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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>July 14, 2025, 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>	<b>SHA Board of Commissioners; Cabinet</b>	

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**AGENDA:**

**Briefing Items**

- Legislative Response Team (LRT) Update
- SHA 2026 Budget Framework

Commissioner roll call was given at 4:30 p.m. The Briefing was held via teleconference, with an in-person option at the SHA Central office. Commissioner Smiley was absent from the Briefing.

### **Legislative Response Team (LRT) Update**

Deputy Executive Director Jen Chan introduced today's agenda, the first item being an update regarding the Legislative Response Team (LRT). Ms. Chan introduced Lisa Wolters (Director, Intergovernmental Relations). Ms. Wolters provided an overview of the LRT's purpose before launching into a summary of the "One Big Beautiful Bill Act" that was recently passed by Congress. This act increases the deficit by \$3.4T, reduces taxes by \$4.5T, and reduces spending by \$1.2T. These changes include an increase of nearly 12 million uninsured people as Medicaid funds are reduced, eligibility is altered, and work requirements for participants are created. SNAP (Supplemental Nutrition Assistance Program) funds will be reduced by \$186B which will also impact those who live in Washington and participate in this program. The Low-Income Housing Tax Credit was passed which will cost the country \$16B and will create 1.22M affordable rental homes.

The funding that SHA receives is not decided by the "One Big Beautiful Bill Act." Rather, SHA is funded through the annual appropriations process which may be ongoing through late autumn. Commissioner Purcell asked what the difference is between 9% and 4% low-income housing tax credits, and whether there is any estimate of what the bill does overall to the value of these credits. Ms. Wolters stated there will be a more in-depth discussion of tax credits at the August Board Meeting, and that she will need to check about the 9% versus 4% question.

Commissioner Howard asked for more information about the SNAP changes. Ms. Wolters replied that when the federal government looks at who was approved for SNAP but did not actually qualify, they determine an error rate for each state. The greater the state's error rate, the more it will need to pay some SNAP benefit costs on its own. Commissioner Clark asked for more information about Housing Choice Vouchers being flat funded. Ms. Wolters stated that it is flat funding based on 2024 rates so it is an overall decrease, but it is not as bad as it could be. By August, the Senate may have initial numbers that would give us more information to work with.

### **SHA 2026 Budget Framework**

Ms. Chan introduced the topic at hand, which is a high-level conceptualizing of considerations for the 2026 budget. There are several items listed on the 2025 Executive SHA Priorities, and one priority—serving more people—will change with regard to the 2026 budget. This change is due to the current federal environment. Commissioner Clark challenged SHA to consider ways that we might serve more people and serve them well despite ongoing concerns. Commissioner Purcell agreed, stating that he believes the priority to serve more people should not be removed, but should be caveated. Ms. Chan reiterated that the emphasis right now is to serve those who are already in SHA's program well. Commissioner Purcell cautioned that SHA not be too

insular with its resources as other programs and participants suffer over the coming years with these cuts and changes.

Ms. Chan introduced Chief Financial Officer Jared Cummer who continued the presentation. Mr. Cummer reviewed the presentation's contents which were savings measures implemented in 2025, budget assumptions and priorities for 2026, SHA's multi-year approach, and areas for additional savings. Miki Naganuma (Deputy Director, Finance & Administration) provided details about the topics noted above.

Budget assumptions for 2026 included a potential reduction in the HUD budget and reductions in programs that SHA residents rely on such as Medicaid and TANF (Temporary Assistance for Needy Families). Budget priorities included avoiding a reduction in any permanent full-time employees and continuing to maintain a quality level of service for SHA residents and HCV (Housing Choice Voucher) participants.

Gashaw Dessie (Budget Manager, Finance & Administration) explained details regarding the various federal funding assumptions utilized in SHA's 2026 budget planning process. Based on movements at the federal level, SHA staff estimate there will be a 15% or \$28M reduction in the agency's overall budget. Commissioner Howard asked for clarification—the President is asking for a 43% reduction, the House is asking for a 22% reduction, and SHA believes it will end up having a 15% reduction? Mr. Cummer confirmed that is correct but noted this is an estimate based on some language put out by the House, adding that we should know more by the Board Briefing in September. Commissioner Howard added that Medicaid and SNAP reductions would not take place until after late 2026 so we may not even know the impact on the "revenue less subsidy" line until then.

Commissioner Purcell asked if there are funds we have not expended from 2025 that might reduce our 2026 expenses. Mr. Cummer stated he will answer this question when speaking on the agency's multi-year approach in a moment.

The Multi-Year Approach the agency will take is to reduce the base budget for 2026 by \$12-14M and use one-time funds to fill the gap of \$14-16M. In 2027, the goal would be to meet the total projected budget deficit through base budget reductions, department size reductions, and planning for Housing Choice Voucher utilization. Mr. Cummer added that the agency is reviewing the real estate development pipeline to determine the agency's obligations and reviewing the Opportunity Investments that might be reallocated to help manage the projected deficit.

In response to a comment from Commissioner Howard, Mr. Cummer also stated that the last time money was cut from HUD in 2012 it took roughly five years to bounce back. Regardless of what happens in the 2026 elections, SHA will still be under the assumption that it will take the agency a while to bounce back. Commissioner Purcell commented that the agency has grown significantly in the past five or six years; where did that growth happen? Mr. Cummer replied that much of the growth was related to resident services and addressing deferred maintenance and will follow up on this

question in more detail during either the August Board Meeting or by sending it to commissioners ahead of then. Ms. Chan added that some properties are getting older and require more maintenance than previously. Additionally, the voucher utilization rate is much higher now at 98% than in previous years. That high voucher rate adds to our budget needs considerably, as well as the agency's recently received confirmation that Emergency Housing Vouchers will only be funded through August or September 2026 so \$3-4M is needed to cover that shortfall for the year.

In closing, Mr. Cummer provided various dates on which budget items will be brought before the Board concluding in a final vote on the 2026 Budget in October.

### **Meeting Close**

The next Board meeting will occur on Monday, July 21, 2025. Hearing no further comments, Commissioner Clark called for an adjournment. Commissioner Purcell motioned, Commissioner Howard seconded the motion. The July 14, 2025, Regular Board Briefing was adjourned at 5:41 p.m.

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Secretary-Treasurer