

# REGIONAL HOUSING COUNCIL

Wednesday January 11th, 2022 Meeting Minutes

## ATTENDEES:

Lacey: Carolyn Cox, Rick Walk, Andy Ryder, Ryan Andrews, Kelly Adams

Tumwater: Joan Cathey, Brad Medrud

Olympia: Dani Madrone, Clark Gilman, Rich Hoy, Darian Lightfoot,

Thurston County: Carolina Mejia, Ramiro Chavez, Tom Webster, Keylee Marineau, Elisa Sparkman

Meeting began at 4:00 pm.

**Agenda Item 1:** Agenda approved, motion and second

**Agenda Item 2:** Minutes from December 14th meeting, motion and second, approved.

**Agenda Item 3:** Southport – Lansdale Pointe Apartment Project Proposal

Beau Baker, the Development Manager from Southport Financial Services, gave a presentation to the group for their proposed Lansdale Pointe project. They are planning to make available 162 units for households at or below 60% AMI. The site would feature 3-story apartments, a community center, business center with free wi-fi, a playground, and a sports court. The available units would be a mix of two, three, and four bedrooms and these units would account for roughly 6.2% of an estimated market need for rent-burdened families. Affordability requirements are preserved for 40 years even if the property is sold or transferred.

Southport will be utilizing the 4% Low Income Housing Tax Credits to help fund the development of this property. However, this requires that 5% of the development cost be funded by a local, public, entity. The estimated total development cost will be around \$53 million. This means roughly \$2.35 million will need to be funded, or loaned, by a local city, county, or combination.

Southport's application to the state is due March 29<sup>th</sup>, so prior to submission they would need a letter of commitment from whichever funding entity is supporting the project.

Tom asked Beau when they expect to have occupancy available. Beau stated the first building would be ready in June 2024 with total property completion around June 2025. Carolyn asked if the entire \$2.53 million would need to be available to them by December 2023. Beau stated no, but it does need to be committed and made fully available by time of completion, roughly June 2025.

Darian noted that the City of Olympia is prepared to put forth half, or \$1.3 million, in a committed loan for this project. Carolina asked if the RHC could loan the other half. Beau said yes, but there are additional requirements if the funding comes in the form of a loan.

1. It needs to come at a below market interest rate

2. Minimum 20-year term

3. It needs to be deferrable

Andy and Ramiro expressed concern that this project is being brought to the RHC outside of the established RFP process. When asked if having to wait for the RFP in May/June would impact Southport's plans, Beau stated they would have to wait to apply until 2024. Carolyn proposed that a decision on this be delayed until the January 25<sup>th</sup> meeting. Southport will return at this meeting with specific requirements for loaning these funds.

#### **Agenda Item 4: Funding Priorities**

Tom and Keylee plan to have the RHC vote to approve funding recommendations at the January 25<sup>th</sup> meeting. Keylee shared with the group that the Homeless Housing Hub's (HHH) number one priority was to maintain programs already operating within the Homeless Crisis Response System. This includes shelters, transitional housing, Coordinated Entry, rapid rehousing, diversion activities, cold and hazardous weather shelters, and Housing and Essential Needs programs. These all utilize 2163, CHG, HEN and 1277 funds. Their second priority is to incentivize providers to add line-items in their budgets to ensure support of ongoing Diversity, Equity, and Inclusion efforts. Their third priority was to have the RFP itself prioritize activities and programs that encourage system-wide collaboration.

Tom shared updated funding information for the upcoming February RFP. They are as follows:

##### **Affordable Housing:**

Federal HOME funds are expected to remain steady at about \$750,000. However, local 2060 funds are expected to be around \$250,000 which is about half of the 2022 awards. This brings the total to roughly \$1,000,000 for Affordable Housing projects that are currently in the pipeline.

##### **Homeless Services:**

The Consolidated Homeless Grant (CHG) is expected to be roughly \$800,000. Housing and Essential Needs (HEN) will remain steady at \$3,800,000. 2163 document recording fees for local Homeless Services is expected to be roughly half of the 2022 award at \$1,500,000. The local Home Fund can be utilized to help fill gaps at roughly \$1,350,000. Finally, the state document recording fees, 1277 funds, are expected to be roughly \$4,000,000. This brings the Homeless Services funding to roughly \$11,450,000. However, it was announced by the state that they did experience a decline in document recording fees at the state level and they have not currently found a solution to fill that gap. Therefore, it's possible the \$800,000 of CHG and \$4,000,000 of 1277 funds will be lower than these projected amounts.

##### **Human Services Fund:**

HSF, or local sales tax dollars, are expected to remain similar to 2022 funding at roughly \$300,000.

In the past there have been set asides from the 2163 funds. For the upcoming RFPs these set-aside recommendations will include \$250,000 for Coordinated Entry, \$200,000 for homeless prevention, \$250,000 for cold and hazardous weather shelters, \$25,000 for the yearly point-in-time (PIT) count, \$200,000 for emergency funds, \$50,000 for the lived experience steering committee, up to \$25,000 for Advisory Board stipends, and up to \$60,000 for DEI training for agencies.

Tom emphasized these numbers are currently just estimates but by the time the RFP is issued they will have updated numbers. Tom also shared the scoring criteria for how the Tech Team will be scoring RFP applications. There are no changes from the process last year.

**Agenda Item 5: RHC Advisory Boards**

Applications for the advisory boards went live on January 3<sup>rd</sup>. So far there are 9 applications for the Homeless Services Advisory Board and 7 for the Affordable Housing Advisory Board. The scoring criteria for these applications has been finalized. For individuals recommended to move forward in the application process, there will be interviews February 8<sup>th</sup> and 9<sup>th</sup>. This will require the February 8<sup>th</sup> RHC meeting to be rescheduled to February 15<sup>th</sup>.

**Agenda Item 6: RHC ILA Amendment**

Tom shared additional changes to the ILA amendment from the last meeting. This included language allowing the lead agency to transfer funds to a partner jurisdiction to administer stipends. Also included was tracking for when each amendment has been approved. There was no language added around 1406 funds. The group agreed that they would like to go back to their individual councils to discuss those 1406 funds before the ILA amendment moves to the BoCC for approval. Tom requested that each jurisdiction come back with their decision on 1406 funds at the January 25th meeting and additional changes to the ILA amendment will be presented.

**Agenda Item 7: Good of the Order**

**Meeting Adjourned:** 5:24pm

**Next Meeting:** January 25th, 4:00 pm