
**SEATTLE HOUSING AUTHORITY
REGULAR BOARD BRIEFING**

LOCATION Via Teleconference Line
(206) 257-3799; ID 877 198 629#

DATE February 8, 2021 4:30pm - 6:00pm

BOARD ATTENDEES

Paul Purcell, Board Chair	
Dr. Paula Houston, Vice-Chair	Twyla Minor
Robert Crutchfield	Gerald Smiley
Michael Diaz	Debbie Thiele

DISTRIBUTION SHA Board of Commissioners; Cabinet

Commissioner Roll Call

AGENDA:

Briefing Items

- **Resolution No. 5208** - SHA 2021 Adopted Budget
- SHA Vaccination Efforts
- State Legislative Update

Commissioner roll call was given at 4:34 p.m. The Briefing was held solely via teleconference. Commissioners Diaz and Minor were absent from the Briefing.

Review 11/16/20 Regular Board Meeting Agenda and Updates

Resolution No. 5208 – SHA 2021 Adopted Budget

Executive Director Andrew Lofton introduced Shelly Yapp, SHA CFO to present Resolution No. 5208, in regards to the SHA 2021 Adopted Budget.

Everyone will recall that when we brought the carry-on budget, it was a budget that we basically to the maximum extent, could simply roll over the 2020 year and the only real adjustments that we made were to the Capital budget that reflected what we then thought would be compliant with the state regulations on construction in residential buildings. And, updating what is always a zero-based budget was the Redevelopment budget, so that budget did not change it at all.

From the Carry-on to the Adjusted budget, there was basically four considerations taken into account. The first of those was that if budget would need to incorporate into the Carry-on budget what we called technical adjustments, including inflationary adjustments across the board, of which we hadn't included any, and any changes that occurred in 2020 in regard to positions. There were some equity adjustments that had been made, and some adjustments that were made based on market and so we wanted to get those incorporated, those technical adjustments, as well. The second thing that we wanted to do was to change and adjust the budget to provide an opportunity for some new programmatic needs. Again, these were not incorporated in the Carry-on budget. Thirdly, we wanted the process to allow it to be based on both the current and projected environment and requirements for the COVID-19 virus that we thought would be continuing into 2021 if they had not been incorporated in 2020, which most of them had not except in the Capital budget. The Budget Office also, fourthly, determined that it wanted to try to carry as much of the load for the adjustment process as possible, as departments remain very engaged with addressing COVID-19 issues in their responsibilities.

So, the two main areas then of adjustments began with the technical adjustments, which added up to about a \$4.8 million increase in the Carry-on budget. They were mostly in the operating budget and they included increases in costs from 2020 to 2021 projections where accounts usually need specific projections, not just an inflationary projection, because they may have rate increases, as well as use increases and things of that nature. We included such accounts as utilities, and we ended up including all benefits. We went through all benefits, not just health benefits insurance premiums. Software licensing is always a way outside of anybody's parameter on inflation. Then secondly, we incorporated wage and salary, projected changes per labor contracts, annual merit reviews, and equity and market adjustments in the course of 2020. Finally, on the operating side, we wanted to fund temporary staff capacity that we had added in 2020 for COVID-19 purposes through the middle of 2021.

So, by the time we were making the adjustment decisions, which we wanted to keep as late in the year as possible so that we would know as much as possible, the Recovery Coordinating Committee had recommended that we extend the teleworking timeframe until mid-year 2021. As a result, we recommended that we do the same thing with the temporary staff that we had added. And, then finally we had to actually revise the Carry-on capital budget a second time to adjust for what we had thought would be by 2021 when we did the Carry-on budget, we thought we would be mostly in phase four of the pandemic. Little did we know that we would still be in phase two, so there we had some capital projects that had been on hold because they were invasive of resident buildings. and often resident units and those were restricted under the state allowable construction activities in residential buildings during phase two. So, we had to pull those projects out and substitute projects that were scheduled for 2022 and bring them forward, and then move the other ones down the list. The second area then was programmatic adjustments, were we went back to our March meeting with the departments (when we undertook the option to take this two-tiered budgeting process approach. In the last session in that retreat, we discussed that if were to have additional funds available at year end that we could do additional or new things, what would the priorities be? There was a uniform consensus that we would probably be dealing with the impacts of COVID-19 in most of 2021, so that ought to be taken into consideration, and that we should be cautious and put some reserves aside for unforeseen circumstances. we ended up with \$3.5M in programmatic set asides in operations and the major focus of those were to address COVID-19 impacts. Then, we had several areas that we laid out that departments could present proposals on and we would review and try to come up then with a budget that we believed would be feasible.

