

MINUTES OF THE REGULAR MEETING
OF THE HOUSING AUTHORITY
OF THE CITY OF SEATTLE
FEBRUARY 16, 2021

The Commissioners of the Housing Authority of the City of Seattle (“Seattle Housing Authority” or “SHA”) met in Regular Session on February 16, 2021, via teleconference. Board Chair Paul Purcell called the meeting to order at 5:04 p.m. Kimberly Garrett performed a roll call for Board Commissioners in attendance. Commissioners present and absent were as follows:

Present: Paul Purcell, Chair
Dr. Paula Houston, Vice-chair
Robert Crutchfield
Gerald Smiley
Debbie Thiele

Absent: Michael Diaz
Twyla Minor

Public Comment

Marguerite Richard, Center West

Consent Agenda

Commissioner Purcell presented the Consent Agenda, which included approval of minutes for the Regular Board Meeting of January 16, 2021; approval of minutes for the Regular Board Briefing of February 8, 2021; and, approval of the Expenditure Certification Report (Authorization to Pay Outstanding Obligations of Salaries and Claims for the Period of January 1 to January 31, 2021.) Commissioner Purcell inquired that the \$40M listed in the Expenditure Certification Report was due to a deposit into the State Trust account from proceeds of bond sales, and CFO Shelly Yapp concurred that it was.

Commissioner Smiley moved to approve the Consent Agenda and the motion was then seconded by Commissioner Houston. Hearing no questions or comments, Commissioner Purcell called for a vote. The Consent Agenda was approved unanimously among the members of the Board present at that time (5 yes; 0 no). Commissioner Purcell informed that Board that he would need to leave the meeting early and would then pass

control of the meeting over to the SHA Board Vice-Chair, Commissioner Houston. Given that information, Commissioner Purcell entertained a motion to approve Resolution No. 5208, which authorizes the final adoption of the SHA 2021 Budget.

Regular Agenda

Resolution No. 5208 – SHA 2021 Adopted Budget

Commissioner Crutchfield moved for consideration of Resolution No. 5208; Commissioner Houston seconded the motion. Deputy Director Anne Fiske Zuniga, along with Finance & Asset Management Director Jared Cummer and Housing Operations Director Rod Brandon presented Resolution No. 5208 to the Board and recommended adoption of the resolution.

Resolution No. adopting SHA’s 2021 Adjusted Budget includes operating, capital, grant, and redevelopment expenditures, totaling \$407.6M as follows:

Expense Category	2021 SHA Adjusted Budget
Program Operations and Administrative Exp.	\$112,441,000
Housing Assistance Payments (HAPS)	137,417,000
Grant-Funded Expenses	1,337,600
Operating Budget	\$251,231,600
Capital & Non-Routine Expenses	21,750,000
Opportunity Investments	8,500,000
Redevelopment	126,142,000
Capital Program	\$156,392,000
Total Expenses	\$407,623,600

All Regulatory and statutory requirements have been met for all expenditures necessary for the position and economic operation of the agency. The SHA Adjusted Budget (that the Board adopted a couple of months ago) has been adjusted for resubmittal and supersedes the Carry-on Budget and will now be known as the SHA 2021 Adopted Budget.

Jared Cummer and Rod Brandon then presented and highlighted changes in the SHA 2021 Budget to give the Board a sense of items specifically included in the budget. Mr. Cummer explained that for the 2021 capital budget adjustments, the process was to re-evaluate existing capital projects that SHA had funded in prior budget year based on their ability to move forward in the current COVID-19 environment. We rated those projects based on a risk level of low, medium, and high risk according to SHA's COVID-19 implementation plan.

