
SEATTLE HOUSING AUTHORITY
REGULAR BOARD BRIEFING

LOCATION	Via Teleconference Line (206) 257-3799; ID 877 198 629# Click here to join the meeting	
DATE	May 10, 2021 4:30pm - 6:00pm	
BOARD ATTENDEES	Paul Purcell, Board Chair Gerald Smiley, Vice-Chair Robert Crutchfield Dr. Paula Houston	Rita Howard Twyla Minor Debbie Thiele
DISTRIBUTION	SHA Board of Commissioners; Cabinet	

Commissioner Roll Call

AGENDA:

Briefing Items

- Resolution No. 5215 – SHA Line of Succession
- Resolution No. 5216 – Lam Bow Omnibus
- Resolution No. 5217 – Lam Bow Bond Issuance

Informational Briefings

- CMTO

Commissioner roll call was given at 4:34 p.m. The Briefing was held solely via teleconference. Commissioners Minor and Crutchfield were absent from the Briefing. Commissioner Purcell, along with his fellow commissioners, welcomed and congratulated new SHA Executive Director Rod Brandon to his new role and expressed support for his future service to Seattle Housing Authority.

Review 5/17/21 Regular Board Meeting Agenda and Updates

Resolution No. 5215 – SHA Line of Succession

Executive Director Rod Brandon and General Counsel Chuck Lind gave the Board a background and presented this resolution to the Board.

Mr. Brandon explained to the Board that in the event that he is unavailable to be at work due to various circumstance, this resolution would make it possible for agency business to continue with an Acting Executive Director in place able to make decisions on his behalf. Resolution No. 5215 serves to update and designates a list of Directors to serve as Acting Executive Director in the absence of the Executive Director. The line of succession lists in order the director designees: Deputy Executive Director (Anne Fiske Zuniga), CFO (Shelly Yapp), Finance & Asset Management Director (Jared Cummer), and General Counsel (Chuck Lind). Commissioner Houston inquired as to the need of actually names to be listed (not just the titles). Mr. Lind responded that HUD actually requires names to be listed, as well.

Resolution No. 5216 – Lam Bow Omnibus

Resolution No. 5217 – Lam Bow Bond Issuance

Development Director Terry Galiney presented companion resolutions to the Board, providing a background of the Lam Bow property acquirement and the property damage that led to this redevelopment project.

Resolution No. 5216 is an Omnibus Financing resolution authorizing the SHA to execute a lease with 6935 Delridge Way LLLP, make loans to 6935 Delridge Way LLLP and approve the execution and delivery of documents relating to the financing of SHA's Lam Bow Apartments low income housing development project. It is a companion resolution to Resolution No. 5217, which authorizes SHA to issue bonds in the principal amount not to exceed \$24,500,000. The bond proceeds will be loaned into the 6935 Delridge Way LLLP partnership, for the purposes of building the Lam Bow Apartments.

Lam Bow Apartments were acquired by SHA in 2002, built in the 1970's, and is located in the Delridge neighborhood of West Seattle. It consisted 51 units within two buildings (a mix of 1-, 2- and 3-bedroom units). In 2016, there was a fire that destroyed the smaller of the two buildings, essentially totaling 21 units. Studies were reviewed, including options to renovate the existing north building and rebuild the south portion of the site destroyed by fire. But, given the increase in zoning, bringing the building up to code, soil issues and complications with a nearby stream, it was decided to demolish all buildings on the site and redevelop it to maximize capacity and serve more people. The cost of rehabbing the building was nearly on par with the cost of demolishing and building a new building on site. Additionally, it allowed SHA to bring the building up to modern standards, as well as

increase the amenities on site significantly. It also allowed for 31 additional units to be built on the property, as the site was previously underbuilt, and to make it more efficient and nicer for families. In total, the property will house 82 units (from the original 51): 31 additional units made up of 20 one-bedroom, 9 two-bedroom, and 2 three-bedroom units.

