



**South Sound Housing Affordability Partners
Executive Board Meeting Minutes**

June 3, 2022

8:30 – 10:00 a.m.

Executive Board: Mayor Nancy Backus, City of Auburn - present
Councilmember Kevin Ballard, City of DuPont - present
Mayor Daryl Eiding, City of Edgewood - present
Mayor Kim Roscoe, City of Fife - present
Vice Chair, Councilmember Hunter George, City of Fircrest - present
Mayor Tracie Markley, City of Gig Harbor - present
Councilmember Linda Farmer, City of Lakewood - present
Mayor Shanna Styron Sherrell, City of Milton - present
Executive Bruce Dammeier, Pierce County - present
Councilmember Ryan Mello, Pierce County - present
Deputy Mayor Ned Witting, City of Puyallup - present
Councilmember Annette Bryan, Puyallup Tribe - present
Mayor Dick Muri, Town of Steilacoom – excused - present
Councilmember Charla Neuman, City of Sumner - present
Chair, Mayor Victoria Woodards, City of Tacoma - excused
Councilmember Denise McCluskey, City of University Place - present

Staff: Jason Gauthier, SSHA³P Manager
John Howell, Consultant, Cedar River Group
Becki Foutz, Administrative Assistant
Bryan Barmore, Office Assistant

Guests: Annette Bryan, Bryan Schmid, Councilmember Christi Keith (Edgewood-alternate), Cynthia Stewart, Evan Smith, Felicia Medlen, Jim Henderson, Kacey Guin, Katie Baker, Kenneth George, Marty Kooistra, Paul Loveless, Robin Boster-Grant, Taylor Jones, Heather Moss, Joanne Gutierrez, Melanie Harding, Jim Andrews (Fircrest-alternate)

MINUTES

TOPIC/ WHO	DISCUSSION	ACTION
Call to Order	Councilmember George called the meeting to order. SSHA ³ P Manager Gauthier called roll, per above; (there was a quorum.)	

TOPIC/WHO	DISCUSSION	ACTION
Icebreaker	<p>What are three words to describe your plans for this Summer?</p> <p>Executive Dammeier – Africa ,wedding, beach Councilmember Bryan– reelected, Hawaii, family time Mayor Sterrell - camping, boating, community Mayor Roscoe – backyard, ADU, site prep Councilmember McCluskey - family, fun, food Deputy Mayor Witting – water, woods, wind Councilmember Mello – sun, travel, rooftop Mayor Backus – in-person community festivals Councilmember Ballard – golf, golf, golf Mayor Markley – family sunshine graduation – daughter graduating high school! Christi Keith – community, cashflow, capital Councilmember Farmer – campaign, connections, cats Councilmember Neuman –Fargo North Dakota Mayor Eidinger – fun in the sun Councilmember George – travel every month</p>	Ice breaker
Consent Agenda	<p>Any additions or changes to the agenda? Mayor Backus moved to approve the consent agenda. Executive Dammeier seconded. The consent agenda was adopted.</p>	Motion approved. No agenda changes.
Community Land Trust Overview	<p>Councilmember Christi Keith said that she’s happy to speak on Community Land Trusts, to share her passion and commitment to them. Homestead is doing amazing work, and Kathleen Hosfeld is our expert, and a stalwart for the movement. Keith grew up on a farm in Western Oklahoma, where her family settled after coming across the Trail of Tears. She never went hungry, there was a lot of hard work and love. She went to Eastern Oklahoma when she was four, to visit her Uncle, who led the Bureau of Indian Affairs. He asked her to take two jugs of water next door. That’s when she discovered there were people in her family who didn’t have running water, which fueled her lifelong drive to make this world fairer. Keith now loves leading non-profits, specializing in turning them around to help them grow and succeed. Her experience has taught her that Community Land Trusts are the key to everything she’s been working on: food security, domestic violence, MH. Underneath all of the things she cares about is stable and affordable housing. She started a non-profit in Seattle for the homeless. In managing capacity and forecasting paths to grow, she arrived at Community Land Trusts as the mechanism to quickly get lots of units of affordable housing on the ground as fast as possible.</p>	Presentation

