



INFORMATIONAL MEMORANDUM

TO: Planning & Community Development Committee

**FROM: Laurel Humphrey, Legislative Analyst
Angela San Filippo, Executive Manager, SKHHP**

DATE: October 10, 2022

SUBJECT: Resolution adopting the 2023 South King Housing & Homelessness Partners Work Plan and Operating Budget

ISSUE

In accordance with the Interlocal Agreement, the annual SKHHP work plan and budget must be approved by the legislative body of each member jurisdiction in addition to the SKHHP Executive Board.

BACKGROUND

The South King Housing and Homelessness Partners (SKHHP) was established in 2019 through an interlocal agreement to work together and share resources to increase the available options for South King County residents to access affordable housing and preserve the existing affordable housing stock. The SKHHP 2023 work plan and budget operationalizes SKHHP's mission and objectives and provides an itemization of all categories of budgeted expenses and itemization of each Party's contribution, including in-kind services.

Each SKHHP jurisdiction had an opportunity to review and provide feedback on the 2023 work plan and budget prior to Executive Board adoption, and the drafts were reviewed with the Tukwila City Council at the July 18, 2022 meeting. Feedback from member jurisdictions was incorporated into the final documents adopted by the SKHHP Executive Board on August 19, 2022 (see attachment to proposed resolution).

WORK PLAN

The 2023 work plan, developed in consultation with each member jurisdiction, the staff work group, and Advisory Board, builds upon work done in previous years to establish a housing capital fund through pooled public resources, increase philanthropic and corporate investment through the creation of a SKHHP fundraising branch, and establish a community advisory board to help ground decision-making in community needs and interests.

The 2023 work plan focuses on building the long-term sustainability of the SKHHP Housing Capital Fund, working with partner jurisdictions to develop new policies and programs to accelerate access to affordable housing, representing South King County at all relevant decision-making tables, and providing outreach, education, and advocacy that helps to advance South King County housing needs and opportunities.

OPERATING BUDGET

Attributable to the Interlocal Agreement including an adopted budget before staff was hired and before the City of Auburn became the administering agency, the adopted budget for 2019 and 2020 was a projection of operating costs that did not cover the full SKHHP operating costs. In light of the COVID-19 pandemic and resulting revenue shortfalls and budget uncertainties original jurisdictions contributions were maintained in 2021, this was made possible by personnel cost savings from 2019 and 2020. This decision intentionally spent down some of the cost savings from the previous two years to cover operating costs and deferred consideration of increasing member contributions. In order to work towards a balanced budget over the course of the next three years, the 2022 SKHHP operating budget included the first incremental increase in member contributions since SKHHP's inception. Through a combination of incremental member jurisdiction contributions and spending down carryover funds, the 2023 SKHHP operating budget continues to reach towards a balanced operating budget by 2025. The SKHHP budget contributions are based on population size, and as shown in the attachment to the resolution, Tukwila's 2023 SKHHP contribution is \$9,919.

If there are any additional contributions to SKHHP's operating budget from sources such as additional partners, or contributions or donations from outside sources, each SKHHP partner contribution could be reduced through an amended budget.

RECOMMENDATION

Staff recommends approval of the resolution adopting the 2023 SKHHP work plan and budget. This recommendation is based on the following:

1. The 2023 SKHHP work plan and budget is consistent with the Interlocal Agreement between Auburn, Burien, Covington, Des Moines, Federal Way, Maple Valley, Normandy Park, Renton, Tukwila, and King County.
2. The 2023 SKHHP work plan and budget operationalizes the agreed upon priorities by the SKHHP Executive Board to implement the Interlocal Agreement by acting cooperatively to formulate housing policies and strategies that address housing stability, foster efforts to preserve and provide affordable housing by combining public funding and private-sector resources, and support implementation of other local policies and programs relating to affordable housing.

