

Minutes: Seattle Housing Levy Oversight Committee Meeting

March 13, 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: Kelli Larsen, Laurie Olson, Nona Raybern, Rosey Zhou, Stephanie Velasco, Nathan Antonio

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 2:05 pm.

1. Welcome and Committee Business

- Chair Ann Melone greeted everyone and invited Nona Rayburn to introduce herself. Nona said hello to the committee members and introduced herself as the Office of Housing's (OH) new Communications Manager.
- Approval of Meeting Minutes. Joel Ing moved to approve the minutes of the January 9, 2023, meeting. Valerie Fisher seconded. The minutes were unanimously approved.

2. Draft 2022 Housing Levy Report Review & 2022 Rental and Homeownership Capital Investments

**In an informal departure from the agenda, discussion of these topics was taken together.*

- Kelli Larsen introduced this topic by way of acknowledging the teamwork of many staff in the Office of Housing (OH), that went into drafting the 2022 Housing Levy Report. Kelli then overviewed the purpose of the report, its content at a high-level, and the responsibility of the Oversight Committee to review the report and make recommendations.
- Kelli then talked about the overall outcomes of the Housing Levy in 2022, referencing the chart in the draft report.
 - Rental Production and Preservation: Majority of investments go to this program, almost all 7-year funds have been committed, with the outcome goals already exceeded even with a year left to go.
 - Operating and Maintenance (O&M): Goal not yet achieved, but funds pre-committed to more than enough units to cover the gap. Buildings with pre-commitments are not yet complete and other potential sources of operating funding are not yet known, which are both prerequisites to finalizing contracts.
 - Prevention: Tentatively on track to meet goal of households served by end of 2023.
 - Homeownership: 7-year goals already exceeded with one year remaining in the program goal period.
 - Acquisition and Preservation (A&P): While the program does not have a defined goal, it is well utilized and has facilitated the creation or preservation of approximately 1,800 units.
- A more detailed and lengthy discussion of the program areas followed:
 - Rental Production and Preservation: Laurie Olson shared the general outcomes of all 2022 capital investments in rental housing, including the Fall 2022 NOFA. The Fall NOFA announced \$40M of funding availability, for which 17 applications were received requesting over \$120M. A thorough analysis was conducted to determine which projects to award, taking into account their readiness and the funds available to distribute. Additional consideration was given to projects in neighborhoods that are less often served by City funds for rental housing development. Funded projects of note included:



Seattle Office of Housing

- Bellwether Greenwood, Bellwether Housing
 - Received Levy funding
 - Partnership between Bellwether Housing and the Boys and Girls Club
 - Notable neighborhood amenities
 - 58 units, including family-sized units
- DESC 15th Avenue, DESC
 - Received Levy funding
 - Believed to be DESC's 19th PSH project
 - 105 units
- Workforce Northaven, Northaven and Gaard Development
 - Not a Levy project
 - Workforce housing project (serves slightly higher incomes) on the property of the Northaven senior housing campus
 - Strong opportunities for intergenerational synergies
 - 89 units
- Clay Apartments, LIHI
 - Received Levy funding
 - Rapid acquisition project, acquired from a private company shortly after completion
 - Initial short-term funding allocation converted to permanent capital
 - 76 units
- Squire Park, LIHI and New Hope Community Development Institute
 - Received Levy funding
 - Sold by Jonathan Rose company, acquired by LIHI and New Hope
 - Important anti-displacement win, including for small businesses on the ground floor
 - 60 units
- SRM NE Seattle
 - Not a Levy project
 - Location very close to future 145th Street light rail station
 - 200 units
- Devonshire, Community Roots Housing
 - Received Levy funding
 - A portfolio preservation project that will essentially be a gut rehab, allowing the building to remain affordable for another 50 years
 - 62 units
- Laurie also mentioned projects that applied, but were not funded in 2022 for a combination of reasons, including readiness and a simple lack of resources to allocate. Laurie expressed a desire to continue to work with the applicants in the hope of being able to fund their projects in the future. She concluded by saying that Levy funding for the rental programs was nearly complete and that likely final projects have already been identified.
- Questions from committee members:
 - A committee member asked about DADUs and if they are funded under the program. Laurie said no, explaining that the financing for DADUs is difficult because the per-unit cost is high relative to traditional multifamily development.
 - Another committee member asked about AMIs served and BR sizes. Staff explained that AMI details can be found in the report and details of BR mix can be provided separately. Some discussion about the difference between the regulated AMIs of the units vs. the AMIs of the people who move in to the units, which is often rather lower.
 - Another committee member asked about how OH makes investment decisions given the limited availability of funds. Laurie explained that the MHA and Levy programs

