

MINUTES OF THE REGULAR ANNUAL MEETING
OF THE HOUSING AUTHORITY
OF THE CITY OF SEATTLE
SEPTEMBER 20, 2021

The Commissioners of the Housing Authority of the City of Seattle (“Seattle Housing Authority” or “SHA”) met in Regular Session on September 20, 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
Gerald Smiley, Vice-Chair
Robert Crutchfield
Rita Howard
Debbie Thiele

Absent: Dr. Paula Houston
Twyla Minor

Public Comment

None

Consent Agenda

Commissioner Purcell presented the Consent Agenda, which included approval of minutes for the Regular Board Meeting of July 19, 2021; approval of minutes for the Regular Board Briefing of September 13, 2021; and, approval of the Expenditure Certification Report (Authorization to Pay Outstanding Obligations of Salaries and Claims for the Period of July 1 to July 31, 2021, as well as for the Period of August 1 to August 30, 2021.)

Commissioner Crutchfield moved to approve the Consent Agenda and the motion was then seconded by Commissioner Smiley. 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).

Regular Agenda

Resolution No. 5221 – Yesler Disposition (7.1 North, Northwest Kidney Center)

Commissioner Crutchfield moved for consideration of Resolution No. 5221; Commissioner Smiley seconded the motion. Development Director Terry Galiney presented Resolution No. 5221 to the Board and recommended adoption of the resolution.

Resolution No. 5221, required by HUD, approves the disposition/sale approval process and approves the transfer of land to the Northwest Kidney Center, who are planning a 35,000 sq. ft. dialysis facility. This facility will be in close proximity to Harborview and Kaiser Permanente, allowing them access to dialysis patients. This project is currently in the early design and permitting stage and is scheduled for closing in October 2021; land sale proceeds will go towards two new developments at Yesler.

Hearing no further discussion, Commissioner Purcell called for a vote. Resolution No. 5221 was approved unanimously among the members of the Board present at the time (5 yes; 0 no).

Resolution No. 5222 – Yesler Disposition (8.2 & 8.3, Vulcan)

Commissioner Smiley moved for consideration of Resolution No. 5222; Commissioner Crutchfield seconded the motion. Development Director Terry Galiney presented Resolution No. 5222 to the Board and recommended adoption of the resolution.

Resolution No. 5222 approves the transfer of these lots to Vulcan and is also required by HUD for the disposition/sale approval process for this project. Vulcan plans to build a 345-unit apartment project, of which 91 units will be affordable at 80% AMI. It will include two buildings separated by a pedestrian path. Vulcan is currently in the design and permitting stage; they have submitted a pre-negotiated closing extension to extend closing to December 2021. Proceeds from this sale will also be used for Yesler redevelopment.

Hearing no further discussion, Commissioner Purcell called for a vote. Resolution No. 5222 was approved unanimously among the members of the Board present at the time (5 yes; 0 no).

Resolution No. 5223 – Scattered Sites Disposition Ratifying Resolution

Commissioner Smiley moved for consideration of Resolution No. 5223; Commissioner Crutchfield seconded the motion. Finance & Asset Management Director Jared Cummer presented Resolution No. 5223 to the Board and recommended adoption of the resolution.

In the process of evaluating a similar type disposition for Jefferson Terrace, SHA was made aware that we could enter into a long-term ground lease for the transfer of properties between SHA and S.P.A.C.E. Foundation, rather than make an actual sale of the property and transfer of the fee, which is much more beneficial to the agency. Resolution No. 5223 authorizes the four separate ground leases between SHA and S.P.A.C.E. Foundation for the 148 properties effective September 1, 2021, with initial lease terms of 40 years tied to the term of the housing assistance payments contracts. This revision to the method of property transfer has no impact on the residents. HUD approved, it would ensure that we maintain our property tax exemption, but also provide us more flexibility down the road when these HAP contracts expire.

Hearing no further discussion, Commissioner Purcell called for a vote. Resolution No. 5223 was approved unanimously among the members of the Board present at the time (5 yes; 0 no).