ATTACHMENTS

1. Resolution

DRAFT

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF TUKWILA, WASHINGTON, ADOPTING THE SOUTH KING HOUSING AND HOMELESSNESS PARTNERS' 2023 WORK PLAN AND 2023 OPERATING BUDGET.

WHEREAS, on February 21, 2019, the City of Tukwila entered into an Interlocal Agreement (ILA) with 8 other south King County cities and King County to form the South King Housing and Homelessness Partners (SKHHP); and

WHEREAS, pursuant to the Interlocal Agreement, each participating jurisdiction must approve an annual work plan each year to guide the work of SKHHP staff; and

WHEREAS, pursuant to the Interlocal Agreement, each participating jurisdiction must approve SKHHP's annual budget that includes an itemization of all categories of budgeted expenses and itemization of each Party's contribution, including in-kind services; and

WHEREAS, the purpose of the annual work plan and budget is to provide management and budget guidance, and to implement the overarching SKHHP goals to work together and share resources to increase the available options for south King County residents to access affordable housing and to preserve the existing affordable housing stock; and

WHEREAS, the 2023 work plan includes five goals with corresponding action items that further SKHHP's mission and address SKHHP's overarching objectives to promote sound housing policy and planning, increase affordable housing investment, and provide outreach, education, and advocacy for South King County's housing needs; and

WHEREAS, on August 19, 2022, the SKHHP Executive Board adopted Resolution No. 2022-04 adopting the 2023 SKHHP Work Plan and 2023 SKHPP Operating Budget effective upon approval by the legislative body of each participating jurisdiction;

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF TUKWILA, WASHINGTON, HEREBY RESOLVES AS FOLLOWS:

Section 1. The City Council approves adoption of the South King Housing and Homelessness Partners (SKHHP) 2023 Work Plan and 2023 Operating Budget dated August 19, 2022, and hereby incorporated by reference as “Exhibit A.”

Section 2. The City of Tukwila will transmit its contribution to SKHHP’s operating budget on an annual basis during the first quarter of the calendar year.

Section 3. The Mayor is authorized to implement such administrative procedures as may be necessary to carry out directions of the legislation.

PASSED BY THE CITY COUNCIL OF THE CITY OF TUKWILA, WASHINGTON, at a Regular Meeting thereof this _____ day of _____, 2022.

ATTEST/AUTHENTICATED:

Christy O’Flaherty, MMC, City Clerk

Thomas McLeod, Council President

APPROVED AS TO FORM BY:

Filed with the City Clerk: _____
Passed by the City Council: _____
Resolution Number: _____

Office of the City Attorney

Exhibit A: South King Housing and Homelessness Partners Resolution No. 2022-04, dated August 19, 2022, with Attachment A (SKHHP 2023 Work Plan) and Attachment B (SKHHP Operating Budget)

RESOLUTION NO. 2022-04

A RESOLUTION OF THE EXECUTIVE BOARD OF THE SOUTH KING COUNTY HOUSING AND HOMELESSNESS PARTNERS (SKHHP), ADOPTING THE 2023 SKHHP WORK PLAN AND OPERATING BUDGET

WHEREAS, pursuant to the Interlocal Agreement, the SKHHP Executive Board approves an annual work plan and budget each year to guide the work of SKHHP staff; and

WHEREAS, pursuant to the Interlocal Agreement the annual budget includes an itemization of all categories of budgeted expenses and itemization of each Party's contribution, including in-kind services; and

WHEREAS, upon adoption, the annual work plan and budget will be transmitted to each participating jurisdiction for approval by their legislative body; and

WHEREAS, the budget will not become effective until approved by the legislative body of each jurisdiction and adopted by the SKHHP Executive Board; and

WHEREAS, if a party does not approve the work plan or budget in a timely manner, the Executive Board may adopt the annual budget and work plan with a two-thirds majority vote; and

WHEREAS, the purpose of the annual work plan and budget is to provide management and budget guidance; and implement the overarching SKHHP goals to work together and share resources to increase the available options for South King County residents to access affordable housing and to preserve the existing affordable housing stock; and

WHEREAS, the 2023 work plan includes five goals with corresponding action items that further SKHHP's mission and address SKHHP's overarching objectives to promote sound housing policy and planning; increase affordable housing investment; and provide outreach, education and advocacy for South King County's housing needs.