We used the Adjusted Budget process to review those risk levels and to make any adjustments by bringing forward low and medium risk projects and deferring high-risk projects. We did we did this for two reasons; 1. to ensure that we can continue moving forward with the Capital program in a safe manner; and 2. to meet our obligation and expenditure deadline as required by HUD for the Capital Fund. SHA deferred 51 high-risk projects and 7 medium-risk projects, and we are bringing forward 65 low-risk and 19 medium-risk projects. We are also bringing forward \$440,000 in bon- funded projects that are part of the 2020 Pooled Refunding that we closed in April of last year. Lastly, a major part of the capital budget this year (not reflected in this adjustment but was reflected in the tables that shared with you last week) is an additional \$8.5M for the Jefferson Terrace Rehabilitation project. With this additional funding, in combination with what was put forward in prior budget years, we are hopeful that we have set enough money aside now to complete the project. The project right now is in the final stages of the procurement process for selecting the contractor for pre-construction services, and then we will be working on pricing and moving into a negotiated contract with them. Our hope is to start in the fall, but again, like all things right now, that's highly COVID-19 dependent. But, it is one of our (if not our highest) priority in the Capital Program, as Jefferson Terrace has been experiencing a significant number of mechanical issues over the last year-and-a-half that we've been trying to patch together until we can get this rehabilitation underway.

Some of the types of projects that would be defunded and funded are we have a number of elevators that are in our senior housing program buildings that we deferred, as that won't be safe to proceed with until we're at a point where more of the population is vaccinated. Also, we had some projects that require significant unit entry, like window replacement unit upgrades, that have been deferred and, in their place, we brought forward exterior projects, and mechanical projects. We brought forth projects that are in common areas like Community rooms, which are closed to gathering currently. It's not that the work

isn't still needed, so those projects will now come forward in the 2022 and 2023 budget to be refunded and put back into SHA's projects pipeline.

Mr. Brandon presented to the Board some investments that SHA is making in the behavioral health arena. Behavioral Health has been a forefront topic for several years at SHA, as more mental support for our resident has always been a priority and has continued to grow during the COVID-19 pandemic. In the past year, it has exploded in SHA housing for residents, so as they begin to navigate as best as they can, it becomes clear to us that we need to invest more support for them. In this upcoming budget, we have reinvested in one of our projects in Housing Operations called the Housing Outreach Partnership. We started with the nonprofit organization to provide some on-site services to our residents. Right now, they have been working for the past six months dealing with a myriad of acute issues that our residents are experiencing. They have the expertise there on-site at our buildings and they're filling in a gap where our Property Management staff does not have the skill set to manage and navigate through some of these issues, some of which we plan to invest even more. In addition to expanding our early partnership with the Housing Outreach Project, we also want to have more on-site case managers. We have a model that's been working quite well at Jefferson Terrace and a couple of the other properties, where we have on-site case managers who report to work every day and manage the various issues with the residents at that property. Again, these folks fill a niche where our staff doesn't have the expertise to navigate, and they also have both the language and relationship with the care provider so that they can make the right referrals, or talk to their medical provider in a way that we cannot. So, SHA is looking at increasing that on-site presence at some of our more critical properties where residents have a need, as well.

Security services for residents has also been a huge priority for SHA. Earlier in the year, the historical Seattle Police Department contract that we have had was retracted in the fall of 2020. This partnership has been beneficial, and our residents have enjoyed it for the most part, as well as property management staff. It is clear that other service providers can perform certain niches in responding to the crises that we have to deal with, but it also provided a level of service that met many of our needs. So, given that we no longer have that service, we now have to rethink how we bring safety to our various communities. Currently, we are increasing our traditional security services, which are not police officers, but that is not enough to meet the needs of our properties. We are evaluating what are the best ways we can do that. We have been working with the city of Seattle Police Department

and they're going through different options, and they're currently looking at community service officers who can play a role in responding to certain kinds of crises.

Another need in the behavioral health world is navigating how to get residents ready prior to pest remediation. Bed bugs have been a challenge for some of our residents and part of the challenges they face is getting prepared for staff to come into their unit to address the issue. We are going to put some resources into hiring a full-time staff who can come in and work directly with the residents to give support and guidance in preparation for pest removal. We did some of this with our service contracts in the past, which was very fruitful, so we want to continue to do that now. We have been developing special trauma informed training for staff to continue to support and deal with the level of residential support that arises, especially during times of this pandemic.

Another area that we did not want to forget in which we are investing even more in is the JobLink program, which will serve more residents with on-demand, return-to-work support and offer extra assistance to High Needs clients facing challenges in persisting toward their employment and education goals. It has been more challenging so some of our residents who were working are not working now as a result of the pandemic, so we're going to support them and help them if they need some short-term assistance and attention navigating through the bureaucracies that are out there whether it's filling out unemployment benefits or researching certain jobs, we're going to serve up to just under 300 folks. We're not on our current list right now as we navigate through the pandemic and provide whatever assistance that they need as they can. We see this more of a short-term assistance we are trying to meet them where they are right now given some of the certain circumstances that have occurred. There are some of the things that we will be doing for the residents in 2021.

