

MINUTES OF THE REGULAR MEETING
OF THE HOUSING AUTHORITY
OF THE CITY OF SEATTLE
SEPTEMBER 16, 2024

The Commissioners of the Housing Authority of the City of Seattle (“Seattle Housing Authority” or “SHA”) met in Regular Session on September 16, 2024, at the SHA Central Office, as well as via teleconference. Board Chair Sally Clark called the meeting to order at 5:05 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
Robert Crutchfield, Vice-chair
Rita Howard
Twyla Minor

Absent: Dr. Paula Houston
Paul Purcell
Gerald Smiley

Public Comment

Susan Pratuch

Consent Agenda

Commissioner Clark presented the Consent Agenda, which included approval of minutes for the Regular Board Meeting of July 15, 2024; approval of minutes for the Regular Board Briefing of September 9, 2024; and approval of the Expenditure Certification Report (Authorization to Pay Outstanding Obligations of Salaries and Claims for the Period of July 1 to July 31, 2024, as well as for the Period of August 1 to August 31, 2024.)

Commissioner Crutchfield moved to approve the Consent Agenda and the motion was then seconded by Commissioner Howard. Hearing no further comments, the 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

2025 Proposed Budget

CFO Jared Cummer continued presenting the first reading of the 2025 Proposed Budget to the Board, commencing where the presentation concluded at the September 9 Board Briefing. After giving a brief recap of the Board budget review schedule, Mr. Cummer began presenting on SHA staffing and program highlights, off-cycle budget revisions, as well as an overview of the Capital and Redevelopment budget as reported in the budget proposal. Mr. Cummer was joined by Deputy CFO Miki Naganuma, and Budget Manager Gashaw Dessie in this presentation to the Board.

Ms. Naganuma: 2024 off cycle budget revision causes came about as we saw an increase both on the revenue side and the expense side. On the revenue side, the increases in the MTW block grant funding appropriations increased our federal revenues, and then we also purchased the Verse apartments, so that increased SHA revenue. Then, we had two properties that were formerly limited partnerships that come that came back to SHA, which is South Shore and Lake City Court, which increased SHA revenues.

On the expense side, several things occurred. One is SHA brought in-house the formerly outside managed properties by Cushman and Wakefield; this was largely a cost neutral action. But since these properties were previously overseen through a contract, we needed to bring in new SHA FTEs (full-time employees) now to oversee these properties. We also have some staffing hires during the mid-year for High Point and New Holly properties, as they have a rehabilitation project happening there. It was budgeted and approved in 2024, but we just didn't know the number and the exact types of positions that were needed to complete the work there. So as that project scope became clearer in 2024, we were able to hire some new staffing there. The third item, the maintenance services merger, which occurred in June of this year, consisting of the Hope VI and the Yesler Site Base Maintenance teams merged with our Central Maintenance team which is now Housing Maintenance Services (HMS). Additional staff were needed to streamline the operations initially, but ultimately this merger will achieve increased efficiency, and cost savings. The fourth item, the Housing Choice Voucher team opened the new wait list in 2024, so additional support was needed to support that workload.

The last item listed is Public Housing Admissions waitlist management and backlog was identified, so additional support was also needed there to improve the lease up times

to better serve our clients more quickly. All of these items result in an increased off-cycle FTEs in 2024. Listed below is a table that shows a transition between a 2024 adopted budget and then where we are today.

Operating Staffing Levels

Program Element	2024 Adopted FTEs	2024 Revised FTEs	2025 Proposed FTEs	Change 2024 to 2025
Housing Operations	416.0	441.0	461.0	20.0
Asset Management	71.9	82.0	86.0	4.0
Housing Choice Voucher Program	88.5	88.5	93.8	2.0
Administrative Departments	151.6	156.2	159.2	3.0
Total	728.0	770.9	799.9	29.0



The 2025 Proposed Budget includes staffing highlights consisting of an increase of 29 additional FTEs, plus an additional five FTEs of which will be added to current Opportunity Investment (OI) programs. To highlight some of these added positions, six maintenance staff will be added to HMS to support building maintenance and unit repair and upgrades. This supports our housing quality priority to ensure SHA buildings are maintained and up to our standard. Also, five Residence Service Coordinators (clutter support, SSHA Community builder). These are all staff to spend time in SHA buildings to support our residents with their various needs and connect them to our service providers when needed. These staff tie directly to our priority of supporting residents and larger strategy as a part of the Aging in Place program. Another thing to highlight is that there are six different types of staff and property management that were added to the budget, which includes everything from property assistance to an increase in site presence to better serve our residents. It's also important to mention that we added \$1,000,000 in security to provide further security to SHA buildings.