The major focus of those funds were on behavioral health employment services and rental assistance, both to tenants who are subsidized and unsubsidized, carrying large balances as a result of COVID-19 impacts, principally losses of jobs, and not being able to get a new job. We also asked the departments with funds left within their budgets, funds for security services that we had learned after we put them in the budget were no longer going to be provided by SPD (Community Police Team). We wanted to give them the opportunity to rethink how to use that those funds and come back with any proposals that they had. And then finally, we had a small pot of funds where we set aside for special requests that had no relationship to COVID-19, but were deemed by the departments to be critical and of high priority for their 2021 activities.

Secondly, we put aside \$8.5 million as a capital set aside in order to finance the final funding gap, we hope, for the Jefferson Terrace rehabilitation Project. We are now expecting with that increment, as well as the \$4.4 million in the Carry-on capital budget, for that project as well. We are hoping that we will be able to get that project underway in late 2021. Finally, we put aside \$1 million in a contingency fund which we are going to make very simple rules and very simple applications for, that will come to the Budget Office as people experience a need for unforeseen, or unplanned activities. For instance if we get to midyear and we still need to have as much cleaning daily cleaning in the residential buildings as we do today, then we will have a need for additional funds to extend the temporary staff that were brought in for multiple cleanings in those buildings today.

On the operating budget overall, we show from 2020 to 2021 a 9% increase. Looking up on the components of that, the biggest increase is represented in HAPS from 2020 to 2021. It goes from \$124 million to \$137 million, which is a 10.8% increase. We did not make an adjustment in that number in the few months between the two budgets, simply because we didn't have enough additional data to make a further change when we get the year end done, after the books are closed, we will know a little bit more about how close we are. There's a slight area of change in a \$36,000 change in the grant funded expenses. There is about an \$8.05 million increase in the program operations and admin, and that's a result of those technical changes and that portion of the programmatic changes that belong to the operating budgets. That makes the difference between 2021 Carry-on budget and the 2020 Adjusted budget – 7.7%. It's slightly more than it was between the 2020 budget and the 2021 budget.

With housing assistance payments, we have no change basically from the Carry-on budget and just a very small change of about 2.7% in the grant funding. With capital assets, you'll find the \$440,000 increase that was mentioned from the bond funded projects. Finance & Asset Management did a very good job when they had to shift projects around and move projects out from 2021 and the Carry-on budget to 2022, or later, then move other projects in (to make sure that they had ended up with close to a net zero, which they did.)

With opportunity investments, there was \$15 million in 2020 Adopted budget and there was \$15.1 million adopted in the 2021 budget. You may recall that in the Carry-on budget that we had indicated that we were going to carry that \$15.1 million opportunity fund forward into the Adjusted budget for consideration of what we would fill it with, and to how much. We ended up putting five \$8.5 million (the capital funding for Jefferson Terrace) into those investments, and we did not use the rest of that because it was basically being used in the programmatic adjustments that are reflected in the program administration.

Again, there are no changes in redevelopment from the operating budget; but, that was a more than doubling from the 2020 Adopted budget. So, in total we had a 9% increase in the operating budget from 2020 to 2021. We had a 64% increase in the capital program from 2020 to 2021, and an overall increase from 2020 to 2021 of 25%. In the comparison of the Carry-on budget, we had an \$8 million change in the operating budget, which was about a 6% increase, and then in the capital budget we had a net decrease of 6.2 million, ending up with a net difference of just \$1.929 million, or an overall increase from the 2021 Carry-on budget to the 2021 Adjusted budget of 0.5%

Regarding FTE's, the changes are represented in the programmatic shifts, and are proposed and funded as project positions of limited duration, depending on what those are and how they prove as to what the continuing needs are. In the longer term, it will determine whether or not those remain as one-year, or two-year positions and then go away (whether some of those do get reflected in a longer term commitment.)

Capital Fund sources and the MTW Block Grant sources are in a dead heat with each other for the larger of the two of SHA's funding sources. Each of those are 42%, so the capital fund sources got way bigger this year because of that doubling that was mentioned previously from last year. Dwelling rent totals 8%. Redevelopment takes second stage only to housing assistance payments. Housing assistance payments are usually closer to 50% of the agency's total expenditures. 28% of program an admin ant then much smaller expenditures on the agency's ongoing asset preservation, at 5% of the agency resources.

