

REGIONAL HOUSING COUNCIL

Wednesday August 25th, 2021 Meeting Minutes

ATTENDEES:

Lacey: Carolyn Cox, Lenny Greenstein, Scott Spence, Kelly Adams

Tumwater: Michael Althaus, Joan Cathey, Brad Medrud

Olympia: Jim Cooper, Dani Madrone, Keith Stahley, Cary Retlin

Thurston County: Carolina Mejia, Ramiro Chavez, Jacinda Steltjes

South County: JW Foster

Public: Steven Strickland

Meeting began at 4:00 pm.

Agenda Item 1: Agenda approved, Councilmember Smith from Yelm will replace Mayor Foster in future.

Agenda Item 2: Public Comment

Linnea Comstock: Linnea spoke to Keylee last week, commended Keylee on her kindness and responsiveness. Linnea lives and owns a business in Olympia. Linnea encouraged the RHC to review the Olympia Home Fund, recommended reviewing what Olympia has done well and what could be done better. The Home Fund has increased safety concerns in Olympia for her and her employees. Before taking action on a County Home Fund, please consider the Olympia plan and consequences.

Agenda Item 3: Minutes from July: Motion and second, all approved.

Agenda Item 4: Future Retreat Planning with Housing Action Team (HAT)

The RHC Leadership met with the HAT Executive Team, which includes the HAT subcommittee Chairs. They talked about a joint retreat, and their relationship going forward. The HAT executive team is interested in relationship building with the RHC. Discussion included an emphasis on being deliberate about how they develop their relationship, postponing the in-person retreat until after the first of the year. HAT subcommittees will discuss how the teams see their connection with RHC, prior to the retreat.

Councilmember Althaus asked for more information about expectations before the beginning of the year, should the RHC reach out to the teams or should RHC members plan to attend the subcommittee meetings? Councilmember Cooper and Commissioner Mejia will attend the subcommittee meetings, other RHC members are also welcome to attend. RHC and TT Executive Committees will also meet to discuss how they can have a partnership and maintain the relationship. Over the next few months RHC members will attend the HAT subgroups and meet with TT, in preparation for January retreat.

Agenda Item 5: 2828 Martin Way Phase II Presentation and Request

Cary Retlin gave background information: the funding workgroup at the August meeting made a recommendation that the RHC identify funds to address a funding gap with 2828 Martin Way Phase II.

There is a funding gap due to Energy Code changes as well as Covid related construction cost increases. This project will add 63 more units to the 65 units in Phase I.

Steven Strickland from LIHI added that they wish to thank the jurisdictions for the current support. Steven gave an overview of the housing and services included in Phase II. The current request is for \$1.7M, the total development cost is \$23M. LIHI has tried to cut costs without sacrificing quality. They have also applied for additional bank funding. They will be applying for Trust Fund and Tax Credits, the requested \$1.7M will leverage public and private funds.

Councilmember Greenstein asked if 1406 could be used for this? Yes, and that is the recommendation from the funding workgroup, as well as a recommendation that these be the last funds drawn for the project, then if they are not needed these funds could be used for operations. Ramiro clarified that this isn't really a gap, because they are still pending other Federal and Tax credit funds, and asked what are the timelines for bank and trust fund applications? The Trust Fund application is due in September with a decision in December, and the Tax credit application is due in November and also announced in December. LIHI uses the term "gap" because the trust fund and tax credit amounts are formulas so they know how much these amounts will be if awarded. If LIHI can show they are fully funded it makes their applications more competitive. Steven clarified that Phase I is nearing completion and is completely separate from this \$23M total cost for Phase II.

Discussion followed regarding timing of funding commitments, determining the gap, and potential new federal funding that might be coming. Do they need action tonight? Cary clarified action tonight puts LIHI in position to have more local funding in competition for Trust funds and tax credits, and makes the project more competitive. Keith added that this project is the closest to being able to create housing in a quick timeline. Ramiro clarified that they as a region generate roughly \$800K a year of 1406, so this would be 2 years of 1406 funding. Councilmember Cooper added that Olympia still has 2020 1406 funds that could be contributed. Tumwater 2020 1406 is expended and/or dedicated. Lacey has pledged their 2020 1406 funds to a project, but may be flexible.

Motion: Approve that staff draft a conditional award letter to address the funding gap of 2828 Martin Way Phase II. Funds should include pooled, supportive, and affordable housing 1406 funds. The RHC recommended that Olympia, Lacey, Tumwater each contribute 1406, ARPA or other funds to ensure a competitive project. Conditional award letter must stipulate that these funds be drawn after other funding sources, Home funds, Trust Funds, other Thurston County and tax credit funds are exhausted. Motion and a second. Councilmember Althausen reiterates that Tumwater may be able to contribute a relatively modest amount of funds. Local jurisdictions each need to confirm this recommendation. Each RHC representative needs to bring this funding recommendation to their Councils for endorsement. Ramiro encourages each jurisdiction to be specific with 1406 amounts from 2020 they will provide. How fast do Cities need to act? A Conditional Award letter prior to September 15 Trust Fund application due date would be best. Motion approved.

Agenda Item 6: Technical Team working group updates

Keith gave an update, they have been looking for a property to operate safe parking, and future development of supportive housing. The Quality Inn site will be used to relocate the mitigation site out of downtown. They have identified a 5.8 acre parcel for a short term safe parking program and longer term supportive housing facility. The property is currently owned by the Kaufman Foundation. Today's

request is for the RHC to support the Tech Team working on this project and returning to RHC with a plan for this site. They have submitted a letter of interest. The City of Olympia is not able to carry this project alone. The property could serve short term and long term needs. Ramiro adds this is a good investment, possibly looking at ARP funds, and 1406 funds long term.

Councilmember Althaus confirms that the RHC is being asked to direct staff to develop a funding plan and proposal to develop this into safe parking? Scott asks if there has been any Environmental Review, or any concerns about the property? Keith adds they would complete due diligence including a Phase I ER prior to purchase. Ramiro adds that time is of the essence, they cannot wait until the next RHC meeting to have an endorsement of RHC. Councilmember Cox asks to call a special meeting prior to September RHC meeting.

Motion to support tech team moving forward on funding and project proposal and return to the RHC at a special meeting or the September meeting, whichever is sooner. Second. All approved.

Jim asked about the status of the GIS project regarding the properties identified by the siting group, is there a summary to bring back on potential properties? Keith will come back with that at a future meeting.

Agenda Item 7: Good of the Order

Schelli gave an update that they are very concerned about the Delta variant, test positivity is over 10%, and local hospitals are at capacity. In regards to houseless community, they are working to have enough Q and I in case of outbreaks, and working to increase the vaccination rate among the houseless population. Mayor Foster asked if any outdoor County events have contributed to the increase? County team investigates and traces all County cases, they are trying to figure out where people are getting sick. Test positivity over 10% indicates a lot of community transmission where people do not know where they got it.

Agenda Item 8: Upcoming Meetings

Meeting Adjourned: 5:25 pm

Next Meeting: September 22nd, 2021, 4:00 pm