Resolution No. 5224 – Emergency Housing Voucher (EHV) Policy

Commissioner Crutchfield moved for consideration of Resolution No. 5224; Commissioner Thiele seconded the motion. Rental Assistance Programs Director Alice Kimbowa presented Resolution No. 5224 to the Board and recommended adoption of the resolution.

Resolution No. 5224 seeks authorization to adopt the Emergency Housing Voucher (EHV) Policy, which will be integrated as part of the SHA Administrative Plan. This policy outlines funding, partnering agencies, waiting list management, and family eligibility. It also addresses providing housing search and financial assistance to support families to lease up with the EHV, as well as EHV use of funds, reporting and financial records.

SHA was awarded 498 vouchers that were effective on July 1, 2021, and as part of that award, were provided with guidelines on how to administer the vouchers and were required to adopt the EHV policies by the end of September 2021.

Hearing no further discussion, Commissioner Purcell called for a vote. Resolution No. 5224 was approved unanimously among the members of the Board present at the time (5 yes; 0 no).

SHA 2022 Proposed Budget – 1st Reading: Financial Overview

Executive Director Rod Brandon introduced CFO Shelly Yapp to provide the financial overview of the proposed 2022 budget; followed by Policy Director Andria Lazaga, who presented on two SHA opportunity investments: Homeownership and BIPOC Equity Investments. Then, Acting Housing Operations Director Denille Bezemer presented focus areas for the department in 2022 and highlighted some new initiatives in resident services. Finally, Finance & Asset Management Director Jared Cummer provided highlights of the 2022 Capital Preservation Program and addressed proposed opportunity investments: Acquisition Program 2.0.

SHA's 2022 proposed combined operating and capital budget totals \$385.0 million, a \$22 million reduction (5.5% lower than) the 2021 Adopted Budget, predominantly the result of the decrease in development activities due to the anticipated stage of construction activities in 2022.

Program operations and administrative expenses increase by \$3.2 million (by 2.8%) over 2021. Housing Assistance Payments increases by \$12.5 million, a 9.1% rise over 2021. Grant-funded expenses are slightly down from 2021 when federal COVID-19 CARES funding is excluded from the comparison. Capital and Non-Routine Expenses increased \$0.7 million (3.3%); and Opportunity Investments total \$19.5 million, up 129.9% from last year.

Proposed full-time equivalent (FTE) regular positions increased from 623.8 in 2021 to 656.6 in 2022, an increase of 32.8 FTEs. This staffing change consists of a net 16.4 FTEs added to Housing Operations including admissions department housing specialists and coordinators, maintenance mechanics, onsite property management staff, and a community service program manager. Housing Choice Vouchers added a net 8.0 FTEs to their Special Purpose Voucher, Emergency Housing Voucher, and Project based Voucher teams. Administrative departments added 7.5 FTEs, including an Accountant and a Budget Analyst in Finance and Administration, a Security Engineer, Microsoft 365 Administrator, and Access Control Alarm Monitoring (ACAM) Administrator in Information Technology, and an Executive Assistant and a Race and Social Justice Strategic Advisor in Human Resources.

These FTE additions will assist SHA to match increased workloads for departments and fulfill established goals.

For BIPOC Equity Investments, there has been a \$5 million intended to invest in enhancing BIPOC equity opportunities and is intentionally not programmed any further at this point in time. SHA does an incredible amount of work in this space, as we serve more than half of the extremely low-income black and indigenous residents of the city of Seattle and the very specific efforts that we have to improve equity for the people that SHA already house. We know that historic, as well as current systemic racist and discriminatory practices have real impacts on people's quality of life and that housing is at the center of addressing that in so many ways. Affordable housing can be the platform for families and individuals to improve their quality of life. So, we really want to take a moment and examine where else can we be particularly impactful. The SHA Policy Office will facilitate a process to be strategic and impactful and determine recommended investments, which will then be presented to the Board for consideration.

The Homeownership Pilot, with a \$1 million intent, will focus on supporting low-income families who have been displaced or are at risk of being displaced from Seattle, most specifically on communities who are most impacted by the systemic inequities that drive the gaps in home ownership. We want the design of this pilot to be informed by the communities that are most impacted. We look to identify and fill the best role SHA could play to help alleviate gaps to home ownership, and will be coming back to the Board with that design for consideration.

