward of our resources, including capital and service dollars implemented by Seattle's Human Services Department. As such, OH staff will keep the Committee up to date on this issue.

Pradeepta asked if the regional authority will be a public development authority (PDA). Kelly responded that legally, yes, it will be, but it is not expected to operate the same way as a typical PDA. Kelli Larsen noted that as a permanent supportive housing provider, she has seen some coordination of services and systems dissolve. Kelli added that it's important to coordinate on the whole package. Kelly Rider shared that the concept is to put services and capital in different buckets, which is different from how King County packages both together.

#### **5. Next Meeting**

Stephanie asked for committee feedback on when the next meeting should be scheduled. The agenda will include an overview of affordable housing projects funded by the Office of Housing in 2019, and a more in-depth discussion of the Regional Homelessness Authority, as requested by Doug Ito. Laurie

Olson noted that in December, the Office of Housing won't yet know which projects will be receiving Housing Levy funding. Doug Ito also requested an update on the Fort Lawton lawsuit at the next committee meeting.

**6. Approval of Minutes**

Vallerie Fisher moved, and Leslie Brinson seconded, that the minutes of April 15, 2019 be approved. All committee members present voted to approve.

Doug Ito adjourned the meeting at 3:30 pm.