



INFORMATIONAL MEMORANDUM

TO: Planning & Community Development Committee
**FROM: Claire Goodwin , Executive Manager, SKHHP
Laurel Humphrey, Legislative Analyst**
DATE: May 7, 2024
SUBJECT: Resolution adopting the 2025 SKHHP Work Plan and Budget

BACKGROUND

The South King Housing and Homelessness Partners (SKHHP) was established through an interlocal agreement between nine South King County cities and King County to work together and share resources to increase options for South King County residents to access affordable housing and preserve existing affordable housing. SKHHP currently has 12 member jurisdictions. Consistent with the SKHHP Interlocal Agreement, the SKHHP 2025 work plan and budget must be adopted by the SKHHP Executive Board and approved by each member jurisdiction’s legislative body.

DISCUSSION

Every year, an annual work plan and budget is developed in collaboration with the SKHHP Executive Board, Advisory Board, and staff work group to guide the work of SKHHP staff in the coming year. Pursuant to the SKHHP Interlocal Agreement, each participating jurisdiction must approve SKHHP’s annual budget and work plan. The 2025 Executive Board recommended work plan was developed through surveys to the Executive and Advisory Boards on their priorities in February and an interactive in-person discussion with the Executive Board in March. The draft 2025 work plan and budget was adopted on April 19, 2024 at the Executive Board’s regularly scheduled meeting.

The 2025 work plan includes four goals with corresponding action items. Each action item is prioritized as higher, medium, or lower priority. Indicators are included to measure progress on the goals. The four goals, which are the same as 2024’s goal, include the following:

1. Fund the expansion and preservation of affordable housing
2. Develop policies that expand and preserve affordable housing
3. Serve as an advocate for South King County
4. Manage operations and administration

The 2025 SKHHP operating budget totals \$468,237, supporting two full-time staff, and includes itemization of all categories of budgeted expenses and itemization of each jurisdiction’s contribution, including in-kind services. Operating revenues originate from SKHHP member contributions. As discussed last year with Council, contributions are proposed to increase 15% annually for each member jurisdiction through 2026 as approved by the Executive Board in July 2021 to work towards a balanced budget whereby SKHHP’s revenues can fully support the budgeted expenditures. These projected member contributions assume no additional staff would be added. Member contributions are based

on population size accordingly, and no members are moving into a new population tier in 2025:

Population tier	2023 Contribution	2024 Contribution	2025 Contribution	2026 Contribution
<10,000	\$5,290	\$6,084	\$6,996	\$8,045
10,001 – 35,000	\$9,919	\$11,407	\$13,118	\$15,085
35,001 – 65,000	\$19,838	\$22,814	\$26,236	\$30,172
65,000 – 100,000	\$34,385	\$39,543	\$45,474	\$52,295
100,000+	\$44,965	\$51,710	\$59,466	\$68,386

Salaries and benefits are proposed to increase by 5% in 2025. Interfund IT, which is the amount paid to SKHHP’s administering agency (City of Auburn) for IT services, is proposed to increase by 11%. Advisory Board compensation, SKHHP staff travel, and supplies remain unchanged in 2025. Professional services/Misc. is proposed to increase to accommodate necessary legal assistance for the development and review of SKHHP’s housing contracts and funding documents. This line item also incorporates budgeted expenses for professional development from 2024 to align with the administering agency’s expenditure categories. SKHHP continues to spend down the fund balance from cost-savings in 2019 and 2020 to mitigate any additional increases to member contributions.

The 2025 Executive Board recommended operating budget also includes the spend-down of interest earnings accrued primarily from Housing Capital Fund contributions. Interest earned between 2019 and 2023 by jurisdiction/entity to be applied to the operating fund balance are as follows:

Interest Earned by Jurisdiction 2019-2023	
Auburn	\$8,653
Burien	\$6,588
Covington	\$8,036
Des Moines	\$2,534
Federal Way	\$11,276
Kent	\$97,962
Maple Valley	--
Normandy Park	\$281
Renton	\$16,726
SeaTac	--
Tukwila	\$975
King County	\$488
KCHA	\$9
TOTAL	\$153,529

To spend the interest earnings requires the approval of each SKHHP member with allocated accrued interest based on their contributions. With the adoption of the 2025 SKHHP operating budget which incorporates the interest earnings into the SKHHP operating fund balance, the City Council is providing authorization for SKHHP to use those funds towards the operating budget. These funds will assist in future years should there be an economic recession and members choose to pause an increase in dues.