TOPIC/WHO	DISCUSSION	ACTION
<p>Community Land Trust Overview, continued</p>	<p>Keith would like to see CLTs that specialize in specific populations. She believes that everyone should fund them, everywhere, to get units on the ground as fast as they can. COVID has grown the emergence for this.</p> <p>Keith introduced Kathleen Hosfeld, of Homestead CLT. Hosfeld thanked the group for having her, and thanked Keith for her story. Homestead’s been around for 30 years as a classic CLT serving people who make less than 80% of AMI, creating stability, equity, and opportunity through homeownership. They put power of governance in the hands of everyday people in the community. They are a housing developer, and active builder, prioritizing anti-displacement, with five active housing developments in King County.</p> <p>Community Land Trusts are in the federal statute; they are membership-based, non-profit organizations that acquire and use land to benefit low- and moderate-income people and neighborhoods, most often by creating housing, and focusing on home ownership. (They can also be used for agriculture but focus here is on housing.)</p> <p>CLTs were created in Albany, Georgia, in the late 60s by civil rights leaders when Black sharecroppers were being evicted from their homes and farms for registering to vote. The first was 5000 acres of farmland, intended for farms, businesses, and homes. The dual purposes of preventing displacement and providing opportunities to own assets transcend to today.</p> <p>Homestead makes and keeps homes affordable to modest income families. By building homes themselves and acquiring them through partnerships, they’re able to reduce the price of homes to 30-50% of market rate prices. They build and rehab homes, subsidize the price to what is affordable, the title of the land is separated and owned collectively through the trust, owners own the home and lease the land for a small monthly fee, and owners resell at a formula price, still affordable. Owners may live in the home as long as they want. The price formula is regulated by HUD. HUD oversees and there must be a fair equity of return.</p> <p>Agreements are submitted through ground leases. When land is shared, such as in a condo, covenants are used. Part of the ground lease says that the homeowner is a member of the community land trust. CLTs are coalitions of like-minded people who work together to create housing stability in their communities. 1/3 of Homestead’s Board are homeowners; 2/3 are community advocates.</p>	<p>Presenta-tion</p>

TOPIC/WHO	DISCUSSION	ACTION
<p>Community Land Trust Overview, continued</p>	<p>A number of agreements need to exist in CLTs. You can be a funder, or you can have density bonus agreements. Either way, a Program Agreement must be signed by all parties. There’s also a Use Agreement, signed by buyers. The Ground Lease or Deed Restriction spells out obligations of both the CLT and the buyer. A Fannie Mae Rider document is inserted into all CLT land trusts that says if the home is lost to foreclosure, all affordability restrictions are lost. (This is a huge incentive to help prevent homes from going into foreclosure) Subordination agreement – agreement on order of debt payoff.</p> <p>Ned asked what actions the CLT takes to help owners avoid foreclosures. They monitor owners’ financial health by checking on whether they’re paying their ground lease every month. If not, they would check in. Banks must give CLT notice. They can counsel, refinance, or if necessary, help the owner sell their home.</p> <p>Owners must be first-time homebuyers, below 80% AMI at time of purchase, the home must be their primary residence, kept in good repair, insured, owners must pay property taxes, and at resale sell according to the price formula to another income-qualified buyer.</p> <p>Kathleen encouraged the group to consider the whole housing continuum. Often investments are made at the lowest level while the middle-level is ignored. Housing prices are going up and up, all over the country. There’s a gross mismatch between incomes and housing costs that doesn’t show signs of reversing itself anytime soon. \$571,000 is the current median home price in Pierce County.</p> <p>CLT homeownership is an anti-displacement strategy. Homestead homes are in high-risk of displacement areas in Seattle. For cost-burdened renters, they provide an entry point to homeownership that provides security and economic mobility, and the ability to build assets and freedom from the fear of displacement.</p> <p>As a housing developer, Homestead provides many home types, including townhomes, cottage homes, condos, and scattered site single family homes, in Renton, Tukwila and Seattle.</p> <p>Kathleen suggested having a central hub with technology to develop homes, steward homes, support owners post-purchase and have community organizations with relationship to the technical hub.</p>	<p>Presenta-tion</p>