SHA Vaccination Efforts

Executive Director Lofton introduced Housing Operations Director Rod Brandon, who presented to the Board the agency's activities and plans for administering vaccinations to SHA residents. Rod recognized Community Services Coordinator Rachel Steward, Community Builder Jen Calleja, and Strategic Advisor Anne Shields (recruited from King County Public Health) for their great work and collaboration, as well as additional Housing Operations staff that have played key roles in this effort.

First of all, because we just see it as being extremely important for SHA to play a meaningful role in making sure that the vulnerable population of SHA residents receive vaccinations, we jumped at an opportunity to participate with the City of Seattle through the Mayor's Office to in partnering with the Seattle Fire Department to partner with SHA on mobile unit vaccinations. Which means they are coming to SHA properties and vaccinating our residents. We quickly mobilized this effort within a few days to get organized, once we heard that this was an opportunity made available for us. We started with a number of our properties, with some deep thinking on who should be getting vaccinated. As we looked at the most vulnerable population as being elders, we started with our senior housing program, focusing on those which comply with the state regulations of those over 65 years of age. We also kept in our mind, with a clear focus, those populations who are also impacted the most by the pandemic. So, our BIPOC community played a heavy role in the selection of our buildings in which we want to focus in on. Those criteria were at play for us last week (or, the first week.) The week of January 25 was a very busy week for us; 330 residents got vaccinated at five SHA properties (Leschi House, Columbia Place, Gideon Matthews, South Park and International Terrace) to focus on a number of our residents there. The following week, which was last week, we visited another SHA property, and then this week we have another big group let to do at Jefferson Terrace, as well as a few more buildings in the Central and South Seattle areas.

This partnership with the Fire Department has kept us busy. Before SFD shows up on site at one of our buildings, we do on a lot of ground work to make sure that the building ready. We notified the residents, and work with interpreters to make sure the appropriate language support is there on-site. We lay out the site on which folks can flow through the building adequately and creating good social distancing with proper ventilation at the property. Staff works very meticulously to pull it off in order to make it as easy as possible for SFD to come in, set up, and begin the administrative process before administering vaccinations to the residents. That's been working really well for us so far.

We're receiving positive feedback from the residents and staff, as well as excellent feedback Seattle Fire Department, who's been very appreciative of the thinking that goes into our efforts in site preparations.

Late last week, staff was preparing to go to another senior building (Westwood Heights), and at last minute, we received information that there was a number of residents who had tested positive in the building. That quickly gave us some pause as to should we change current plans, or move forward with the vaccination effort. After consulting with Public Health and SFD, it was decided to stay continue to move forward, but utilize some creative thinking of how to approach the task. It was decided to go door to door instead, to minimize the flow of steadily having folks come down into the lobby to administer their shots. SFD agreed to go door to door to administer the vaccine to minimize the amount of people in the common area, as well as general movement throughout the building. In the midst of a mini outbreak that we were experiencing, that process came off extremely well. It took longer to administer the shots, close to five or six hours, staff did a great job of thinking on their feet and were very supportive with the SFD to make it much easier for residents.

SHA has a number of partners that we are working with. Rachel Steward is cultivating relationships with University of Washington Medical Center (Commissioner Dr. Houston has had some engagement with Rachel, and that will continue to move forward.) We're having conversations with Swedish Medical Center, ICHS (International Community Health Services), as well as other partners like Neighborhood House. There's going to be more and more opportunities we believe may coming our way for partnership, and we are open to those, as well. We have positioned ourselves well to take advantage of both the supply, the opportunity, and the flexibility we may encounter. I will now ask Anne Shields to say a few words.

I am Anne Shields, a nurse by training with a communicable disease background, and I have worked with many of these agencies in the past year on COVID-19 response. So right now I'm hoping to help SHA on how we can utilize ADS case management and support services across all of our buildings where there already working. I'm working extensively with public health, as well to make sure we don't miss any opportunities, not just for in-building vaccinations. While our vaccine supply is so limited, it's going to be really important that we utilize anyway we can to get our folks vaccinated in a nearby pharmacy, or other ways. We're keeping an eye on what we might need to do if vaccine supply stays constrained. We might need to use Metro Transit van shuttle services should the City of Seattle set up some high volume vaccination sites, for example. So, we just really ready to work with whatever other vaccine partners might be coming our way. As an example, it was already mentioned International Community Health Services. Actually as of today, we're going to be working with them in one of our Community buildings to set up vaccine clinics over the next two months, at least as their supply increases. So, that's a great partnership for that neighborhood in Seattle. The Othello Station Pharmacy, which had its first allocation this weekend and also had its first pop-up clinics serving in the nearby clinic (a nearby building that they work closely with.) We have an opportunity as well, along with the other community clinics, but also with the large pharmacy chains that are going to be receiving vaccine soon directly through a Federal program; Safeway, Walgreens, some of the places that

are residents shop anyway and who might be able to work with this either on-site, or in other ways to make sure all our residents can get vaccinated as they are eligible

Mr. Brandon asked if there were any questions by the Commissioners; Commissioner Purcell asked if SHA is tracking residents that may be getting vaccinated outside of our system, via pharmacies perhaps? Rachel Stewart, who is the leading this effort, responded accordingly.