We are well down the road of getting ready to close and start construction on the site and have 100% of all of our drawings. We have the permits in hand, which is fairly unusual for development, as it's a race to the end to get the permits issued. But, given some difficulties with contracting and bringing a general contractor on board, as well as some of the challenges around the NEPA (National Environmental Protection Act) approval process which was just involved, as this was the first project in the area that we had done and it was quite protracted.

We anticipate financing closing in mid-July, and then construction starting immediately with substantial completion of construction in early 2023, and then lease up beginning around February 2023. Staff will start working and planning up to six months before the project is completed. Housing Operations are currently with former tenants who may want to move back to the new, rebuilt Lam Bow Apartments.

Mr. Galiney outlined a high-level budget cost for the project along with the project status, as seen below.

Lam Bow Status and Finance

Project Update

- 100% Construction Documents Complete
- City of Seattle Building Permit Issued
- Walsh Construction Awarded Contract
- Subcontractor Bidding Underway

Upcoming Milestones

- Finance Closing, July 2021
- Construction Start, July 2021
- Substantial Completion, February 2023
- Lease up February – May 2023
 - Operations working with former tenants on right to return

PROJECT COSTS

Hard Costs	\$ 37,922,872
Soft Costs	\$ 4,826,123
Developer fee	\$ 3,600,000
Reserves	\$ 304,275
	\$ 46,653,270

PROJECT SOURCES

Tax Exempt Bonds	\$ 13,430,000
LIHTC Equity	\$ 22,819,518
SHA Loan	\$ 4,541,449
City of Seattle	\$ 3,500,000
Deferred Dev Fee	\$ 2,200,000
Operations Income	\$ 162,303
	\$ 46,653,270

He stated that couple of recent changes on the project sources have been really beneficial, as there was a tax credit fix as it relates to the low income housing tax credit program at the end of the year. This resulted in a \$2M more funds in project investment. More recently, the debt market changed quite a bit in our favor, resulting in a couple \$2M more of debt without the debt payments increasing. As listed above, SHA is contributing around

\$4.5M, and have gotten \$3.5M from the City of Seattle. We were also able to loan some of the fee that we charge to the project back to the project which is listed as the developer fee at \$2.2M. Mr. Brandon reasserted that previous tenant would be give first right to return to Lam Bow, and that the increase in units built as a result of the redevelopment would allow SHA to uphold the mission of serving more people in the West Seattle area. Commissioner Smiley thanked him for the relocation effort clarification.

Commissioner Howard brought up that there seemed to be more additional one-bedroom units built as opposed to larger units at the new Lam Bow Apartments, and not seemed to be geared more toward larger families. Mr. Galiney explained that this was to maximize the space of the site, balance the staff managing of the site and the number of kids that will be on site, as well. The same number of larger units will remain, as additional ones, but not in proportion of the one-bedroom units. Mr. Brandon explained that one of many factors when SHA proposes developments is look at the mix of the number of units there that would be able to serve the families, as well as the individuals that would live there. Certain sites serve themselves to a high density of individuals, and at this site and other sites don't. This is just one of many things that we factor in when we do developments. Commissioner Howard asked if SHA develops a profile of what is thought to be the demographics of this community and what it will look like based on the size of the units that are being built. Mr. Galiney responded that for this project in particular, it was taken as an absolute that replacement was need for the original 51 units, with at minimum two buildings would be needed to accomplish this, but we also looked at opportunities for adding new units. There was only so much more space that could actually be built on, so at that point, it's a matrix of trying to calibrate how many people can the site hold, how many kids can be managed on this site, and what are the amenities in the area.