RECOMMENDATION

Staff recommends Committee approval of the resolution to forward to the May 20, 2024 Regular Consent Agenda.

1. The 2025 SKHHP work plan and budget is consistent with the Interlocal Agreement and relevant subsequent Companion Agreements between Auburn, Burien, Covington, Des Moines, Federal Way, Kent, Maple Valley, Normandy Park, Renton, SeaTac, Tukwila, and King County.
2. The 2025 SKHHP work plan and budget incorporates the feedback and priorities of the SKHHP Executive Board made up of representatives of each participating jurisdiction and the Advisory Board made up of South King County community members, representatives of housing organizations, and affordable housing subject matter experts.

ATTACHMENTS

- 1.Presentation
- 2.Draft Resolution



South King Housing and Homelessness Partners (SKHHP) 2025 Work Plan and Budget

May 13, 2024





About SKHHP

- 2019: SKHHP was formed via an Interlocal Agreement
- Twelve member jurisdictions include:
 - Auburn
 - Burien
 - Covington
 - Des Moines
 - Federal Way
 - Kent
 - Maple Valley
 - Normandy Park
 - Renton
 - SeaTac
 - Tukwila
 - King County
- 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.
- Interlocal agreement requires City Council adoption of annual work plan and budget



2025 Work Plan Development Process





2025 Work Plan Goals



1. Fund the expansion and preservation of affordable housing.



2. Develop policies to expand and preserve affordable housing.



3. Serve as an advocate for South King County.



4. Manage operations and administration.



2025 Operating Budget

- Total operating budget: \$468,237
 - 68% funds salary and benefits (2 FTEs)
- Revenue:
 - Operating revenues come from member jurisdiction annual contributions and based on population tiers
 - Executive Board adopted policy in July 2021
 - 15% increase in member contributions each year through 2026
- Expenses:
 - Professional services/Misc. increasing to accommodate the legal assistance needed for the development of housing contracts and third-party review of applications
 - Incorporates professional development from 2024 budget
- Continuing to spend down cost savings from first two years to balance additional contribution increases
- Interest earnings incorporated into operating fund balance



Operating Contributions by Population

Member Jurisdiction Population Tier	2023 Contribution	2024 Contribution	2025 Contribution	2026 Contribution
<10,000	\$5,290	\$6,084	\$6,996	\$8,045
10,001 – 35,000	\$9,919	\$11,407	\$13,118	\$15,085
35,001 – 65,000	\$19,838	\$22,814	\$26,236	\$30,172
65,000 – 100,000	\$34,385	\$39,543	\$45,474	\$52,295
100,000+	\$44,965	\$51,710	\$59,466	\$68,386



Population by City and Year

SKHHP Member Jurisdictions	Population (OFM 2021 estimate)	Population (OFM 2022 estimate)	Population (OFM 2023 estimate)	Population (OFM 2024 estimate)
Auburn	Total: 83,950 KC: 73,901	Total: 88,750 KC: 78,690	Total: 88,820 KC: 78,760	
Burien	53,290	52,490	52,560	
Covington	20,890	21,200	21,600	
Des Moines	32,820	33,160	33,260	
Federal Way	99,590	101,800	102,000	
Kent	132,400	137,900	139,100	Data not published until June 28, 2024
Maple Valley	--	28,920	29,250	
Normandy Park	6,740	6,790	6,840	
Renton	106,500	107,500	107,900	
Tukwila	21,970	22,620	22,780	
King County (unincorporated)	--	248,160	249,060	





Projected Budget 2024-2026

	2024	2025	2026
Estimated beginning fund balance	\$ 394,534	\$ 344,131	\$ 285,588
REVENUES			
Auburn	\$ 39,543	\$ 45,474	\$ 52,295
Burien	\$ 22,814	\$ 26,236	\$ 30,171
Covington	\$ 11,407	\$ 13,118	\$ 15,086
Des Moines	\$ 11,407	\$ 13,118	\$ 15,086
Federal Way	\$ 51,710	\$ 59,466	\$ 68,386
Kent	\$ 51,710	\$ 59,466	\$ 68,386
Maple Valley	\$ 11,407	\$ 13,118	\$ 15,086
Normandy Park	\$ 6,084	\$ 6,996	\$ 8,045
Renton	\$ 51,710	\$ 59,466	\$ 68,386
SeaTac	\$ 10,456	\$ 13,118	\$ 15,086
Tukwila	\$ 11,407	\$ 13,118	\$ 15,086
King County	\$ 51,710	\$ 59,466	\$ 68,386
Additional King County	\$ 23,290	\$ 15,534	\$ 6,614
Interest earnings	\$ 2,100		
Office space (in-kind donation)	\$ 12,000	\$ 12,000	\$ 12,000
TOTAL REVENUES	\$ 368,755	\$ 409,694	\$ 458,098
Spend down balance	\$ 50,403	\$ 58,543	\$ 40,285
TOTAL EXPENSES	\$ 419,158	\$ 468,237	\$ 498,383