There's just a couple of things that we're cognizant of and one is the continued need to respect resident health privacy, and so there's a very fine line for us to walk there. That being said, it is clearly an emergency situation, and critical, that; 1) we get the vaccine to each and every person that's eligible at the time that they are to receive it, but also not to waste dosage, or have a person inoculated more than they are supposed to. The state system helps to track who overall is receiving the vaccine and hopefully reduce any duplication. However, the State's database operates a little more slowly than any of us would like it to at this time. What we are finding is necessary is that for some of our residents who have trouble with memory loss, other cognitive functions, and ability to really operate independently and manage these types of self-care issues, the social workers from Aging and Disability Services have been doing outreach to their medical providers to find out if they have received the vaccine, or not. In very special circumstances we are tracking if and when an individual has received it so that we don't invite them down for clinic. Actually, that effort ahead of the clinic at Westwood Heights, and, it's also happening ahead of the clinic at Jefferson Terrace, has informed quite a bit how we roll out the implementation of the clinics at those locations and it is what led to the adjustments that occurred at Westwood Heights at the last minute on Friday. As we were learning, we were trying to make sure that we had good understanding of who had already received the vaccine and any other risk factors that might need to be considered. Resident vaccination participation has been going well overall, and better than expected at most SHA properties.

State Legislative Update

Executive Director Lofton introduced Intergovernmental Relations Director Lisa Wolters to update the Board on current legislative activities surrounding Washington State. She presented this information accordingly.

Today I'm going to give you a brief, yet high level overview of the major bills that we are tracking and, just for context, the Seattle Housing Authority is part of the Association of Washington Housing Authorities (AWHA) which is a nonprofit group of housing authorities in Washington state and employs a lobbyist. Her name is Jessica Fortescue. I have been working with her for well over 10 years, and she's excellent and very well regarded. I co-chair the Legislative Committee, along with Andrew Hawkins out of King County Housing Authority, and I've co-chaired the Legislative Committee for maybe about 14 years, which keeps us very abreast of what's going on. So, the first thing I want to talk about is the big COVID-19 relief package. This is a long session, meaning it is expected to go through possibly until June. Normally the budget would be passed later in the spring, but they're moving to pass this \$2.2 billion COVID-19 relief package early to start getting the money out the door. They're actually

thinking this may pass in mid-February, so we're getting very close to that. The piece that is probably most significant for us is the rental housing assistance. There is money that came down in the Federal bill that was passed in December and it comes to Commerce, and Commerce has to authorize it to be used, and then it will come down into the County and the City. That's rental assistance that we will be tapping into our residents who haven't been able to pay rent. So, the theme of the legislature last year was really about tenant protections and that continued to be a strong theme this year with two different overlays; one being COVID-19, and the other one is with a race and social justice lens. There are a number of bills being updated, and from last session that didn't pass, they're their being brought back with this these two lenses attached to it. Mostly it's the COVID-19 lens that we're seeing.

SB 5160 is by Senator Kuderer. She represents Clyde Hill/Medina area. She's a former attorney. We have worked with her quite a bit, but this is a really big bill called a 'kitchen sink bill' and the private landlords are not in favor of this. AWA has some concerns about it. The tenant advocates are very pro on this bill. What this would do is it put a two-year restriction on the ability for landlords to evict tenants relating to public health emergencies and public health emergencies is not defined, so it's not just COVID related. So, one concern has been from private landlords like the opioid crisis. Could that be considered a public health emergency? It's had a hearing in the housing and local government, but it hasn't been scheduled for executive action yet. There's thought that perhaps this bill will not move because there is so much concern about this from the private landlords. They're not in favor of trying to have this move. A new bill has been introduced on the House side by Representative Barkis, which talks about the eviction moratorium would be lifted when this bill is passed. That's a concern found that might be too soon, but it goes more into speaking about repayment plans. It's just a more reasonable bill, and folks are feeling like this could be the vehicle. That said, the advocates are completely opposed to the Barkis bill; so, you have again the dynamic of the landlords on one side, the advocates on the other side, with no one really wanting to move, and then AWA is generally in the middle, just kind of centrist. We work directly with the electeds when we're talking about this, so we are on calls with Kuderer and with Barkis and talking about what is best for housing authorities.