Ms. Bezemer presented three core focus areas that Housing Operations thought of while making budget requests and thinking about plans for 2022. One of those three areas were what are ways that SHA could continue to support the resiliency of our residents and staff in their COVID-19 recovery. It has been a really difficult 18- plus months for everyone (SHA staff and our residents), especially our residents and BIPOC communities, who have been hit the hardest by COVID-19. So, what are ways that we can continue to show up and support them in 2022? Another area is we wanted to make sure that we were thinking about and continuing to invest in ways where we were serving more people, as well as Housing Operations and the collective agency. We are aware that it's not only about how to house more people, but also how to increase access to services and supports that meet our residents' and communities' most pressing needs. The final area around our planning and budget requests for 2022 was how to continue to advance race and social justice.

We wanted to highlight is around our digital equity work, as over the past few years we have been in partnership with Communications and have really ramped up efforts around digital equity so more specifically looking at who has access to technology and the ability to use it, who doesn't, and then how can we close those gaps. We have been able to deliver on the commitment to getting Wi-Fi into SHA community spaces and resident buildings, and are now looking at ways to increase access to that technology and the skills needed to use it. So, for 2022, there have been a set aside of \$260k focusing on digital equity; increasing Internet access/speed and expanding technology training and classes.

Another area highlighted is expansion of the JobLink Program, a division aimed specifically around resident employment opportunities. The rebranded JobLink Academy, which is essentially a program that provides SHA residents who are working with JobLink coaches 6-month trainee positions within SHA. Those have historically been focused in property management, giving folks those opportunities and skills to work within their communities at SHA and also develop workplace skills that we're hoping they'll be able to use to be competitive, either in-house at SHA for future employment opportunities or outside SHA. We are requesting 22 additional 6-month trainee positions within SHA— property management, community services, admissions/compliance to expand the JobLink Academy reach.

The last area to highlight for you today are ways in increasing access to culturally appropriate programming and services for our residents. This is really one of the main systemic barriers that that our residents and BIPOC communities talk about, especially for black individuals and families. Knowing that, we are wanting to invest in ways that increase access to those types of a culturally appropriate services and programming via access to culturally appropriate case management and behavioral health services for BIPOC youth and adults – in partnership with City of Seattle Human Services Department. One of the ways that we want to do that is to expand the case management services that we have in our public housing and senior housing portfolios with aging and disabilities services team. They have case managers that work throughout those portfolios with us to provide general case management, but also help our residents access different services and supports in behavioral health and other areas that help people stabilizing continue to live independently within our housing, so we're hoping to expand to additional case managers to really meet the unmet need that. We're seeing that's again being exacerbated by COVID-

19 and especially wanting to lean into our BIPOC residents and make sure that we're doing significant outreach and trying to meet folks where they're at.

And then the second way that we're wanting to partner with the City of Seattle is a focus on our youth within our communities, in programming across portfolios to support youth leadership and engagement in communities and schools, as youth in particular that has had a lot of starts and stops with schools and other challenges during the pandemic. Also, especially for BIPOC and black youth, the behavioral health and other services systems aren't necessarily set up to meet their needs. So it's another way that we're hoping to partner with the City of Seattle, as well as with a community based organization that already has some trust and relationships built up within our communities expand their infrastructure and their ability to reach out and work with our BIPOC and black youth within our communities.

Mr. Cummer presented the Capital Budget overview, by funding source and by portfolio, the largest source of funds being the MTW Capital Grants; the portion of SHA's block grant available to capital programs this year is \$10.4 million. Other funding sources include other MTW contributed funds, Non-federal funds, bond proceeds, and replacement reserves. The 2022 Capital preservation budget dedicates \$17.7 million to capital project costs, and the remainder supports project management and capital administration costs. The top five funded capital work projects, representing over 60% of the proposed 2022 Capital preservation budget and totaling \$10/56 million are elevator replacement/repairs, building exterior rehab/repair, interior upgrades, window and door replacements, as well as security improvements. A funding breakdown by portfolio is listed below:

Portfolio	2020 Pooled Refunding	MTW Capital Grant	Reserves	S.P.A.C.E. Reserves	Non-federal Funds	Total
Agency (Includes facilities, parks, commercial properties and contingencies)		\$1,564,600.00			\$315,800.00	\$1,880,400.00
homeWorks (21 highrise buildings with 1981 units)		\$3,131,000.00	\$825,643.40		\$72,000.00	\$4,028,643.40
HOPE VI (3 communities with 1691 units)	\$330,000.00		\$2,087,000.00			\$2,417,000.00
LIPH (9 properties with 1123 units)		\$1,582,400.00				\$1,582,400.00
Scattered Sites (2201 units located across the City)	\$1,946,000.00	\$1,292,000.00		\$1,034,596.00		\$4,272,596.00
SSHHP (23 buildings with 961 units)		\$2,830,000.00				\$2,830,000.00
Yesler (7 buildings with 560 units)	\$37,500.00		\$360,000.00			\$397,500.00
Total	\$2,313,500.00	\$10,400,000.00	\$3,272,643.40	\$1,034,596.00	\$387,800.00	\$17,408,539.40

The Acquisition Program 2.0 came by way of review of the prior Acquisition Program, where back in 2018 the decision was made to embark on a new round of acquisitions, we set an initial program goal of acquiring 500 units (with 563 acquired) with 50% of units at 30% AMI and 50% of units above 30% AMI (260 units at 30% AMI and 303 units at/above 30% AMI). We based those initial acquisitions on a set of criteria that we developed with the Board and those questions were the ones listed here:

1. Will the acquisition allow SHA to serve more low-income households?
2. Does the acquisition maintain the financial strength of the agency?
3. Will the acquisition preserve affordable units?
4. Does the acquisition increase SHA's inventory of units in opportunity neighborhoods?
5. Does the acquisition add large family units to SHA's inventory?
6. Does the acquisition add units to SHA's inventory at a lower cost than new development?

With the Acquisition Program 2.0, evaluation of current market conditions are currently underway, as the pandemic has resulted in new opportunities. Larger family units still remain more difficult to find, but financing rates remain attractive with the bond market for PHAs strong. This program will be presented to the Board of Commissioners for review and approval at the end of 2021 and will include criteria and unit targets with program implementation to take place in 2022

SHA 2021-2022 Expenditure Authorization

CFO Yapp presented the annual list of expenditure authorization limits for SHA staff to the Board; this is an annual reporting to the Board of staff spending limits via purchase orders, credit cards and expenditure approvals.

Executive Director Report

Executive Director Brandon reminded the Board about his presentation to them last week regarding SHA's vaccination policy that was implemented earlier in August, making vaccination a condition of employment at Seattle Housing Authority, with the traditional exemptions being medical and religious. Up to date, we have 72% of SHA's workforce who have reported that they are vaccinated, and we have proof of that vaccination so that continues to increase. Also, there are approximately 17 staff who have filed for an

exemption status, as to which we are in consideration and will report out on those at the end when we get through doing our due diligence. Four exemptions have been submitted. We've also built into the policy, for those employees who choose not to get vaccinated, and who choose to leave employment with SHA, we are granting a 30-day administrative leave. During this time, they will no longer be working on site or remotely for SHA, but they'll be on administrative leave to assist in their transition from employment at SHA.

We have been busy negotiating the impacts of the policy with our labor unions are we are just winding down on that, which are going very well. We should know more soon if we have trade agreements with our major unions on the impacts of the vaccination policy. We've been talking with our partners at Tacoma Housing Authority, King County Housing Authority, and Everett Housing Authority to share our policy on what we're doing, and we're working with them, the City and the County on continuing to implement their vaccination policy. We're a little bit ahead of everyone in this area, so kudos to our staff for their focus, work and involvement we develop this policy.

Mr. Purcell asked for any further questions, or comments from the Board. Hearing none, it was moved by Commissioner Crutchfield and seconded by Commissioner Thiele that the September 20, 2021 Regular Session of the Board be adjourned. All commissioners present at the time (4) voted unanimously to adjourn.

Secretary-Treasurer