NOW, THEREFORE, THE EXECUTIVE BOARD RESOLVES as follows:

Section 1. The Executive Board adopts the 2023 SKHHP Work Plan in Attachment A.

Section 2. The Executive Board adopts the 2023 SKHHP Operating Budget in Attachment B.

Section 3. Each party's contribution to SKHHP's operating budget will be transmitted on an annual basis during the first quarter of the calendar year.

Section 4. This Resolution will take effect and be in full force upon approval by the legislative body of each participating jurisdiction.

Dated and Signed this 23rd day of August, 2023.

SOUTH KING COUNTY HOUSING AND HOMELESSNESS PARTNERS

Nancy Backus
NANCY BACKUS, CHAIR

RESOLUTION 2022-04 – ATTACHMENT A

SKHHP 2023 WORK PLAN

PURPOSE

Establish a 2023 SKHHP work plan and budget that is shaped by member jurisdictions, is consistent with the SKHHP Interlocal Agreement, and furthers SKHHP's mission.

BACKGROUND

Established by interlocal agreement, SKHHP jurisdictions work together and share resources to increase the available options for South King County residents to access affordable housing and preserve the existing affordable housing stock.

The 2023 SKHHP work plan, developed in consultation with the staff work group and Advisory Board, builds on work done in previous years to establish a housing capital fund through pooled public resources, increase philanthropic and corporate investment through the creation of a SKHHP fundraising branch, and establish a community advisory board to help ground decision-making in community needs and interests.

The work plan is organized into five goals and corresponding action items. Each action is identified by priority as follows:

- Critical – necessary to carry out the Interlocal Agreement or fully implement previous work
- Important – priority but not necessary
- Desirable – not as high priority, would be nice to get to

Prioritization of action items acknowledges that full execution of the work plan requires SKHHP to be at full staff capacity and allows for flexibility and adaptability based on emerging issues and opportunities.

Quarterly budget and progress reports on the status of the work plan elements will be submitted to the SKHHP Executive Board and the legislative body of each member jurisdiction as follows:

Quarter 1: May | **Quarter 2:** August | **Quarter 3:** November | **Quarter 4:** February



In accordance with the Interlocal Agreement, the 2023 SKHHP Work Plan will be approved by the legislative body of each member jurisdiction and the SKHHP Executive Board.

SKHHP MISSION

South King County jurisdictions working together and sharing resources to create a coordinated, comprehensive, and equitable approach to increasing housing stability, reducing homelessness, and producing and preserving quality affordable housing in South King County.

OBJECTIVES

- **Housing Policy and Planning.** Share technical information and resources to promote sound housing policy
- **Affordable Housing Investment.** Coordinate public resources to attract greater private and public investment for affordable housing in South King County
- **Outreach, Education, and Advocacy.** Provide a unified voice to advocate for South King County needs at a local, regional, and state levels


GOAL 1. Define strategy, direction, and long-term goals to implement SKHHP

 Interlocal Agreement

Critical

- Develop a long-term funding strategy for the SKHHP Housing Capital Fun and facilitate conversations with member jurisdictions to identify and explore dedicated sources of revenue for affordable housing at the local and regional level.
- Develop annual work plan and budget.
- Generate and distribute quarterly progress reports to SKHHP Executive Board and member jurisdictions.

Important

- Develop a plan to build capacity of SKHHP.



GOAL 2. Build long-term sustainability for SKHHP Housing Capital Fund.