Commissioner Thiele was happy that the project was expanded to serve more people, and recalled some years ago years ago when we were first considering it, the full redevelopment potential was much greater than we were planning and that we were not going to be able to take advantage of that – the pure zoning - because of the lack of resources. A sense of appropriateness of scale and size to the neighborhood because citing affordable housing is so difficult and the need is so great. She asked if staff could talk a bit more about whether that was ever revisited, or maybe share it with the newer commissioners. Mr. Galiney followed up that what Commissioner Thiele was referring to was that initially in terms of the site capacity, we thought we could fit more units on the property, but that would involve a rezone of the site. We elected not to pursue that path because it would involve a very long process that is not always predictable. The other factor, on the operations side, was being able to manage that many units at that location. Furthermore, the cost of dealing with a soils issue, and realizing that this would not be a site that could accommodate below grade parking, in addition to the site being located in an area with a high water table, which would create additional problems for doing effective parking space for additional units. Commissioner Thiele asked if what was being built was the maximum number of units for the site; Mr. Galiney said that he recalled it may have been zoned for maybe up to/around 100 units, but in doing so, the playground and courtyard areas, as well as some parking spaces, would be lost in the process.

Creating Moves to Opportunity (CMTO)

Mr. Brandon introduced Rental Assistance Programs Director Alice Kimbowa, along with Chris Klaeyesen, and Patrice Davis & Sarah Birkebak from the Office of Policy & Strategic Initiatives presented the Board with an overview, background and status update of the CMTO program.

Ms. Kimbowa stated that SHA has participated in the CMTO Program for the over three years. The program stemmed from research that showed that growing up in higher opportunity areas or neighborhoods has a positive, long term impact, specifically on children. So, SHA, along with King County Housing Authority (KCHA) partnered with the researchers, particularly from John Hopkins, J PAL, North America, MDRC along with Opportunity Insights, to evaluate on whether mobility services are effective in encouraging families to move to those regions, or to those areas that have higher opportunities. The primary goals for the project was to see how that move to higher opportunities can be facilitated with the primary goal to measure how many families are able to move those neighborhoods and then also to determine how many will stay in those neighborhoods. Ms. Kimbowa introduced the presenters to the Board to present on the results of the study, and then to share with some of the identified next steps on how to integrate some of these same learnings into the agency's regular practice.

Patrice Davis, Strategic Planning Initiatives Manager, began her presentation talking a little bit about the project background and SHA's strategy in working to expand housing choice for residents, but also work to improve the communities that SHA residents reside in. CMTO is dedicated to focusing on expanding housing choice for our voucher recipients. It strives to address neighborhood segregation by providing strategies to help people access certain neighborhoods that have been restricted due to procedures like redlining, zoning, and other things that have particularly restricted access and neighborhoods to various communities, particularly our Black, Asian, and Native American communities in Seattle. CMTO is about expanding this neighborhood choice for our residents and increasing opportunities for families to increase their upward mobility by moving into these neighborhoods. The reason for this work is that SHA was curious as to why families were not leasing in opportunity areas; was it the location, or was it for other reasons? We wanted to understand the systemic issues, and so we designed interventions and education around these questions.

Ms. Davis referred to a slide titled CMTO Motivation: Neighborhoods and Opportunity, saying that it conveyed that where people live, in the quality of those neighborhoods, can really affect the long-term outcomes for the children of those neighborhoods. The research shows that children in those neighborhoods are 32% more likely to attend college, 26% less likely to become single parents, they are less likely to become incarcerated and could have a significant income increase of over \$300,000 over their lifetimes. When you think about how many families are excluded from these neighborhoods, these statistics are staggering. These neighborhoods we determine are called opportunity areas and these opportunity areas are based on the long-term income projections, or outcomes for the kids that grew up in these areas. So, if you grew up in a certain area, how much you make as an adult is what defines the opportunity area. SHA and the HCV Department are really committed to expanding housing choice. One of the issues is that voucher holders

