

MINUTES OF THE REGULAR MEETING  
OF THE HOUSING AUTHORITY  
OF THE CITY OF SEATTLE  
JUNE 17, 2024

The Commissioners of the Housing Authority of the City of Seattle (“Seattle Housing Authority” or “SHA”) met in Regular Session on June 17, 2024, at the SHA Central Office, as well as via teleconference. Board Chair Sally Clark called the meeting to order at 5:03 p.m. Kimberly Garrett then performed a roll call for Board Commissioners currently in attendance. Commissioners present and absent were as follows:

- Present: Sally Clark, Chair  
Rita Howard  
Twyla Minor\*  
Paul Purcell
- Absent: Robert Crutchfield, Vice-chair  
Dr. Paula Houston  
Gerald Smiley

\*A brief break was taken until Commissioner Minor was able to arrive to the meeting via virtual connection to enable a quorum for this meeting.

Public Comment

None

Consent Agenda

Commissioner Clark presented the Consent Agenda, which included approval of minutes for the Regular Board Meeting of May 20, 2024; approval of minutes for the Regular Board Briefing of June 10, 2024; and approval of the Expenditure Certification Report (Authorization to Pay Outstanding Obligations of Salaries and Claims for the Period of May 1 to May 31, 2024.) She then moved to remove the current Expenditure Certification Report for May 2024 from the Consent Agenda for further discussion. Commissioner Purcell seconded the motion, and the removal of the current Expenditure Certification Report for May 2024 was approved by the majority of the members of the Board present at that time (4 yes; 0 no; 0 abstentions).

Commissioner Purcell moved to approve the amended Consent Agenda, which included approval of minutes for the Regular Board Meeting of May 20, 2024, and approval of minutes for the Regular Board Briefing of June 10, 2024. The motion was then seconded by Commissioner Howard. Hearing no further comments, the amended Consent Agenda was approved by the majority of the members of the Board present at that time (4 yes; 0 no; 0 abstentions).

Commissioner Clark then presented the amended Expenditure Certification Report for May 2024 to the Board for approval. The original Expenditure Report for May 2024 was withdrawn from the Consent Agenda due to an error, specifically in the bank wires area under the First American Title and Commissioners will be able to see in the existing report that there was a figure in there that was approximately \$1,000,000; that correct figure is about \$27 million. The total withdrawals were a correct number, but the numbers adding it adding up to that were not correct. The report that is presented the Board currently has the corrected amount. The motion for approval of the amended Certification Report for May 2024 was made by Commissioner Purcell, then seconded by Commissioner Howard.

Hearing no further comments, the amended Consent Agenda was approved by the majority of the members of the Board present at that time (4 yes; 0 no; 0 abstentions).

### Regular Agenda

#### Resolution No. 5283 – Northgate Commons Financing

Commissioner Clark called for consideration of Resolution No. 5283; Commissioner Howard motioned, and Commissioner Purcell seconded the motion. Executive Director Rod Brandon introduced Development Program Manager Lauren Mathisen to present the resolution to the Board and recommended adoption of the resolution.

Resolution No. 5283 authorizes SHA to form one or more limited liability limited partnerships (LLLPs) for the projects planned for the site and declares the intent of the Seattle Housing Authority (SHA) to issue bonds in an estimated total amount of \$105,000,000, which will provide key financing for both projects. The estimated total cost for the first Northgate Apartments project is \$89,000,000, and \$105,000,000 for the second. The second project's budget estimate includes a 20% addition to construction costs as it will most likely be subject to the requirements of the federal Buy America, Build America policy. Together, the projects will consist

of approximately 300 housing units to be rented to households at 60 percent of area median income. The SHA units at the redeveloped Northgate Commons will be a mix of one- to four-bedroom units. The resolution only authorizes SHA to execute a predevelopment loan with the two partnerships for \$5 million each for a total not to exceed \$10 million. The resolution also authorizes the Executive Director to create two new Limited Liability Limited Partnerships and to submit financing applications necessary to develop the low-income housing units. (After some commissioners expressed concerns about the lack of units available at 30% AMI, it was noted that there may be additional units available at this standing at a later date.)

