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**SEATTLE HOUSING AUTHORITY  
REGULAR BOARD BRIEFING**

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<b>LOCATION</b>	<b><u>Virtual via Microsoft Teams</u></b> (206) 257-3799; Phone Conference ID 450 138 704# <a href="#">Join the meeting now</a>	
	<b><u>In-person option at SHA Central Office</u></b> 101 Elliott Ave W, 1 <sup>st</sup> Floor Tahoma Conference Room Seattle, WA 98119	
<b>DATE</b>	<b>April 14, 2024, 4:30pm – 6:00pm</b>	
<b>BOARD ATTENDEES</b>	<b>Sally Clark, Chair Robert Crutchfield, Vice- Chair Dr. Paula Houston Rita Howard</b>	<b>Twyla Minor Paul Purcell</b>
<b>DISTRIBUTION</b>	SHA Board of Commissioners; Cabinet	

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**Commissioner Roll Call**

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

**AGENDA:**

**Briefing Items**

- **Resolution No. 5299** – Buy Up Program - Elements at Georgetown
- SHA 2024 YE Financial Overview

Commissioner roll call was given at 4:34 p.m. The Briefing was held via teleconference, with an in-person option at the SHA Central office. Commissioners Minor and Howard were absent from the Briefing.

### **Resolution No. 5299 – Buy Up Program - Elements at Georgetown**

Commissioner Clark introduced today's agenda, the first item being Resolution No. 5299 – Buy Up Program - Elements at Georgetown. Executive Director Rod Brandon continued, introducing Development Director Terry Galiney and Development Program Manager Lauren Mathisen.

Mr. Galiney stated that this is the final project to be funded via the initial Buy-Up Program, whose goal is to provide additional family-sized units across the city and especially in opportunity areas. This resolution would approve SHA entering a loan to add family-sized units (3+ bedroom) to the Elements at Georgetown development. This development is a multi-phase, arts-centered development in Georgetown led by the Georgetown Community Development Authority, and includes 600 units and a park, childcare center, grocery, and retail. The Buy-up Program funding will add thirty-one 3-bedroom, affordable units at the development's first building. The loan amount would be for \$2.345 million.

Commissioner Purcell asked if the development authority has other projects. Ms. Mathisen answered they do not at this time. Commissioner Purcell continued, asking what their other funding sources are. Ms. Mathisen replied that they are using 501(c)(3) bonds as well as \$11 million in philanthropy and a loan from Amazon. Ms. Mathisen will share with the commissioners more information about the authority's funding sources outside of this meeting. Commissioner Purcell opined that depending on what happens with lumber prices as tariffs take effect at the federal level, this could be a very risky project. Ms. Mathisen noted that this project does not utilize tax credits so would not be subject to volatility in the LIHTC market.

Mr. Brandon asked how SHA's investment would be protected. Ms. Mathisen answered that we do not actually give them our funds until after all their sources of money are secured and they have begun construction. We have standard protections in the contract we will negotiate with them as well. Commissioner Purcell asked if we could put in our agreement that if their capital campaign for \$50 million fails, they need to use what they have to complete the first building of the development. Ms. Mathisen stated she would explore this.

Mr. Galiney answered that most of our lumber, surprisingly, comes from the US and not from Canada. Prices will go up, but in terms of actual supply we may not be as affected as one would expect. Commissioner Clark stated that even if the rest of the development goes nowhere, we would still get thirty-one family-sized units which is wonderful; we just need to make sure our money is protected in a worst-case scenario. Mr. Brandon noted that we could delay the vote on this resolution until the May Board Meeting if Commissioner Purcell requires more time to review. Commissioner Purcell noted that the \$425,000/family unit is incredibly cheap compared to Seattle Office of

Housing estimates of \$650-700k; this is something else that should be explored as a potential red flag.

### **SHA 2024 Year End Financial Overview**

Mr. Brandon introduced Chief Financial Officer Jared Cummer, stating that this is an opportunity to look at what we budgeted for 2024 and what actually happened. Mr. Cummer explained that the overview has three sections: 1) the 2024 Adopted Budget vs. Actuals, 2) the Schedule of Opportunity Initiatives, and 3) the Agency Financial Ratios. Our budget is made of two components—the Operating Budget (includes department and property operations, and housing assistance payments) and the Capital Budget (this is a multiyear budget and contains capital preservation, IT capital projects, and development/redevelopment projects).

Mr. Cummer offered the Commissioners a detailed explanation of 2024 revenues, operating expenses, capital expenditures, and Opportunity Initiatives (OI). Commissioner Purcell asked if the unspent OI money could potentially be clawed back by HUD. Mr. Cummer replied that we will not face that scenario. That being said, the HUD-held reserve mentioned earlier in the presentation needs to be fully drawn down by the end of this year. Mr. Brandon added that he wants the Commissioners to have a good review and critique of the initiatives that have been funded by OI's to make sure they align with our values and strategic plan. He also noted that some of the OI funding will change going forward, such as regarding the BIPOC Equity Fund, given changes at the federal level. Commissioner Clark added that if we have initiatives that have not spent the money they have been allocated, then we should look at why and maybe how that money could go to another use.

Mr. Cummer continued his presentation, and described SHA's financial ratios through 2023, noting that the 2024 ratios will become available once the agency's audit becomes finalized in May. Overall, the agency is in a good financial position. Standard and Poor's also maintained SHA's AA rating. Commissioner Purcell asked what are the implications of the shortening of the term of the emergency vouchers? Mr. Cummer replied that we are working through that currently, and Mr. Brandon confirmed that several options are being explored.

Discussion of the 2026 SHA budget occurred, and Mr. Brandon noted that the aim is to reduce our budget below previous years' levels. Mr. Cummer provided information on the budget planning timeline and the various review steps it goes through. Commissioner Clark commented that she wants to ensure the Board has enough time to understand the implications of a decreased budget for 2026 prior to being asked to approve that budget.

In response to a question from Commissioner Purcell regarding the recruitment of additional Commissioners, Mr. Brandon will meet with him and any other interested Board Commissioners outside of this meeting.

**Meeting Close**

The next Board meeting will occur on Monday, April 21. Hearing no further comments, Commissioner Clark called for an adjournment. The April 14, 2025, Regular Board Briefing was adjourned at 5:52 p.m.

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Secretary-Treasurer