
**SEATTLE HOUSING AUTHORITY
REGULAR BOARD BRIEFING**

LOCATION
Virtual via Microsoft Teams
(206) 257-3799; Phone Conference ID 869 252 502#
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In-person option at SHA Central Office
101 Elliott Ave W, 1st Floor Tahoma Conference Room
Seattle, WA 98119

DATE **October 7, 2024, 4:30pm – 6:00pm**

BOARD ATTENDEES Sally Clark, Chair Twyla Minor
Robert Crutchfield, Vice-chair Paul Purcell
Dr. Paula Houston Gerald Smiley
Rita Howard

DISTRIBUTION SHA Board of Commissioners; Cabinet

Commissioner Roll Call

AGENDA:

Briefing Items

- **Resolution No. 5286:** 2025 MTW Plan & Public Comment Feedback
- **Resolution No. 5287:** 2025 Proposed Budget
- **Resolution No. 5288:** 2023 Write-offs of Delinquent Accounts
- **Resolution No. 5289:** Red Brick LLLP Formation

Commissioner roll call was given at 4:33 p.m. The Briefing was held via teleconference, with an in-person option at the SHA Central office. Commissioners Crutchfield, Dr. Houston, Howard, Minor and Smiley were absent from the Briefing.

Review 10/14/24 Regular Board Meeting Agenda and Updates

Resolution No. 5286: 2025 Moving to Work (MTW) Plan & Public Comment Feedback

Executive Director Rod Brandon introduced Policy Strategic Advisor Lily Sweeney and Resolution No. 5286 to the Board. Ms. Sweeney provided a summary of the Public Comment period, required by HUD regarding the 2025 Moving to Work Plan and 2025 Proposed Budget.

SHA is proposing five new MTW innovations (strategies) for 2025, three of which will involve the Housing Opportunities Through Modernization Act (HOTMA). Passed in 2016, it was informed by innovations from MTW housing authorities. HOTMA provisions have been released in phases over the last few years because the law was so expansive, so the majority of HUD's implementing regulations began in 2023 and 2024. The overall goal of HOTMA is to streamline administration, ensure consistency and alignment, improve accessibility, encourage asset building, and prepare for future challenges. HOTMA made some changes to a number of areas, a number of these changes were actually made as a result of activities through Moving to Work agencies and the benefits of the processes that we go through. Some of these activities we're not wanting to enact, but they have been proven successful in other MTW agencies.

HOTMA makes changes to streamlined medical deductions, asset income threshold and local income determination processes. SHA has put in the 2025 Plan that we want to continue doing everything that we are doing right now, as is, while we go through a further review of how we calculate income for resident households. Then, once that review is done, we may or may not choose to adopt some of these changes. Currently, we're giving ourselves the flexibility to not enact these changes should we decide that they're not beneficial to SHA. Two other things that we're doing is increasing our CAP to up to no more than 40% of our MTW vouchers can be Project-Based Vouchers (PBV). This is due to an increase in SHA's levy commitment for permanent supportive housing and then also as we're doing refinancing for our buildings through Section 18 disposals and other things like that. SHA's Total Development Cost (TDC) update will be reported on by Mr. Cummer.

Mr. Cummer: When we look to put this activity together, we were doing it based on some challenges we had encountered with HUD's TDC limits and these limits are specific in one area, and that is they are not concerned about what the total development cost is; they are concerned about how much federal money you put into each unit. That's what their TDC limits are and given the Build America/Buy America Act that is coming into place now and also just the inflationary increases in the area, it was starting to put pressure on us being able to meet those TDC limits for the federal funds. But last week HUD issued some guidance that basically takes Project-Based Voucher units out of any TDC CAP requirement calculations. So, we were like 95% sure that this activity will be no longer needed because

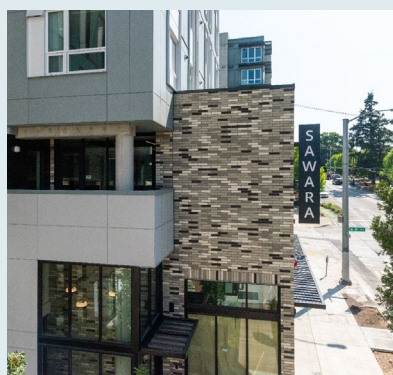
of this change in guidance from HUD, which will address the issue we were facing. But rather than just pulling it out at this late stage, we wanted to make sure that we had some discussion internally about it, so that we were on all on the same page and then we can report back to Rod (Brandon) as to what our thinking is regarding this activity, and he can give an update to the Board down the road.