DRAFT

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF TUKWILA, WASHINGTON, ADOPTING THE SOUTH KING HOUSING AND HOMELESSNESS PARTNERS' 2025 WORK PLAN AND 2025 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 2025 work plan includes four goals with corresponding action items that further SKHHP's mission; and

WHEREAS, on April 19, 2024, the SKHHP Executive Board adopted Resolution No. 2024-02 enacting the 2025 SKHHP Work Plan and Operating Budget effective upon approval by the legislative body of each party;

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

Section 1. The City Council adopts the 2025 South King Housing and Homelessness Partners Work Plan and 2025 Operating Budget, hereby incorporated by reference as “Attachment A.”

Section 2. The City of Tukwila will transmit its annual contribution to SKHHP during the first quarter of each calendar year.

PASSED BY THE CITY COUNCIL OF THE CITY OF TUKWILA, WASHINGTON, at a Regular Meeting thereof this _____ day of _____, 2024.

ATTEST/AUTHENTICATED:

Andy Youn, CMC, City Clerk

Mohamed Abdi, Council President

APPROVED AS TO FORM BY:

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

Office of the City Attorney

Attachment A: South King Housing and Homelessness Partners Resolution No. 2024-02, Adopting the 2025 SKHHP Work Plan and Operating Budget

RESOLUTION NO. 2024-02

A RESOLUTION OF THE EXECUTIVE BOARD OF THE SOUTH KING HOUSING AND HOMELESSNESS PARTNERS (SKHHP), ADOPTING THE 2025 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 by the Executive Board, 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 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 mission 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 2025 work plan includes four goals with corresponding action items that further SKHHP’s mission.

NOW, THEREFORE, THE EXECUTIVE BOARD RESOLVES as follows:

Section 1. The Executive Board adopts the 2025 SKHHP Work Plan in Attachment A.

Section 2. The Executive Board adopts the 2025 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 _____ day of _____, 2024.

NANCY BACKUS, CHAIR, SOUTH KING HOUSING AND HOMELESSNESS PARTNERS

RESOLUTION 2024-02 – ATTACHMENT A
SKHHP 2025 WORK PLAN

PURPOSE

Establish a 2025 SKHHP work plan and budget that is guided by Executive Board priorities, is consistent with the SKHHP Interlocal Agreement, and furthers SKHHP’s mission.

BACKGROUND

Established by an interlocal agreement, SKHHP jurisdictions work together and share resources to increase options for South King County residents to access affordable housing and preserve existing affordable housing. The 2025 SKHHP work plan builds on work done in previous years and was developed in collaboration with the Executive Board, Advisory Board, and staff work group.

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

- Higher – Identified as higher priority by Executive Board or is necessary to carry out the Interlocal Agreements
- Medium – Identified as mid-level priority
- Lower – Identified as lower priority

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 2025 SKHHP work plan and budget will be approved by the SKHHP Executive Board and the legislative body of each member jurisdiction.

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.

GOALS & ACTIONS

Goal	Actions
1. Fund the expansion and preservation of affordable housing.	1 through 5
2. Develop policies to expand and preserve affordable housing.	6 through 10
3. Serve as an advocate for South King County.	11 through 15
4. Manage operations and administration.	16 through 20



Goal 1

Fund the expansion and preservation of affordable housing.

Actions	Priority of Actions ••• = Higher •• = Medium • = Lower
1. Pool resources from member cities for the Housing Capital Fund, including SHB 1406 funds, HB 1590 funds, and general funds.	•••
2. Develop and execute contract documents and covenants for projects ready to move forward (Burien Family Housing – 2022; Kent Multicultural Village – 2023; Skyway Affordable Housing and Early Learning Center – 2023).	•••
3. Facilitate approval from participating Councils of recommended projects from 2024 Housing Capital Fund funding round and preparing contract documents and covenants if any projects are ready to move forward.	•••
4. Manage 2025 Housing Capital Fund funding round including adopting annual guidelines, updating application materials, soliciting proposals, and facilitating project selection.	•••
5. Encourage investment in South King County by private investors, lenders, and philanthropies.	••
Indicators	
○ Number of housing units or number of projects funded with financial support from SKHHP	
○ Number of housing units preserved with financial support from SKHHP	
○ Total dollar amount pooled by member jurisdictions for Housing Capital Fund	
○ Total dollar amount from new sources of revenue added to the Housing Capital Fund	
○ Geographic diversity of applications received for annual Housing Capital Fund funding round	



Goal 2

Develop policies to expand and preserve affordable housing.