Hearing no further comments, Commissioner Clark called for a vote. Resolution No. 5283 was approved among the members of the Board present at the time (4 yes, 0 no; 0 abstentions.)

#### Resolution No. 5284 – 2024 Affordable Voucher Payment Standard

Commissioner Clark called for consideration of Resolution No. 5284; Commissioner Purcell motioned, and Commissioner Howard seconded the motion. Executive Director Rod Brandon introduced Rental Assistance Program Director Alice Kimbowa and HCV Compliance & Policy Manager Mark La Brayere to present Resolution No. 5284 to the Board and recommend adoption of the resolution.

Five key budget priorities were identified for the 2024 budget process: 1. Serving more people; 2. Serving existing residents well/quality of life; 3. Employee wellbeing; 4. Race and social justice; and 5. Financial Management. Resolution No. 5284 is geared around the area of serving more people by increasing the affordable voucher payment standard which primarily impacts most of SHA's shoppers who will be looking to lease up in units.

Resolution No. 5284 proposes to increase SHA's current voucher payment standard to match the 2024 Seattle Office of Housing rent limits. When comparing the 2023 Affordable VPS, the difference is significant; there is about a 10% increase. The Office of Housing rent limits, as well as the Washington Housing Finance Commission rent limits, which are the same this year, are both tied to the HUD published area median incomes. Those increased pretty significantly this year and that translated into a pretty significant increase in these rent limits. However, the budget impact for this proposal isn't significant. SHA's budget impact for 2024 is a total impact of about \$554,000, and for 2025 in its entirety will be around \$2.5M. The total impact between the two years for all of SHA's housing choice voucher programs is right at \$3M.

The Housing Choice Voucher Department (HCV) and Budget Office (BO) staff teams have collaborated on an analysis of the budget impact of the increase and have made the recommendation to increase the VPS amounts to increase voucher buying power and options in the market, and ultimately the leasing success for voucher holders.

After further discussion, Commissioner Clark called for a vote. Resolution No. 5284 was approved among the members of the Board present at the time (4 yes, 0 no; 0 abstentions.)

### Rent Arrears Update

Executive Director Rod Brandon introduced Housing Operations Director Dave Wellings, Housing Operations Deputy Director Rachael Steward, and Strategic Advisor Brian Zumeta to present findings of SHA rent collections to the Board.

Mr. Wellings began presenting key highlights of the briefing on rent collections for SHA. Rent debt is increasing, with 60% of households currently in repay agreements or pay their rent due after being served a notice. SHA did not used to have a practice of entering into payment agreements for rent, but that has changed since COVID, so this has always been a weakness of our accounting system. It was not a practical challenge in the past because we did not have the practice venturing into payment agreements for rent. Although SHA's rent collection position is healthier than other housing peers, new strategies are being employed to lower the volume of rent arrears. This presentation focuses on current efforts for rent collection focus right now on households with over \$500 in rent and that are not currently on minimum rent. For example, we have a minimum rent of \$50.00 a month, and the focus has been on balances over \$500.00 and those paying over minimum rent, thus far. This has been part of a process to ramp up rent collections, as rent collections had not been strongly enforced for a couple years. It started back up around a year ago, starting first with households that owed SHA over 12 months' rent, and then continued to bring it down to where the process starts with a phone call, or in-person outreach to residents, followed by a warning letter. Final action is to issue a legal notice, to pay or vacate.

The notice to pay or vacate, known as process, starts by property management serving the resident a 30-day notice to pay or vacate. It is then at the end of those 30 days the case is referred to the Legal department to process a summons and complaint, and file for a show cause hearing with the court. Charitably, there is a 6-month delay between filing for summons complaint and receiving a date and having the show cause hearing actually occur. At any point during this process, basically right up until the point where the sheriff would show up to remove the

household, which is at the very end point, SHA has offramps available to residents to work it out, i.e., entering into a pay agreement, social services referral, an outside pledge of rent payment for the household, etc.