The Board discussed future updates on OI progress, more transparency in HUD allocations in conjunction with annual budget proposals and receiving more information intent on connecting the dots with projects and acquisitions that SHA is involved in and how it all ties together.

Mr. Cummer: Opportunity Investments (OIs) started back in 2019. The reason for them was we were starting to see increasing in SHA federal funding and at the time we were unsure about the long-term stability of that federal fund. So, it was decided to create these Opportunity Investments, that are one time, set aside of funding, for a specific project purpose. The spending by each of the years we've made significant progress on the 2019 and 2020 project items, and 2021 was fully spent. That was the Jefferson Terrace rehab, which was approved in the 2021 budget and then 2022 and 2023 we're starting to make more progress. 2024 was just adopted and started at the beginning of this year. So, some of the areas where we've spent a lot already is Digital Equity. We have also been doing well with some services; we bridge Yesler Community Services until the legacy was set up the team there have been investing in some of services there and have spent over half of the two million that was set aside there. We also put some into development, i.e. five million into the Yesler Sawara project in 2022, which I believe is now fully leased up, or nearly so. In the last year or so, we've also seen that in Human Resources, they've been really focusing all levels programs to the BIPOC Equity Fund. We've seen increased spending, good spending in the deferred maintenance realm and the HMS team has been doing really well in working through that project. Another big project is obviously from last year. The ERP/HRIS project, which is in the contract negotiation stage now, so we'll start to see some spending increase. Overall, even though some of those projects have moved well, some are fully expended. We asked departments what they needed to keep fulfilling what we have gotten approved in these investments. That's the budget request this year.

Commissioner Howard inquired as to what the relationship is between the amount of money that we're spending on the OIs and FTEs (vs. contract work). Mr. Cummer responded that not all OIs new staffing attached to them. So, some of the OIs are funded by whatever's needed for a program contract, or an investment. Example: \$8.5M that was put into Jefferson (Terrace rehab). Some short-term staffing that was brought in project positions to help define the program, but they've since found other opportunities in the agency. They were hired on a contract basis, not an FTE. So, the way that those positions are structured is that they are full time positions, but they have a term limit, and clearly advertised as such.

Supplementals made to OIs this year include a total of 76 FTEs proposed in 2025 to be funded by OIs. Some of those are ongoing and already existing, in addition to the five that we're proposing to be new adds. The chart is listed below:

Opportunity Investment Staffing Levels

Program Element	2024 Adopted FTEs	2024 Revised FTEs	2025 Proposed FTEs	Change 2024 to 2025
Housing Operations	46.0	54.0	59.0	5.0
Asset Management	4.0	6.0	6.0	-
Administrative Departments	6.0	11.0	11.0	-
Total	56.0	71.0	76.0	5.0

2025 OI FTEs includes extensions of terms for 14 deferred maintenance crew from mid 2025 to the end of 2025

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Mr. Brandon explained that what that means from a from a budgetary standpoint, is the money that pays for those positions already exists. It's not money that is coming out of the base and we're not adding anything to the base and then those positions are tied to the funding expiration that we have already in place. We acknowledge that that there are certain OIs that will more than likely result in a request for something more permanent, for example, Aging in Place, security, etc. In these cases, we won't automatically make that decision without coming to the Board for discussion on extensions on OIs. We will honor our estimated time frame in which we thought we could deliver whatever that program is and, if that changes or we hear a stronger interest to continue, we will take direction on next steps. Mr. Cummer concurred.