tend to live in the same areas, which is denoted on the slide before you. The green areas on the slide are a conglomerate of tracks or are conglomerate of tracks, or neighborhoods where our voucher holders tend to live and the red areas indicates the income earned in adulthood of the kids that grew up in those neighborhoods. You can see that the red indicates about \$26,000 to \$40,000 earned for kids who grew up in those neighborhoods, whereas the blue really indicates that it's about double that (about anywhere from \$50,000 to \$80,000.) This explains why housing choice and expanding housing choice and informing our residents about these neighborhoods is extremely critical because again it will help their children to grow up to have a higher earned income as adults. CMT0 is a research study, which is important because we're testing strategies that reduce the challenges of moving to an opportunity area, again in order to increase voucher holders' access. We want to provide evidence-based interventions that help residents successfully lease in these neighborhoods. Again, this project is a collaboration of partnerships that have really come together to help us design and implement these strategies. Also, I want to point out that this is a research study where we partner with various schools, Jay Powell and MDRC. Also, to note, the map on the right side of the slide denotes our designated opportunity areas, and these are actually the areas that we provide interventions and support to help our residents' access.

Some of the key interventions and strategies may be broken down into two categories. The first category is Navigator services. Navigator services are set up to provide a strategy to address these barriers that have been mentioned about leasing in opportunity areas. This support is really critical in helping our residents and understand the decisions involved in this move, and helping them address some of their challenges and concerns. Please remember that a lot of these neighborhoods have not been accessible because of residents facing rental discrimination and not being able to rent in these neighborhoods, and that prevents residents from considering making this move. Another important reason that residents need additional support of our navigation services is because a move from the non-opportunity area to an opportunity area is a really big move, and so there's really big things to consider like moving a child from school, the loss of social capital, one's social network, or childcare, and even a loss of similar languages being spoken. So, our navigation services really help our residents consider these things and make an informed, educated decision about whether, or not to lease in an opportunity area. Because this is a research study, we're able to show evidence that our strategies are actually preferred by our participants. We also provide support for landlord engagement. The other arm of this project is really working to reduce the systemic and structural challenges that residents face with moving into an opportunity area, and so we really work with landlords to inform them about our participants, about our programs, and about the structural challenges of accessing these areas. I want to highlight that these rules are critical and these are high touch relational services and so that these navigation services really help our residents not only lease in an opportunity area, but often stay and remain an opportunity area, because so often after they move, they don't tend to return to an opportunity area. I would just like to mention that we do provide financial assistance to defray any moving expenses and to help address those costs because we really want to support our residents in moving to an opportunity area and this is when that key barrier needs to be addressed.

Ms. Davis then handed off the presentation to Sarah Birkebak to cover information about the CMT0 program implementation.

Ms. Birkebak is the CMTO Coordinator and prior to joining SHA last year, she was the lead Navigator with Interim Community Development Association providing the service side of the CMTO project for quite some time

Phase One of the CMTO project, the first phase, enrolled families from April of 2018 to February of 2019 and provided that full set of services, the comprehensive services that Patrice just went over in terms of navigation and financial assistance. In Phase One, we enrolled 430 families that were randomized either into the control group to receive standard services, or into the treatment group to receive that full set of navigation services. What we saw was that families in both groups leased at really similar rates, which was really exciting to see because it really speaks to families wanting to move to these neighborhoods and choosing to move to these neighborhoods, but needing that additional Support to overcome some of those structural barriers that Patrice was mentioning. We saw benefits across racial and ethnic groups, although not at all the same rates. What we saw is that they leased up at similar rates, but where they chose to move was significantly different. So, families who received the CMTO services leased in opportunity neighborhoods almost four times than that of the families in the control group and they did report higher neighborhood satisfaction rates as well in those areas. Although we're not further enough along to have some long run persistence data, we do see that families who moved to the opportunity areas with the support of CMTO are staying in those areas after their initial lease term is up.