Actions	Priority of Actions ••• = Higher •• = Medium • = Lower
6. Facilitate implementation of any subregional housing preservation strategies.	•••
7. Facilitate technical assistance and updates to the Affordable Housing Inventory Dashboard.	•••
8. Build relationships with developers to learn from their perspective the ways to encourage housing development, especially affordable housing.	••
9. Convene land use planners to increase coordination and collaboration on housing policy and planning.	•
10. Develop SKHHP Executive Board briefings on key housing and homelessness topics, especially as they relate to the goals of the work plan.	•
Indicators	
○ Number of subregional housing preservation strategies facilitated or supported	
○ Successful update of data to the Affordable Housing Inventory Dashboard	
○ Number of relationships built with developers	
○ Number of Executive Board briefings on key housing and homelessness topics	



Goal 3

Serve as an advocate for South King County.

Actions	Priority of Actions ••• = Higher •• = Medium • = Lower
11. Coordinate with the Advisory Board in collaboration with housing organizations and stakeholder groups to provide education and engagement opportunities for elected officials and community members.	••
12. Work collaboratively with public funders at the state and local levels to promote shared affordable housing goals and equitable geographic distribution of resources.	••
13. 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.	•
14. Meet with legislators as opportunities arise to inform about SKHHP’s mission, goals, and the Housing Capital Fund.	•
15. Connect affordable housing developers with property owners who intend to sell naturally occurring affordable housing in coordination with member cities.	•
Indicators	
○ Number of events or engagement opportunities Advisory Board members organize or support	
○ Number of meetings, forums, or events attended that advance SKHHP's mission	
○ Number of meetings with legislators that promote SKHHP and South King County	
○ Number of affordable housing developers connected with property owners intending to sell naturally occurring affordable housing	



Goal 4

Manage operations and administration.

Actions	Priority of Actions ••• = Higher •• = Medium • = Lower
16. Develop annual work plan and budget.	•••
17. Generate and distribute quarterly progress reports to SKHHP Executive Board and member jurisdictions.	•••
18. Work with administering agency to maintain records and produce regular financial reports for the SKHHP Housing Capital Fund and SKHHP Operating Account.	•••
19. Organize and host monthly Executive and Advisory Board public meetings.	•••
20. Maintain and update the SKHHP website.	••
Indicators	
○ Work plan and budget adopted	
○ Quarterly progress reports prepared and presented to Executive Board	
○ Financial reports and public records maintained	
○ Monthly Executive and Advisory Board meetings held	
○ Website maintained	

RESOLUTION 2024-02 – ATTACHMENT B

2025 SKHHP Operating Budget

Estimated beginning fund balance - January 1, 2025	\$ 344,131
Estimated ending fund balance - December 31, 2025	\$ 285,588

REVENUES

Auburn	\$ 45,474
Burien	\$ 26,236
Covington	\$ 13,118
Des Moines	\$ 13,118
Federal Way	\$ 59,466
Kent	\$ 59,466
Maple Valley	\$ 13,118
Normandy Park	\$ 6,996
Renton	\$ 59,466
SeaTac	\$ 13,118
Tukwila	\$ 13,118
King County*	\$ 59,466
Additional King County*	\$ 15,534
Office space (in-kind donation)	\$ 12,000
TOTAL REVENUES	\$ 409,694
Spend down balance	\$ 58,543
TOTAL	\$ 468,237

EXPENSES

Salaries and benefits	\$ 320,611
Interfund IT	\$ 35,000
Advisory Board compensation	\$ 14,400
Office space (in-kind donation)	\$ 12,000
Professional services/Misc.	\$ 37,500
Travel	\$ 5,250
Supplies	\$ 2,000
Subtotal	\$ 426,761
Administering agency - 10% admin fee**	\$ 41,476
TOTAL	\$ 468,237

*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.

**10% administrative fee is calculated as a percentage of operating costs which excludes in-kind donations and carry-forwards.