We had some changes as to where we're at with OI staffing levels mid-year, part of that was due to staffing unknowns. That became clearer as the year went through. But also, in a review that the budget team did and always does post budget year, they had found that there were some positions that were in the Operating portion of the budget that needed to be shifted over to the OI budget. As you can imagine with 850 FTEs, tracking is sometimes challenging, so we make technical adjustments. There were eight positions in Housing Operations, going from 46 to 54, and four of those were technical adjustments that

were in the Operating budget. They were hazmat positions that meant to be funded through the OI budget, so we shifted those over. We also added two other maintenance staff that were not in hazmat, but were in the trades, that were also found in the Operating budget that should have been in the OI budget, so six of those eight were technical adjustments. The other thing that happened in the off cycle is we've been moving forward with relocation at Jackson Park Village in Northgate. In addition, there's been a lease up happening while unfinished at Salish Landing and Sawara, and Jefferson Terrace leasing is really picking up right now as that project finishes. So, there were two adds to the leasing and support OI to help support the advancement of ultimately the development pipeline. So that's the majority of those shifts in the mid-year there. We also had some positions in the administrative department, F&A being one of them. We added some positions in a few of the departments to help with the ERP project. So, as we start to get in deeper into the ERP and hours system, we are needing to bring people on to not only do coordination and planning, but also to backfill the subject matter experts that are going to be leaving. All of these positions listed is all money from the OIs that is already set aside for these projects.

What is being requested for this year, though, is an addition of five positions in Housing Operations, which is new money in the OIs. It's not only just for positions, but we also have programmatic ads; it's a total of \$3.7M that is going to supplement some existing OIs. Three of those positions will be allocated to helping with the physical conditions of housing quality in Asset Management; one is for Digital Equity in Housing Operations, and one is for the youth education. Mid-year 2025, 14 positions in maintenance were set to expire. The Proposed Budget has them being extended through the end of 2025.

Total overall Capital expenditures proposed for 2025 is a little over \$103.7M. The Capital and Redevelopment budget is a component of a number of things. The Capital Improvement Program: it is the Capital budget that the Asset Management department implements to upkeep SHA buildings. It's investment and proposed expenditures on any of the Development pipeline projects. See the list below:

Total Overall
Capital
Expenditures
Proposed for 2025

\$103,739,000

- ❖ \$21.6 million in MTW Capital Grant funds for Asset Preservation Projects
- ❖ \$1.3 million in Reserves, Bond Proceeds and Non -Federal Funds for Asset Preservation Projects
- ❖ \$4.9 million Non-MTW/Other Fund Capital Budget
- ❖ \$78.2 million in Redevelopment Capital Expenses
 - Sawara
 - Juniper
 - Jefferson Terrace
 - Jackson Park Village
 - Holly Court
 - Northgate

One item of note in the 2025 Proposed Budget is, in lieu of the OIs, we are proposing just a little bit over \$20M to be invested into Northgate. The development based on current development pipeline projections is looking at a year-end 2025 to early 2026 construction commencement date and closing for the first building at Northgate, which is the hope right now. In preparation for that, we to put in \$20M to be part of the SHA loan that would go now. Another note about that is you will hear and vote on at least once, maybe twice more on the Northgate project. Don't consider that voting for the Proposed Budget to put \$20M into Northgate is like the green light goal with Northgate. Future resolutions regarding structure and financing will be brought to the Board for consideration regarding this project. Also of note, we have an increase in the housing assistance payment (HAP) budget, so the HCV team is increasing the number of vouchers that we have on the street with the wait list being opened and we are budgeting for that accordingly. So, when you add the increase for the HAP, and Northgate and kind of where we're at with inflation projections, that is roughly around that \$30M mark, which was around what was allocated for OIs last year. Commissioner Clark gave interest in possibly being briefed on which projects did not make the cut for next year's budget and it was agreed that there would be future info provided to the Board.

In summary, the 2025 Proposed Budget focuses on: core functions, emphasizes resident services and housing quality, property management support, security, and site presence, SHA's development pipeline, as well as the Northgate Redevelopment project.

Hearing no further comments, Commissioner Clark called for a vote to adjourn the Meeting. It was moved by Commissioner Clark and seconded by Commissioner Crutchfield. The September 16, 2024, Regular Session of the Board was then adjourned at 6:09 p.m. as agreed among the members of the Board present at the time (4 yes, 0 no; 0 abstentions.)

Secretary-Treasurer