

Minutes: Seattle Housing Levy Oversight Committee Meeting

June 28, 2022, 3:00 pm – 4:30 pm (Virtual)

Committee Members Present: Ann Melone (Chair), Damien James, Denise Rodriguez, Traci Ratzliff, Cara Kadoshima Vallier, Dan Wise, Patience Malaba, Erin Ishizaki, Colin Morgan-Cross, Beth Boram

Other City Staff Present: Kelli Larsen, Dori Cho, Stephanie Velasco

Guest Presenters: Maurine Worgum (HSD), Peter Lynn (KCRHA)

Committee Members not Present: Vallerie Fisher, Joel Ing, Pradeepta Upadhyay

Members of the Public Present: None

Chair Ann Melone called the meeting to order at 3:04 pm.

1. Welcome and Committee Business

- Introductions of committee members for those who were not in attendance at the last meeting.
- Approval of Meeting Minutes. Patience moved to approve the minutes of the April 18, 2022, meeting. Traci seconded. There were 3 votes for approval and 4 abstentions.

2. Housing Funding Policies Update, 2022

- Kelli Larsen reviewed recent revision to JumpStart Acquisition & Preservation Loan Program.
- In 2022 funds could be around \$15 million, possibly more in 2023.
- Goal is to provide additional technical assistance and capacity building support, and reduce barriers for smaller community-based organizations. By participating in the Capacity Building and Grant Program, organizations will be exempted from the requirement of developing and/or operating 3-5 projects, or partnering with an organization that meets this threshold.
- This Capacity Building and Grant Program will be managed by a third-party intermediary.

3. 2021 Annual Investments Report (Office of Housing)

- Maurine Worgum (HSD staff) reviewed Homelessness Prevention and Housing Stability Program results from the 2021 Annual Report.
 - Achieved 70% of goal of households served (Immediate risk of homelessness and rapid rehousing).
 - Coordinated Entry for All (CEA) refers households to programs.
 - In 2021, contracted with 6 homelessness prevention agencies and 2 rapid rehousing agencies. \$2 million in Levy funds was administered by these agencies.
 - 352 households served by agencies, average rental assistance per household was \$1,675.
 - Performance measures – 90% of households retained their housing at program exit. 99.7% of households retained housing after 6-months of exiting. 12-month data is not as clean as it captures some of the next year.
 - Rapid Re-Housing program served about 120 households (with 196 children) between two agencies. 84% of households were permanently housed upon program exit.
 - These programs have been administered by HSD for the last 5 years. Funds are administered by King County Regional Homelessness Authority (KCRHA) starting in 2022.
- Peter Lynn (Chief Program Officer, KCRHA) joined meeting to provide an update on work ahead for

Homelessness Prevention and Housing Stability Program.

- Remaining two years of Levy funds for programs. KCRHA has prioritized establishing structure and core processes to implement portfolio that was previously administered by HSD. The goal is for one unified portfolio, with over 300 contracts consolidated to 200.
 - KCRHA is building out a 5-year plan ([5 Year Plan: Community Engagement – KCRHA](#)) due in December 2022. Engagement process will happen this summer to outline implementation of 5-year plan; seeking community and partner input.
 - Pursuing new funding opportunities; working on collaborative application for HUD Continuum of Care NOFA and renewal.
- Questions:
 - Peter stated that KCRHA is focused on the 5-year plan at this time and is also working on a housing/resource gaps analysis while actively looking to not replicate good work that has been done already by other organizations.
 - Report on funds spent will be provided to committee in annual report.
 - Question about whether OH is engaged in the KCRHA 5-year planning given the role of housing in their plans? At this stage, OH is not engaged and will reach out to KCRHA.
 - KCRHA focus on emergency housing and bridge housing. Committee agreement that funds for permanent supportive housing remain administered by OH. Clarification that emergency housing (without a lease) is not legally defined as housing.

4. Housing Levy Renewal Efforts (Office of Housing)

- Kelli and Stephanie presented on latest activities for 2023 Housing Levy Development and shared a PowerPoint on 2023 Seattle Housing Levy Planning.
 - Housing levy is Seattle's most reliable and predictable funding source for affordable housing.
 - Kelli reviewed key housing needs data:
 - 29,000 people who experienced homelessness at some point in 2020, plus 26,260 estimated shortage of rental units affordable to households making 0%-30% AMI, equals approximately 55,260 homes needed to address affordable housing crisis for lowest income households.
 - According to the 2020 McKinsey Report: "Using a conservative set of assumptions, ending the homelessness crisis in King County would therefore cost between \$4.5 billion and \$11.0 billion over ten years, or between \$450.0 million and \$1.1 billion each year for the next ten years."
 - For comparison, total estimated cost to meet need is \$30 B, the proportion of which would be covered by OH with current levels of leverage being \$13 B.
 - Review of Housing Levy engagement timeline. Started in earnest at the beginning of 2022. Moving into summer 2022 will do broader community engagement, public education to share about outcomes from the 2016 Housing Levy and the huge impact Housing Levy dollars make in communities.
 - Mayor will submit Levy renewal legislation to council in early 2023 to include on ballot.
 - Providers request a significant increase in resources to meet the need for affordable housing and address the increasing costs development.
 - Center equity investments to support BIPOC orgs and communities directly.
 - Review of focus group feedback
 - Equity focus group – support capacity building, address barriers for non-profits newer to housing development, increase transparency around application review process and fund sources available.
 - Consider other costs related to climate resilience.
 - Support Operating, Maintenance, and Services costs.
 - Improve racial equity outcomes.
 - Capital/OMS focus group – significant increase to size and production of goals over 2016 Housing Levy. Huge need to increase production, continued flexible and streamlined funding.



- Support workforce and frontline workers by increasing wages and other operating elements that need to be addressed.
- Homeownership Focus Group – think about entire housing ecosystem, equity focus, explore down payment assistance, development subsidy.
- Focus groups will continue through summer/fall 2022.
- Kelli reviewed data on costs – OMS budget example for 100-unit building. Higher costs to produce projects – lumber, glass, steel, land cost changes have contributed to an increase between 50% - 400% in last 10 years and are expected to continue. DESC Hobson Place 1 project is a case on cost, was \$27.5 million in 2017 to build and a similar project would be projected at \$53 million in 2023.
- OH staff focus is to put forth the best proposal while other decisionmakers consider the overall impact of levies and voter concerns.

5. Final Announcements and Meeting Adjourned

- Beth motioned to adjourn the meeting, Cara seconded, and all approved to adjourn at 4:28 pm.