Moving on to the Public Comment process that we just went through; again, this is a public comment process that covers both the Budget and the MTW Plan since these two documents both set out SHA priorities and the activities we're going to be taking in the next year, it makes sense to us to have the residents' comment on both of them at the same time. The Public Comment is a required process for the MTW Plan, so comments were available to be received via e-mail, telephone, and postal mail. We did get comments from all three of those venue or methods. We had a Public Hearing on September 16th and then staff, and I (Ms. Sweeney) met with a group of residents on September 19th, as well. All of the comments were reviewed really carefully, and if there were any action items, that was forwarded on to the appropriate staff in the different housing portfolios. Mostly, they involved public housing and then no changes were made as a result of the comments to the plan or the budget. We felt that the needs of the community were being addressed through the activities and funding that we put together and then we've provided to you, as the Commissioners, a summary of the public comments that were received. These materials are available for HUD if requested. Participation was full engagement with ten residents; that is in line with how engagement has been in the past decade or so, since we've been tracking that information. Outreach consisted of flyers posted in owned and managed SHA buildings, articles in The Voice, and it was posted on the front page of the website.

We also sent direct mail for all of the materials directly to the Joint Policy Advisory Committee (JPAC). We received 7 substantive comments. Again, we held two meetings with residents where we had good engagement with those who showed up, and then the communities that were represented include these five buildings: Center Park, Plymouth Housing (Collaborative Housing), Primeau Place, Tri-Court, and Willis House. Eight major themes emerged through these conversations and comments submitted (see below):

8 Major Themes

- More safety & security
- Improve housing quality & building maintenance
- More staffing and better response
- More support for aging in place
- Increased communication between SHA and residents
- More housing stock
- More transparency about SSHP rent policy
- Improved accessibility for residents to visit new CO



Ms. Sweeney expounded on the eight major themes, as well as shared examples of comment quotes to the Board. The Plan timeline for submittal is concluding, with the Board taking action on Resolution No. 5286 at the October 14 Board Meeting, and the 2025 MTW Plan's submittal due date to HUD being October 17, 2024.

Resolution No. 5287 – SHA 2025 Proposed Budget

CFO Jared Cummer introduced Resolution No. 5287, along with Housing Operations Dave Wellings to the Board to continue the presentation regarding proposed budget plans for Housing Operations in 2025. Mr. Wellings was joined in the presentation by Deputy Housing Operations Director Rachael Steward and Operations Program Administrator Daigen McAllister. Mr. Cummer gave a quick reminder of the schedule as to where we are at in the budget process, as well as a brief summary of the 2025 Budget focus this year:

- ❖ Focus on core functions
- ❖ Emphasis on Resident Services and Housing Quality
- ❖ Property Management support
- ❖ Security and site presence
- ❖ Development pipeline
- ❖ Northgate Redevelopment

Mr. Wellings began the presentation with safety and security measures, of which an add has been made to the 2025 budget for \$1M for private security. Quite a lot of money has been spent keeping SHA buildings staffed through outside security companies such as Phoenix, Protective and American Guard Services. These funds will be used to continue to expand security, private security coverage and be as responsive to the resident needs as possible.

Commissioner Purcell requested clarification as to if this was an additional add to the budget, in comparison to what was the initial base that we started with. Mr. Cummer looked into the numbers on this inquiry and concluded that 40 to 50% is additive to the security budget allocation. Mr. Brandon assured Commissioner Clark that information will be submitted to the Board to further clarify this budget add in conjunction to current spending for security measures for SHA buildings.

SHA previously had a contract with the Seattle Police Department, but that was lost in 2020. Private security has always been used as an element for security response, but after the loss of SPD and with the increasing challenges over the last few years, SHA has definitely ramped up spending on private security. Some budget adds cross lines and address multiple issues. An example of this can be found by highlighting the addition of a Property Manager and an Assistant Property Manager in SSHP, the senior housing portfolio. We put these in safety and security, as we did last year when we made property management adds, as these adds are seen as a safety response because what it does is it increases our ability to be present in SHA buildings. But it is not solely a safety response; it is also a customer response, as well, as in the case of Aging in Place. Just being more present in our buildings to be able to build relationships, and to problem solve with residents is good. For example, the SSHP portfolio is about 1000 units spread out across 22 buildings and those buildings are in every corner of the city. That that portfolio has been