- have restrictions and service targets that guide much of the process, and that gaps are covered with JumpStart funds and other resources as allowable and available.
- O&M: Kelli shared that while the program had not yet reached its goal, about a year remained and preliminary commitments that would satisfy the goal have already been made, explaining that it's just a matter of an eligible building completing and identifying other potential sources of operating funding. Kelli also said that the team is looking at program changes in the 2023 Levy, if renewed.
 - Prevention: Kelli explained that KCRHA manages the implementation of the program using Levy funds. Kelli stated that KCRHA is tentatively on track to meet the program goals by the end of 2023, with the metric currently standing at 86% percent complete with 3,854 households served out of a targeted 4,500.
 - A committee member asked about alignment with KCRHA's 5-year plan and what is OH's and the Committee's role. Kelli explained that OH is setting high-level intentions and looking toward the Administrative and Financial planning period for working towards specifics, potentially including services in PSH as well as direct homelessness prevention. She elaborated that many agencies are collaborating and trying to use aligned housing needs metrics, where possible. However, the Levy proposal drafting period largely preceded KCRHA's plan drafting work and precise data alignment was not possible. Kelli noted that the need as assessed by KCRHA far outstrips what the Levy alone is capable of producing.
 - Homeownership: Kelli overviewed program accomplishments in 2022, with one large 58-unit project funded, 8 downpayment assistance loans made, 4 low-income homeowners received foreclosure prevention assistance, and 19 homeowners received grants for emergency repairs. She also noted that the Homeownership program has already exceeded its 7-year program goals.
 - Laurie added detail regarding the 58-unit Columbia City Condos project, the largest Habitat for Humanity project in the world. She also went into some detail regarding other homeownership development projects that were funded in 2022, though not by the Levy, including the 30-unit 7th Avenue South Park project and the Rainier Valley Homeownership Initiative sites, 7 homes, both stewarded by Habitat for Humanity.
 - A&P: Kelli referred to the chart of outstanding and repaid loans, explaining that there is no specific goal for the programs, but that sufficient loans have been made to consider the program successful. Laurie also spoke, layering on some detail about bridge loans and A&P loans, the former of which is not Levy funded. She explained that together these programs allow OH to fully utilize available resources for affordable housing development and preservation.

3. Levy Proposal and Communications Update

- Stephanie Velasco shared that OH and City employees may conduct educational and informational communications regarding the Levy, but not campaign for ethics reasons. Stephanie briefly discussed the process timeline, engagements made, and input received. She explained that the Mayor's proposal was nearly complete with final details being decided, to be made public near the end of the month. She then detailed the process for the transmittal of the Mayor's Housing Levy proposal to Council, explaining that Council President Juarez has established a Select Committee of all councilmembers with likely nine meetings planned, including opportunities for public testimony. Stephanie spoke some more about the first Select Committee meeting on April 5, which would cover background and housing needs, and the second meeting scheduled for April 19, which would present the proposal in detail. She displayed a slide with the other planned meeting dates but noted that they were still subject to change and that OH staff would reach out to advise committee members once they were finally scheduled. She concluded by saying that the final Council vote on placing the Levy on the November ballot would likely occur toward the end of June, and reiterated that staff would communicate to committee members as important milestones approached.



4. Overview of PSH OMS Workforce RFI

- Discussion of this topic was deferred for lack of time.

5. Meeting Adjourned

- Vallerie Fisher moved to adjourn. Dan Wise seconded the motion. All concurred and the meeting was adjourned at 3:28pm.