Commissioner Houston inquired what, if anything is being done in regard to the physical health of residents. Andria Lazaga responded that physical health of our residents is something that SHA is really interested in. SHA has a partnership with United Healthcare, where we have been partnering with them for a while, to look address this. And we, along with the King County Housing Authority, are attempting to see if we can come together and identify a health initiative, as there has been a pause in these efforts due to the pandemic.

Hearing no further discussion, Commissioner Purcell called for a vote. Resolution No. 5208 was approved unanimously among the members of the Board present at the time (5 yes; 0 no).

Emergency Rental Assistance

Rod Brandon and Andria Lazaga presented to the Board what SHA has been doing to support our residents and what some of them are going through over the past year and the impact that that has had on SHA residents being able to pay their rent on time. They described some of the struggles the residents are experiencing, rent relief assistance and what's been occurring both locally and on the national front and next steps for SHA to continue to find ways to support the residents.

In a synopsis of SHA households who are behind on their rent, we found that over 80% of all SHA tenants- voucher holders & public housing- are extremely low income (30% AMI or below). Food & utility expenses are higher with more family members at home, and households are also helping other family in need- whether it being assisting adult children or daycare costs & expenses for grandchildren. Working households have lost jobs or have experienced a reduction in hours, and income decreases were reported at a rate of 2 to 1 compared to income increases. While households can request an interim, a reduction in income leaves less money overall to deal with pre-existing and emerging financial obligations and rent balances have grown during the pandemic.

800 subsidized SHA tenants were behind on rent at year end (where rent is adjusted for income changes), with a total outstanding balance of \$915,000. Three quarters of these tenants identify as BIPOC (disproportionately African Americans) and one third are families with children. 126 Unsubsidized SHA tenants were behind on rent at year end (where rent is NOT adjusted for income changes), with a total outstanding balance: \$345,000. Again, Black or African American, at 73% was disproportionately affected, as well as families with children at 58%. We do not have comparable data on rent balances for voucher holders, but we have no reason to believe they are not experiencing similar hardships. They are likely more at risk of eviction once the moratorium ends vs. residents living in SHA-owned units.

Some methods that SHA has been employing to support our residents are:

- SHA has suspended entering into new repayment plans during COVID-19.

- Staff engage households behind on rent & refer to external resources where possible.
- Residents are reminded of past due balances in monthly rent statements.
- Property management staff reach out to households with past due balances.
- Residents offered an interim if applicable (retroactive possible).
- In early December, Staff made effort to call households behind on rent (subsidized & unsubsidized) to help connect them with King County's rent relief program.

For voucher holders, SHA staff do not have access to tenant balances owed to landlords. When a voucher holder contacts HCV staff and makes known they have a rent payment issue, staff have referred them to community agencies providing rent relief, such as the Housing Justice Project and King County (which obtained \$28.7m from the State & added more funding from other sources altogether totaling to \$41.4M.) Additional third-party rental assistance was obtained from the \$110M in CARES Act funding that Washington State received for rent assistance in 2020. In the last quarter of 2020, SHA's residents received \$430k in 3rd party rent assistance (\$100k for subsidized residents & \$330k for unsubsidized) and expect balances to continue to accrue for both subsidized & unsubsidized households, but some may also get paid down as residents receive additional Stimulus checks. More State and Federal assistance is on the way, but it's currently unclear whether voucher holders & public housing residents will be eligible for these new rent relief funds.

Next steps for SHA residents is to maximize eligibility for and use of these third-party rent relief resources, while performing outreach to SHA residents in arrears including assistance with applications if residents have to apply individually for third party rent assistance. We may need to tap into internal funds if the external rent relief funds require landlords to write off a portion of the arrears. For voucher holders, we will maximize the eligibility for and use of third-party rent relief resources, and HCV staff will conduct engagement activities to educate voucher holders & landlords about available rent relief.