This is next slide is in regard to Representative Barkis' bill that we just discussed. The unique thing about this also is there is another \$600 million for a budget stabilization account for emergency rental assistance. The piece that is of a concern for some folks about this is that tenants would have to sign an affidavit of COVID-19 hardship and the concern from tenants is that if English is not your first language, could this be problematic? So that's something we're continuing to raise and try and work through. It also talks about that landlords cannot charge late fees, interest, or penalties on rental arrears occur between last May through June of 2021, so this again is trying to create a middle ground.

The next one is the document recording fee. I think this has one of the best chances of passing. Its sponsor is Representative Ormsby, and this is to raise the document recording fee (which is a fee that you pay when you purchase a house) and to raise it by \$100 and it's estimated to generate \$100 million towards rental assistance funds. The only question I really heard about this was is it an ongoing source, or does it sunset? It

is scheduled for appropriations and Rep. Ormsby is the Chair of appropriations, so we're pretty confident that is going to move, and this is a place where the landlords are supporting, as well as the advocates and AWA.

Another bill we spent a lot of work on last year with Representative Macri is the Good Cause Eviction, which is an interesting bill. As a public Housing Authority, we have to give a good cause before we do evictions. The city of Seattle is generally more tenants' rights pro than the State is, and so this is trying to bring the State more in line where Seattle is around good cause evictions. The most significant piece is that you would need good cause to end a fixed term lease. So you couldn't just say to somebody at the end of 12 months, "I'm not going to renew your lease." There would need to be a good reason for this action. Chances has it was really going to vary if they can get Republicans to support it. This bill went all the way to the end and we spent hours upon hours on this bill last year and then, at the last minute, a Republican traded all his other bills to not have this move forward. So, on this good cause bill there is a team of folks at AWA that looked at this, specifically Michael Mirra from Tacoma Housing Authority, who is drafting our legislation and concerned about that. I've been very pleased with our meetings with Representative Macri, as she has been really willing to hear SHA's concerns and take our adjustments and so we are at this point likely to be pro. There is one more amendment that we're waiting that she needs to introduce on the floor.

The next bill is related to rent control, although I don't believe they're actually calling it rent control, but it kind of gets called rental stabilization, lack of increase, but it's really rent control. What this bill would do is limit increases for six months following the end of the moratorium, and then it limits rent increases in the subsequent six months tied to the CPI plus 3%. So, we have we saw this bill early and we have proposed language to get an exemption for subsidized housing. We have been told that if the bill were to move, that the amendment would be introduced at that time and they feel confident they have the votes for that. It hasn't moved, and I would be surprised if they pick this as the bill that they try to get to go forward next.

The last bill is the damage deposit documentation. For just a little bit of context around this, it came up for Columbia Legal Service because a number of tenants (and, we see this with our Housing Choice voucher program) when they leave a unit, sometimes landlords claim that they have damaged property worse than they have, or refuse to get back to their deposit, but there's not really great documentation. This doesn't necessarily happen in housing authorities. This is more in dealing with private landlords. Last year when we were working on a number of bills, our strategy is to find a bill that AWA could support. We're having to always oppose quite a few bills, so we try to find a bill we could also support and this was the bill that we did a lot of work on. So this did not pass, it was reintroduced in the same version that we agreed to last year. So we (AWA) are pro on this bill and was able to work with Mr. Brandon and Housing Operations staff, who made themselves available to talk through how we would do this. Would this be a major impact for us? We don't think it will. What it really is saying that if you're going to charge for something, you need to provide a bill, or an invoice to explain what you are charging for. The landlords are not in favor of this bill, as they think it's onerous. There's another piece that says that a tenant has the right to ask for a walk-through of the unit 30 days before, where the landlord can tell you what to fix or not fix,

and the private landlords say they don't have a way to staff that. We feel like that's something we could do and that could be a positive to do that with the tenants.

Another bill that I have spoken with some of you about is related to criminal background screening. Similar to the bill that was passed in Seattle, they just decided last week that that is a bill they are not going to move.

Commissioner Purcell asked the Board if there were any questions, or comments pertaining to the Briefing. He then adjourned the meeting at 5:40 p.m.

Secretary-Treasurer