Critical

- Facilitate final 2022 funding allocations through member Councils.
- Prepare contract documents and distribute funds for awarded projects.
- Monitor funded projects including evaluating performance and tracking loan payments.
- Work with administering agency to maintain records and produce regular financial reports for the SKHHP Housing Capital Fund.

Important

- Work collaboratively with public funders at the state and local levels to promote shared affordable housing goals and equitable geographic distribution of resources.
- Work with private investors and lenders to maximize leverage of public investment into affordable housing.
- Work with member cities and project sponsor to start developing a pipeline of projects to be funded over the next five years.
- Actively vet potential projects and lead funding policy and prioritization discussions with SKHHP Executive Board.



GOAL 3. Work with partner jurisdictions to enhance and develop new local policies and programs that protect existing affordable housing stock, provide housing security, and accelerate access to affordable housing.

Critical

- Develop subregional housing preservation strategies.
- Continue to improve and refine and conduct regular updates to housing policy matrix and affordable housing database (being developed in 2022).
- Convene city and county land use planners to share best practices and increase coordination and collaboration on housing policy and planning.
- Support efforts to advance 5-year action plan identified by the Regional Affordable Housing Task Force.

Important

- Develop a program to assist member cities with administering local housing incentive programs, including density bonus, multifamily tax exemption (MFTE), impact fee waivers, and other programs.



GOAL 4. Represent South King County and its unique affordable housing needs at all relevant decision tables and foster collaboration between partners.

Critical

- Represent SKHHP at relevant local and regional meetings and forums that help advance SKHHP’s mission and provide a voice for increasing access to safe, healthy, and affordable housing in South King County.

Important

- Build relationships with state and federal legislators through organizing work sessions, and providing progress updates.



GOAL 5. Further strengthen regional stakeholders' understanding of the spectrum of affordable housing options, the range of related needs and opportunities, and the housing system.

Critical	Important	Desirable
<ul style="list-style-type: none">• Coordinate with housing organizations and stakeholder groups to provide education and engagement opportunities for elected officials, stakeholders, and community members.• Monthly SKHHP Executive Board educational topics on emerging housing and homelessness topics.	<ul style="list-style-type: none">• Annual updates to non-SKHHP South King County cities and relevant stakeholder groups.	<ul style="list-style-type: none">• Work with HDC, affordable housing developers, and city and county planners to reimagine the South King County Joint Planners and Developers work group.

RESOLUTION 2022-04 – ATTACHMENT B

2023 SKHHP Operating Budget

Projected beginning fund balance - January 1, 2023	\$194,188
Projected ending fund balance - December 31, 2023	\$116,771.76

REVENUES

Auburn	\$34,385
Burien	\$19,838
Covington	\$9,919
Des Moines	\$9,919
Federal Way	\$44,965
Kent	\$44,965
Maple Valley	\$9,919
Normandy Park	\$5,290
Renton	\$44,965
Tukwila	\$9,919
Unincorporated King County**	\$44,965
King County**	\$30,035
Interest earnings	
Office space (in-kind donation)	\$12,000
TOTAL REVENUES	\$321,084.00

<i>Spend down balance</i>	\$77,416.24
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TOTAL	\$398,500.24
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EXPENSES

Salaries and benefits	\$290,803.85
Misc - travel, phone, postage	\$12,000.00
Advisory Board compensation	\$14,400.00
Office space (in-kind donation)	\$12,000.00
Supplies	\$1,000.00
Professional development	\$5,000.00
Interfund IT	\$28,160.00
Subtotal	\$363,363.85
Administering agency – 10% Administrative Fee*	\$35,136.39
TOTAL	\$398,500.24

*10% administrative fee is calculated as a percentage of operating costs which does not include in-kind donations, or carry forwards.

**King County contribution based on the population of unincorporated King County is shown as increasing at the same rate as other partner jurisdictions and the additional allocation decreasing to maintain a total contribution of \$75,000 per year.