President Biden's 'Rescue Plan'

Mr. Lofton introduced Intergovernmental Relations Director Lisa Wolters, who presented President Biden's Rescue Plan to the Board. This plan calls on Congress to take immediate action to forestall a coming wave of COVID-related evictions and foreclosures.

President Biden takes a strong stance with this plan; to ensure that families hit hard by the economic crisis won't face eviction or foreclosure, the Plan calls to extend the eviction and foreclosure moratoriums and continue applications for forbearance on federally-guaranteed mortgages until September 30, 2021 (the eviction moratorium is through March 31st, which aligns with the State right now.) It is proposing an additional \$25 billion in rental assistance (to provide much-needed rental relief, especially for low- and moderate-income households), \$5 billion to cover home energy and water costs and arrears, and an additional \$30 billion in rental and critical energy and water assistance (to help renters and small landlords make ends meet.) It also sets to deliver \$5 billion in emergency assistance, to help secure housing for people experiencing or at risk of homelessness, to allow states and localities to help approximately 200,000 individuals and families obtain stable housing and provide flexibility for both congregate and non-congregate housing options.

According to national statistics, one in five renters are behind in rent and one in 10 homeowners are behind on their mortgages. So, this is something that's going to reverberate after everyone vaccinated and we go back to normal life. Low income people are going to continue to really struggle to dig themselves out of this hole. Congress did put \$25 billion in for rental assistance, but the estimate of people who that amount to those that owe in back rent is about \$25 billion right now. So, more money is needed. We are looking at rental assistance but continue tracking foreclosure assistance because if people get foreclosed on, chances are that they are either going to homelessness, or they're going to go into the rental market. This puts even more pressure on the rental market and evictions. We expect the state eviction moratorium to be extended, but there seems to be some mixed signals from the Governor's office regarding this.

President Biden has introduced a number of Executive Orders and Memorandum relating to equity, census, immigration and the economy:

- Executive Order On Advancing Racial Equity and Support for Underserved Communities Through the Federal Government.

- Memorandum Condemning and Combating Racism, Xenophobia, and Intolerance Against Asian Americans and Pacific Islanders in the United States.
- Memorandum on Redressing Our Nation's and the Federal Government's History of Discriminatory Housing Practices and Policies.
- Executive Order on Ensuring a Lawful and Accurate Enumeration and Apportionment Pursuant to the Decennial Census.
- Executive Order on Restoring Faith in Our Legal Immigration Systems and Strengthening Integration and Inclusion Efforts for New Americans
- Temporary Halt in Residential Evictions To Prevent the Further Spread of COVID-19

SHA Executive Director Search Update

Commissioner Thiele reported to the Board that the SHA ED Search subcommittee would be meeting this Friday with the search firm and are expecting to identify 8-10 candidates. They will talk with the subcommittee and would potentially narrow the group down to three, or four interviewees. They then would like the full Board to interview those top candidates, probably in late March, or early April. Kimberly will reach out to the Board for their calendar availability to take part in the final interviews.

Executive Director Report

Mr. Lofton reported to the Board the continuation of news regarding vaccination efforts taking place at SHA housing locations serving senior residents, and those of our vulnerable housing population.

Previously reported, SHA had five buildings participating in mobile site clinics where the Seattle Fire Department provided vaccinations (via City of Seattle from Department of Public Health) to residents there. The availability of vaccines is really the challenge that everyone has in terms of getting vaccinations distributed. The City was informed late last week that they were going to receive their allocation of vaccines for this week, and in fact have and we have continued to partner with SFD.

We have another five buildings to do this week, one of which we did on Sunday, which was Ballard House and we vaccinated the building there with another great turn out of residents to be vaccinated. We have an additional 4 buildings scheduled this week from

Wednesday to Friday. Housing Operations staff is organizing the building and preparing residents and helping with the organizing the day of so that it runs smoothly. SFD has been extremely impressed with our staff's ability to organize the vaccinations for them so that all they need to do is show up and then vaccinate folks. Huge kudos to the property managers who have been really at the forefront of organizing this and making it easy for our residents to receive the vaccinations.

Commissioner Purcell asked for any questions, or comments from the Board.

Hearing none, it was moved by Commissioner Smiley and seconded by Commissioner Thiele that the February 16, 2021 Regular Session of the Board be adjourned at 6:28 p.m.

Secretary-Treasurer