Phase Two of the project, which went from mid-2019 to March of 2020, really tried to unbundle that full suite of services to test different intervention elements, so families who participated in Phase Two were randomized into four different groups. One group was the control group, again who received standard services. One group received only financial assistance, but not the full navigation services. The second group received later navigation services and limited financial assistance, and then the third group again received that full suite of services that was provided in Phase One. In Phase Two, we enrolled 326 families and we did end enrollment a couple of months early due to COVID-19 and families who are actively participating in the program at that time continued to receive services virtually while we rolled with the punches of the pandemic. What we saw out of Phase Two is that that full set of services, that comprehensive navigation services, were really the most effective in helping to support families' move to the opportunity areas, with slightly decreasing treatment effects for the lighter navigation services, or the financial assistance-only services. As mentioned in Phase One, we saw some differences in the treatment effects by race and ethnicity. We saw that Black households were slightly less likely to move to opportunity areas in Phase One. We did not see those same results in Phase Two. We did see that households across the board were at least at pretty similar rates in opportunity neighborhoods, and so that's something that the researchers are continuing to look into in their continued analysis of the project. Some of you may have gotten to hear from Stephanie DeLuca during a previous presentation on the qualitative research that's being done with families who participated in CMTO, how she and her team at John Hopkins have been doing interviews with what they're hearing is that there's some structural barriers that families are running into when they when they go to lease in these opportunity neighborhoods. About 70% of families who were interviewed encountered some form of landlord discrimination even though here in Washington we do have a source

of income protections And, even with Seattle’s higher rental protections, we also saw that 40% of families reported challenges finding landlords and properties that were willing to work with them if they had credit barriers or credit issues. About half of the families found the logistics of voucher confusing, so there were some administrative barriers in questions that they had throughout the process. What really came out of those interviews was 55 key items that families repeatedly said helped them address those barriers and really worked well for them during the project. First and foremost was the emotional support that staff provided to help families feel confident throughout this search to remain encouraged even when they were running into getting denied at properties. Staff also helped to streamline the housing search process and reduce the burden on families who often had really limited bandwidth to focus on their housing search. Staff also customized conversations about those opportunity areas to the goals that family had expressed early on to make sure that families had a good sense of what a move to those neighborhoods would look like and how it could impact them and their families. Staff kind of bridged relationships with landlords and families, and also provided that flexible and targeted financial assistance to help facilitate lease ups in those opportunity neighborhoods. {She then shared an experience of one of the participants of the project.}

"I would say like on a scale of one to ten I probably feel like an eight, nine now, I think before talking to [Family Navigator] it would have been like a six, seven just because I know that you know, there are some things on my credit report that might be negatives, but I feel like [Family Navigator] has had me present it in a way that they are like blips on the radar instead of being the whole picture...I think the rental resume, it just it helps you explain your, you know, the bumps in road that you have in a way that is really confident, like it doesn't make me feel embarrassed by the information it makes me feel like you, I have got some ammunition for how to attack this and explain it to them. I also know that it's not going to be a challenge anymore..."

-Sarah, on the role of the Navigators role on increasing her confidence in speaking with landlords

Qualitative Family Interviews: What Worked?

“Tell me about CMTO” and “What is the best thing about CMTO?”

Mechanism	Count
Streamlining	51 (72%)
Emotional Support and Communication	39 (55%)
Financial Assistance	38 (54%)
Brokering with Landlords	26 (37%)
Opportunity Area (OA) Information	25 (35%)
N	71

As mentioned previously, CMTO is making an impact nationally and was just awarded a about \$36M to launch mobility programs at nine housing authorities across the country through the Housing Choice Voucher Mobility Demonstration and we're looking forward to the release of the finalized results from Phase Two later this year. Both the quantitative and qualitative findings have really been informing program design for other mobility projects across the country, which were very excited to see.

Ms. Birkebak handed the presentation over to Chris Klaeyesen, Strategic Advisor in the Rental Assistance Programs Department to discuss the current status of the CMTO program (Phase Three).

