

# **Housing Levy Oversight Committee**

## **March 22, 2017 Meeting Minutes**

**Committee Members Present:** Doug Ito, Betsy Hunter, Beth Boram, Vallerie Fisher, Kelly Rider, Doug Vann, Ann Melone

**Staff:** Laurie Olson, Jennifer LaBrecque, Emily Alvarado, Maureen Kostyack, Yelias Bender

### **1. Welcome and Minutes**

Doug Ito opened the meeting at 2:30 pm. The minutes from the March 8, 2017 meeting were adopted later in the meeting when a quorum of members was present. Maureen Kostyack provided a brief update on the Levy Administrative and Financial Plan. The A&F Plan and Housing Funding Policies are undergoing review by the Law Department, which will involve many changes to improve language, but OH does not anticipate any significant changes to the program requirements discussed with the Oversight Committee. The Council Committee review is scheduled to begin mid-April.

### **2. Housing Levy Annual Report**

The committee reviewed the draft Annual Report which was sent in advance. Maureen explained that the report provides both cumulative, seven-year performance data as well as annual funding and other performance measures for 2016. At the end of the 2009 Levy, all programs exceeded goals, with some program funds left to be allocated as part of the new levy.

Laurie Olson reviewed performance of the Rental Housing Program. She described how the program was affected by dramatic changes in the housing market and funding environment that occurred from 2010 to 2016. These included rising construction costs, increased competition and reduced availability of 9% tax credits for equity investment, and increased availability of City Bonus/Incentive Zoning funds in a booming market. There was discussion of implications for the new Levy. Vallerie Fisher asked about job creation, including jobs for minority workers. Laurie explained that the program is exceeding aspirational goals for Women and Minority Business Enterprise (WMBE) utilization, but the experience with the federal Section 3 program was more mixed. It was agreed that the report should address job creation and WMBE participation.

Jen LaBrecque provided an update on the Homebuyer Assistance Program, which has experienced slower loan closings in recent years as sales prices increase and also significant program income from loan repayments as homeowners refinance to take advantage of lower interest rates. The program received about \$3.1 million in loan repayments from 2010 to 2016. As a result, the amount of funding to be carried forward to the new levy is \$4.8 million, which is somewhat higher than projected. Doug Vann asked whether there is still interest in these programs. Jen replied yes, that in addition to home purchase loans by individual buyers, nonprofits are looking to produce housing. Unlike rental housing, however, there are limited sources of equity. Beth Boram asked about these sources, which Jen said include Federal Home Loan Bank, federal SHOP funds for sweat equity programs, and in some years, the State Housing Trust Fund, in addition to the buyer's first mortgage and down payment funds.

Committee members decided to include a letter from the Oversight Committee, as was done in recent annual reports. The letter will focus on the overall performance of the 2009 Levy. Themes will include levy performance and exceeding goals, the levy's role in Seattle's comprehensive housing strategy, the changing economic situation over the course of the levy, the importance of flexibility and the ability to

respond to opportunities, and implications for the new levy. Maureen will work with Doug Ito to complete the letter.

Committee members made recommendations throughout the report about the presentation of levy programs and performance data, particularly ways to distinguish more easily between cumulative performance data and annual data, and better use of graphics. Since 2016 is the final year of the 2009 Housing Levy, members suggested reformatting to create a final report for the 2009 Levy, with annual performance information following.

Doug Ito ended the meeting at 4:00 pm.