operated with a Senior Property Manager and two Property Managers. Each of those Property Managers are responsible for 11 buildings, about half of the portfolio, and this divides that number in three, having each of them responsible for seven or eight buildings and about 300+ units. This is a significant reduction in their scope, which allows them to spend more time adding building presence with their residents. The same goes for the Assistant Property Manager here. In 2024, there were four budgeted Assistant Property Managers in SSHP, and this brings it up to five and just again allows them to spend more time present in each building. We've just seen an increasing need for this over the past several years. The average age of SHA residents has continued to increase. As it does, we see that residents tend to have more needs that take longer to resolve. We need to spend more time with them, and this allows us to do that. An increase of one position may not sound like a lot, but we're increasing our Property Managers in this portfolio by 50% which will significantly impact the way they're able to be present in their buildings. Also, of note is adding an additional security provider to deliver more presence, de-escalation, and preventative security to SHA buildings, with a focus on SHA's garden communities. SHA is currently conducting an RFP process to garner a potential vendor for these purposes.

Ms. Steward: I have the opportunity to share updates with you on our Aging in Place initiative. Our efforts, as you know, are not only highlighting programs and services that we've had in the past, but also to maintain and expand those programs and services. That effort has included an increase in FTE. We have an additional Community Builder position that will support residents in our Seattle Senior Housing Program (SSHP) portfolio. As Dave (Wellings) mentioned previously, this portfolio has 22 properties in it which have previously been served by only one Community Builder across the entire city of Seattle. The Community Builders, just as a note, have a responsibility to engage with our residents to bring about their leadership and identify the issues that they have living in their buildings and communities at large, as well as identify various different resources that they would like to be able to take advantage of while living in the property. Community Builders are important in Aging in Place because they help to bring older individuals out of the social isolation that often creates significant health risks for them, either because of the lack of contact with others (which actually has a detrimental effect on all of our health), or the fact that if you are isolated, people are not able to observe when you have declining health, or increasing health needs and support you in getting access to those supports and services. So that Community Builder position will mirror a little bit closer to what we have in our LIPH portfolio, where you have multiple Community builders across more than a dozen properties.

We also are adding in Resident Service Coordinators, which are a new innovation for us here at Seattle Housing Authority. The five Resident Service Coordinators are going to be spread across all of our LIPH & SSHP properties, with one that is focused and dedicated at Jefferson Terrace. We are anticipating about 190 new residents in the Jefferson Terrace property and probably 150 or so of them will be newer to SHA. In total, some might be transfer, transitioning or residents transferring in from other properties because they like the idea of a renovated building, but in particular, we have individuals who are coming into SHA housing after experiencing being unhoused for some period of time. These Resident Service Coordinators will be a part of the SHA staff and will work in conjunction with our contracted service providers. We will also have a pairing of our Resident Service

Coordinators with the Senior Property Manager assignments throughout the LIPH portfolio. So, there will be one coordinator for LIPH North, another for LIPH Central and another for LIPH South, as well as one for SSHP. These properties also are benefited by our contracted service providers in our aging and disability services contract with Full life Care, and SE Youth and Family Services. We've added on some additional organizations, but continued, existing support comes from Sound Mental Health, as well.

Questions were asked previously about the conditions of SHA properties and how that impacts individuals who are aging. As everyone knows, when we age, we tend to have less ability to take care of our own bodies and our units where we live, or our homes where we live, and this can show up as sanitation issues as well as high clutter. We want to continue to find ways to address the ongoing needs that SHA residents have to live healthy lives with dignity in their particular units, and so addressing bed bugs and other infestation has been another element that we folded into the Aging in Place OI. The pest control has had a focus at Michelson Manor in particular, where we've seen high amounts of bed bugs as well as high clutter units. We are working there with a company called Guard and they have a couple of innovative efforts and strategies that they're using that we believe will help us to be able to impact the effects of high levels of pests, in particular dealing with clutter situations and residents who are not able to clear out their units and prepare. This has been an issue in our units for numerous years. We are also evaluating the efficacy of this approach so that we can determine whether or not if it's a good idea to do widespread implementation.

