

# **Housing Levy Oversight Committee**

## **October 17, 2018 Meeting Minutes**

**Committee Members Present:** Beth Boram, Vallerie Fisher, Doug Ito, Ann Melone, Colin Morgan-Cross, Kristin Pula, Traci Ratzliff, Pradeepta Upadhyay, Doug Vann

**Staff:** Miriam Roskin, Emily Alvarado, Maureen Kostyack and Laurie Olson, OH; Jess Chow, Sean Walsh, Owen Kajfasz and Jules Pasadas, HSD; Annie Tran, Ethics and Elections

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

The committee welcomed a new member, Pradeepta Upadhyay. Doug Vann, who will be stepping off the committee, was thanked for his contributions to the committee beginning during the 2009 Levy.

The minutes of June 13, 2018 were approved, with Colin Morgan-Cross abstaining.

### **2. Office of Housing Updates**

Emily Alvarado provided an update on the Fort Lawton redevelopment as requested by the committee. She reviewed the original redevelopment proposal and the current redevelopment plan which includes affordable rental housing for families and seniors and ownership housing for first time homebuyers, as well as recreation and open space. The EIS is being appealed; the final hearing has been rescheduled to late October. In response to a question, Emily estimated that the development could be completed in about three years.

Emily informed the committee about recent State legislation that changed the way State prevailing wages are calculated. The new calculation, based on collective bargaining agreements, will result in substantial wage increases in some job categories. Supporting living wages is an important City policy, and residential prevailing wages are required in low-income housing development as a matter of local policy. Discussions are now underway about the impact of the new law on low-income housing, which had not been anticipated by supporters. The discussions so far have been positive and a legislative fix may be possible. Committee members asked when OH-funded developments would be affected. Laurie Olson replied that the new rates will apply to previously funded projects that are now closing or going to bid; the cost impact is estimated at \$8,000 to \$17,000 per unit.

Emily also provided an update on recent State legislation that clarified that public property can be used for affordable housing. She reminded the committee that housing development on public property is a focus of the current Housing Levy, supported by new A&F Plan policies. Traci Ratzliff described two new City ordinances that support affordable housing development on public property, one focused on Seattle City Light properties and the other on general government-owned sites. A question was asked about administration, and Traci replied that the Department of Finance and Administrative Services is lead, but OH has a major role in assessing the feasibility of sites for rental or ownership housing.

Laurie Olson gave a status report on the Rental Housing Program NOFA and provided list of applications. Staff is reviewing 24 applications requesting almost \$225 million. Given available OH funds and other capital and operating sources, we anticipate funding about six projects. Homeless housing in particular is constrained by availability of 9% tax credits and operating/services sources. Most of the 300 vouchers SHA committed to the 2016 Housing Levy have been awarded to projects and federal McKinney funding for new projects seems highly unlikely. Traci Ratzliff asked about recent increases in document

recording fee revenues, and Laurie replied that most of the funding will be used to renew contracts for existing supportive housing. Beth Boram asked if there was a way to get more Section 8 funding, and Laurie replied that SHA's current Moving to Work Plan caps the amount of voucher funding that can be awarded to buildings (project-based Section 8) to 35% of voucher funding. OH is working with SHA, however, on a strategy to award new vouchers for veterans (VASH vouchers) to existing supportive housing, and then swap out (reposition) Levy vouchers and reallocate them to new homeless housing. SHA and OH will meet with building owners about this proposal in the next few weeks. Colin Morgan-Cross asked how many vouchers are needed, and Laurie replied that available OH capital funds and 9% tax credits could produce two 100-unit supportive housing projects per year.

Ann Melone asked whether the challenge with leverage funding will make it difficult to meet Levy goals. Laurie replied that the Levy goal is to produce or preserve housing affordable at or below 30% of median income, not specifically homeless housing, and we are on track to meet that goal. Beth Boram asked whether the new Medicaid Supportive Housing benefit is being used yet. Laurie replied that the benefit is now in its 2<sup>nd</sup> year of the five-year Medicaid demonstration project. The benefit will help provide needed services to individual Medicaid-eligible residents and cannot be tied to housing units, therefore it cannot be used in project underwriting. Maureen Kostyack added that the demonstration has been going well in other parts of the state but is slow to start in King County. The State anticipates that following the demonstration the benefit will be approved for all eligible Medicaid recipients.

### **3. Homelessness Prevention and Housing Stability Services Program**

Jess Chow and Owen Kajfasz briefed the committee on the status of the Homelessness Prevention and Rapid Rehousing programs administered by HSD. Program performance data was sent to the committee in advance. Jess pointed out that, at 18 months into this Housing Levy, programs are exceeding goals for serving homeless and at-risk households.

Jess described the learning circles that HSD convenes with providers in the Prevention and the RRH programs. They provide an opportunity for information exchange, for example how agencies link prevention services with other services and resources provided by the agency and external partners. The learning circles also provide education, such as information on eviction provided by the Tenant Law Center and on services gaps provided by United Way. Coming from learning circles and HSD evaluation, several program changes are under discussion, including case management services on evenings, weekends, and outside the office; and outreach at foodbanks, Seattle Schools, and at the King County Courthouse. HSD is also considering making flexible, non-homeless funds available to prevention programs on a pilot basis, and is expanding analysis of turn-away data and racial equity trends.

Vallerie Fisher asked about how families access case management – can they self-refer? Jess replied that families can seek services via 2-1-1. Vallerie commented that she was happy to hear about more flexible appointment times and the focus on racial equity. Doug Vann asked about HSD's data on returns to homelessness. Owen explained how the calculation for returns to homelessness at 12 and 24 months are done separately, based on the date assistance ended for the individual household. Beth Boram asked about total funding for homelessness prevention, and Sean Walsh replied that the total budget is \$6.5 million annually, with \$1.5m coming from the Housing Levy and the balance from City general funds. Traci Ratzliff asked whether we could examine returns to homelessness over a longer time frame such as 36 months and Jess replied that was possible, but the data wouldn't be available until near the end of the 7-year levy.

#### **4. Democracy Voucher Program**

Annie Tran of Seattle Ethics and Election Commission thanked the committee for making time to hear about the Democracy Voucher Program. She passed out a brochure and described the history and use of the vouchers. The vouchers are supported by a voter-approved levy and were used for the first time in 2017. The City plans an online portal to access vouchers and make donations this year, addressing the problem of lost vouchers. Staff is making efforts to let potential candidates know of the public financing, and to encourage city residents to use vouchers early to support candidates.

#### **5. 2019-2020 Administrative and Financial Plan (A&F Plan) Update**

Maureen Kostyack reviewed the schedule for updating the A&F Plan and OH Funding Policies. OH and HSD are beginning to identify potential policy issues. Our objective is to get legislation to Council in April or May. The Oversight Committee will review the policy recommendations before the legislation is transmitted. Maureen then reviewed a preliminary list of OH policy issues that have identified by staff through our work with housing providers, community members and City Council. A more complete list will be discussed with the committee at the January meeting, including issues raised during our community outreach in November and December.

#### **6. Next Meeting**

The next meeting in January will focus on the 2018 Rental Housing NOFA funding awards and the A&F Plan / OH Funding Policies legislation.

Doug Ito adjourned the meeting at 4:00 pm.