Mr. Zumeta provided current data to support the process of pay or vacate. Over the past year, SHA has served 597 households with a pay/vacate notice, and there are 272 households that currently have an open notice, making 46% of the households that have not paid for, or entered into a repayment agreement in order to deal with the the notice that they were serve. Also, in the past year, there were 34 summons and complaint court filings, and eight households were terminated for non-payment (with one household moving out after the summons and complaint filing occurred). The median evicted household balance is just shy of \$14,000 (low = \$938), with the median evicted household rent being \$962/month (low = \$81/month). Mr. Zumeta reported to the Board how rent balances continue to rise, giving context to numbers before COVID, during COVID, as well as the aftermath after the pandemic. Balances have gone up considerably for leasing enforcement on households with nonpayment. The number of households has gone up by 10%, both in the regular debt, and the high debt categories. The median household balance has gone up by 40%, and the total receivables, which is the sum of the three, has increased by 70% over the past year. The three subcategory balances are broken down into rent receivables (rent that's on the ledger), overdue repays (missed payments on repayment agreements that we've entered into with a household) and remaining repays (balances that have not yet come due under the terms of the repayment agreement.) SHA has 437 households currently with repayment agreements now as compared to 160 households a year ago, due in large part of making these agreements more accessible during COVID than in the past, which came about for extreme cases. In comparison to local non-profit peer agencies, our collection rate is equal, if not higher than agencies not owning as many units as SHA.

Ms. Steward presented intervention strategies, as we are attempting to utilize the resources and partnerships that we have in place already and then also seeking newer resources to provide interventions to address the issue of rent payment. It is engagement with SHA staffs when we can typically turn a corner. One of the most important elements when looking at these numbers and seeing residents who are not on repayment, that means they're not engaging. So, the effort is really around engagement, as in reaching into our partnerships to be able to offer crisis counseling. We find that there are a number of different triggers for folks to start avoiding paying rent or not able to pay rent. Some of that also means that we need to get pest treatment

preparation in place for people; it sounds really simple, that it's a very big deal. Rent payment assistance, which is a pretty obvious one, but it's a little bit more difficult to identify and find these days, and then pay ease our individuals in our community, often in typically connected to an organization or an agency who literally help people to pay their bills, whatever those might be. And then, advocate interventions are related to bringing in an advocate for support to our residents. Often, housers run away from housing advocates, as they don't want to engage. We are running to them and we're also asking them to be liaisons with our property managers, between property managers and our tenants, again, trying to seek engagement and then finally again, advocates assist quite a bit with rent payment assistance. The the focus of our interventions, both with social services and advocates interventions, is really around behavior change. And, so addressing the rent payment gets folks to a place where one, they're throwing up their balances with us, which is important to SHA as a financial entity, but addressing behavior issues come in play with the engagement that's involved in pest treatment preparation, is involved again with the payee support identifying what's going on with those residents that's keeping them in a place of self-isolation and self-sabotage. SHA has been working on this strategy with the Northwest Justice project and the Catholic Community Services Tenant Law Center, as well as our preexisting partners, Aging & Disability Services, Full Life Care, Sound Mental Health, Southeast Youth and Family Services, and Neighborhood House. Each of those folks are doing outreach with property management, typically to try and engage folks who have been most disconnected for the most part, individuals who we're seeing now in that unengaged category, that number of people who are in the process, i.e., they've received the notice and have not responded, and have also not responded to the offer around social service. We have employed these strategies on a few households to some success, as our goal is to keep residents housed and find a way to have them pay their rent but find a sustainable solution for them related to their health, their behavior, and their financial manager.

#### Executive Director Report

Commissioner Clark advised the Board to send any questions or comments regarding the monthly departmental reports to Mr. Brandon to address at a later time. Mr. Brandon made brief mention to Board to check the Housing Operations monthly report as to a follow up of actions made by staff to address a public comment complaint reported at the previous meeting. Kudos were given for the step-by-step information reported as preformed for the complaint.

**The June 17 Board Meeting was tabled to enter Executive Session at 6:16 p.m. to last until 6:21 p.m. for continued discussion of the Executive Director Accountability Agreement.**

The Commissioners returned back to the Board Meeting from the Executive Session, and, after further discussion, it was then moved by Commissioner Purcell and seconded by Commissioner Howard that the June 17, 2024, Regular Session of the Board be adjourned.

The meeting was adjourned by unanimous decision at 6:23 p.m.

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Secretary-Treasurer