CMTO Phases One and Two provided SHA with great evidence of what works to support opportunity moves among new voucher holders with children. However, we believe there was still a lot more to learn about the engagement strategies and services needed to support similar moves for our current voucher holders. So, last summer SHA made the decision to extend the use of grant funds to pilot comprehensive services to voucher holders who are seeking to move with continued assistance. There is similar eligibility criteria here, but for this households must be a current voucher holder who are seeking to move. They need to have a child under the age of 15 and they cannot currently be living in a CMTO opportunity neighborhood. Along with shifting the focus from new admissions households to current voucher holders, CMTO services were also brought in-house. So, instead of Interim CDA providing these, they have now shifted to our internal HCV Housing Counselor team. Phases One and Two saw these housing counselors primarily charged with intake and enrollment of families into CMTO, and those responsibilities have greatly expanded to providing that comprehensive supports mentioned previously. So, now this team provides enrolled families with an opportunity area, education, housing search coaching and assistance, as well as the financial support we discussed, such as application fees and security deposit assistance. Another important difference with Phase Three is that there is no randomized control trial. Counselors are reaching out to all households requesting a move and enrolling any interested into CMTO services. And then finally, there have been several meetings where we started to discuss integrating CMTO's promising practices into HCV's ongoing operations.

We are still in the midst of Phase Three, but we do have some early learnings that can be shared now. First, we can say that recruitment is very different than before. In Phase Three, counselors are given an outreach list comprised of current voucher holders who have submitted a request to move and they meet the aforementioned eligibility criteria. Additionally, HCV Certification Specialists work with our participants, or referring over families, who may be considering a move but haven't logged request yet, or who they believe might be interested in CMTO to our Housing Counselors for more information. Secondly, COVID-10 obviously has had a major impact on operations, whereas with Phase One and Two, services were offered in person. Now, all navigation and coaching services are offered virtually via phone, email or via Microsoft Teams. And while Counselors have successfully replicated service offerings in the virtual environment, there still remain some challenges for households with limited technological means capacity. In those instances, our Housing Counselors work very carefully to find a solution that works well for that participant. Early observations show current voucher holders move timeline is often less linear than our new admissions households. The latter pulled off the wait list, issued a voucher and given a set timeline to lease a unit. Current households submit a request to move, or issued a voucher. They may cancel that move if they so choose to and cancel their housing search, so that's a factor. Additionally, the timeline from the family request to move until they are issued a voucher can vary depending on the total volume of requests. Finally, HCV households are able to use their voucher to lease up outside of Seattle, or port out and they might be uninterested in receiving CMTO services as, well.

We can say, though, that the families that had been enrolled have been extremely appreciative of the additional support offered to them, and that they have enjoyed working with the Housing Counselor team.

Mr. Klaeyesen handed the presentation back to Ms. Kimbowa to present the scaling and integration of CMTO Services.

As previously mentioned, we are looking to move the evidence that we have learned from study to implementation in the next phase. We have learned a lot from the evaluation and from the work that the Housing Counselors have been able to do. Beyond 2021 and 2022 will be integrating a lot of the things that we have learned from the evaluations. Some of the lessons learned is around landlord incentives, landlord engagement, improving our relationship with them and also to integrate some of the Housing Counselors in how they're engaging with participants. One of the ways that has been identified is engaging with them prior to issuing the vouchers, making sure that they have the right rental resume to be able to move forward to lease up successfully in the higher opportunity areas.

Commissioner Purcell inquired as to a timeline for understanding the cost of implementing CMTO on larger, agencywide scale; Ms. Kimbowa said that they have been discussing budgeting and what that means for continuing the CMTO program. They will be hopefully requesting for a set aside that accounts for both the staffing resources that are needed to move the move the program forward, but then also for some of the incentives that are embedded in implementing the program. That proposal will be made during the budget process, but for right now there no particular financial projections for that, which would geared for the budget process for 2022.

Commissioner Thiele, as well as the rest of the commissioners were very complimentary on the great presentation. Mr. Brandon gave kudos, as well. Commissioner Thiele mentioned the HUD voucher award to SHA, which Ms. Kimbowa confirmed a total of 494 additional vouchers. This information was well received from the Board.

Mr. Purcell asked the Board if there were any questions, or comments pertaining to the Briefing. Hearing none, he then adjourned the meeting at 5:38 p.m.

Secretary-Treasurer