In addition to adding the FTE that I mentioned, we are also increasing our contract investments. These contracts are in place, and we are working with the with the providers there to find the exact right spaces for them in our building so that they are easily accessible by our residents as well as our other service providers. The program supports are coming from organizations such as Neighborhood House, Hunger Intervention Program and Somali Health Board. Then Neighborhood House programming is particularly supportive of our older residents who come from countries outside of the United States and speak multiple, different languages and have needs that are specific to their background that may not have been served as effectively by our existing, or previous contract providers. We are also working with Hunger Intervention Program, not just to provide access to nutritional meals. But also, to do increased work around social isolation through a program called Cooking Matters. The Cooking Matters Program provides a cooking activity with our older adults and talks with them about the need for nutrition. That is in response to the chronic disease issues that they experience as they age, as well as the cost of food, and being able to share a meal with others and one another. This program is expected to be in twelve different properties and right now they are getting started in two. We are also able to send them home with a bag of groceries, which is a great thing. We are really excited about the opportunity to connect with them in those ways. This program also leverages the work that we're doing with the catalyst grant that the Housing Authority has had for a number of years. Now that is looking at the issues of individuals with diabetes and maintaining their health, in particular in the Vietnamese community, and that work has started at New Holly. I also wanted to share that they will be part in partnership with our

Resident Service Coordinator. So, there's quite a bit of integration that will be seen with our staff working through with our partners. We are needing to layer and braid so many different people and organizations together that we are anticipating this will take some time. We have a Project Coordinator within the Community Services Division who is helping to maintain all of the information needed for all of these different groups to be able to partner and communicate with one another effectively.

One of our other Opportunity Investments is the permanent supportive housing, or pathway to permanent supportive housing. We are finalizing the contract negotiations with the partner there and that partner is the Corporation for Supportive Housing, and we are extremely excited to continue our work with them in this formal capacity. CSH has been a great thinker in the field around permanent supportive housing in the Seattle area, but also across the country and they have already begun to share with us numerous different ideas and connections that should be able to give us insight into what opportunities are ahead for us and for residents who will be able to take advantage of this work. I also wanted to give a quick update on our ACHP program, which is a part of the clutter support. ACHP is Addressing Clutter and Hoarding Program.

It is focused on residents who reside in the SSHP portfolio and then the Clutter Support Coordinators are focusing on residents who are living in the LIPH portfolio. Full Life Care is our partner for ACHP, and they are now working across thirteen properties to help residents who have high clutter. The Clutter Support Coordinator team is a full month in on those new staff joining and they have completed their onboarding process. They will begin working with their own individual caseloads in the next 30 days or so and Jess Chow (Health and Housing Program Manager) is feeling very positive about the work that they've been doing. We will also continue to maintain and increase our resident-driven programming and this again links back to our Community Builder and adding to our Community Builders staffing there to ensure that residents in who are older across all of our housing portfolios have an opportunity to keep their minds sharp and their connections with loved ones and neighbors full so that they are able to live as healthy as possible while they're in our housing.

Resolution No. 5288: 2023 Write-offs of Delinquent Accounts

CFO Jared Cummer introduced Resolution No. 5288 to the Board. The resolution applies to the 2023 write-off of delinquent tenant accounts receivable for tenants who no longer live in SHA housing. Write-offs occur on a quarterly basis, after exhausting all reasonable collection efforts and following 90 days of account inactivity. The total uncollectible amount is written off against a bad debt or collection allowance account to ensure proper financial reporting. Individual account records, however, are kept in SHA's system of records to facilitate future collection and recovery. In the case of former public housing or HCV participants, outstanding funds owing are registered in a national database as required by Federal statute and the Federal statute prohibits individuals from entering into another federally subsidized program without paying off any outstanding debt listed in this database.

Total write-offs for FY 2023 equal \$293,163. This amount is made up of write-offs in six different programs: SHA Low Income Public Housing/Non-Federal (LIPH/NF) housing portfolios, Yesler Redevelopment, HOPE VI, Housing Choice Vouchers (HCV)/Section 8, Commercial Leases, and Impact Property Services (IPS). The total write-offs, net of recoveries during the year, equal less than 1 percent of the rent roll for 2023.

Resolution No. 5289: Red Brick LLLP Formation

Development Director Terry Galiney presented Resolution No. 5289. This resolution is related to a planned redevelopment project to be located at the Red Brick site owned by SHA and located in the Othello district near Link Light Rail. This property is adjacent to Holly Court, which was excluded from New Holly redevelopment project in 1995. The project will consist of approximately 150 housing units, likely to be a mix of one- and two-bedroom units, to be rented to households at 60 percent of area median income.

Resolution No. 5289 authorizes SHA to form one or more limited liability limited partnerships (LLLPs) for the project planned for the site and declares the intent of SHA to eventually issue bonds in an estimated total amount of \$67M. These bonds will provide key financing for the project. The resolution will also authorize SHA to execute a \$5M predevelopment loan to the ownership entity for the project.

Hearing no further comments, Commissioner Clark called for an adjournment. The October 7, 2024, Regular Board Briefing was adjourned at 6:02 p.m.

Secretary-Treasurer