TOPIC/WHO	DISCUSSION	ACTION
<p>Community Land Trust Overview, continued</p>	<p>The more financing sources, the more complex it becomes. For some projects Homestead has up to 11 sources. The Homeowner’s mortgage pays 53%.</p> <p>Hosfeld suggested reading Homestead’s published report, <i>Closed Doors: The Crisis of Supply of Affordable Homeownership in Washington State</i>, at Closeddoorsreport.com. Washington readers can look up eligibility, the supply of for-sale homes, ratio of demographics of homeownership, and more!</p> <p>Hosfeld invited questions. Executive Dammeier thanked Kathleen; he appreciates the balance she has found. He asked about the speed and scalability. The available land has development challenges. Kathleen suggested we look at density bonus agreements right away because they take advantage of for-profit development work that’s happening. She’ll provide a link to a recent webinar on density bonus agreements. That combined with increased zoning that’s promised in many areas is the fastest way to get homes in trust. The model is actually more scalable than some other AH developments, provided that there is subsidy to increase to invest in that first. Once a home has been price-set, it can serve seven households over 50 years. The other potential is to work with mission-focused or non-profits that are willing to income-average and add some affordable sites to their mix in developments. It takes two to four years to complete a project, start to finish. Multiple sources are needed, such as local funds.</p> <p>Ned asked about what other challenges there are in putting the project and financing together. The starting point is to find the property. They’re used to working with parcels that no one wants. They develop the site concept, preliminary budget, apply for public and private financing, then to the County for land use and permitting. Then it takes 12 to 18 months for construction and two to four months for sales. Consider surplus properties that might be owned by the County or Cities. Current law doesn’t allow surplus property to be used for homeownership; we need the statute modified to match CLT policies. The trick is to hold the land in trust for permanently affordable homes. Ned asked how Homestead handles the buying delay? They don’t usually use market-rate land, as it’s too expensive. They can access funds to tie up land.</p> <p>Christi said that she’d like to help with outreach to legislature. Ned asked Jason to put this on the Board’s legislative priorities.</p> <p>Councilmember George asked Hosfeld, on behalf of Heather Moss, to discuss homeowner turnover; where do they go? . Owners remain in CLT homes between three and 20 years. Recently most have gone on to purchase a market-rate home. People are able to stabilize in place, plan and save. Sometimes single owners sell because they get married.</p>	<p>Site to read Closed Doors Webinar on density bonus agreements</p>

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<p>Community Land Trust Overview, continued</p>	<p>Councilmember George asked what the biggest challenges for homeowners in a CLT home are. Sometimes they just forget that they're CLT homeowners. At the end of their tenancy, they at times take it for granted and forget what their prior experience was like.</p> <p>Ned asked if Homestead would consider developing projects in Pierce County? Kathleen said that Homestead can help the community set up a CLT.</p>	
<p>Review of Draft 2022 Work Plan Deliverables and Target Dates-Jason Gauthier</p>	<p>Overview of recent work:</p> <ul style="list-style-type: none"> • Review of Strategic Priorities & Strategies – 5/6/22 • Executive Board Prioritized 1A, 2A, 2B, 2C, 3A, 3B (12 strategies, half in the “must-do” items highlighted in blue) • Member Council presentations - UP, Dupont, Lakewood, (done) Edgewood, GH, Fife (scheduled) Presentations to Councils will continue to be offered both before and after adoption of the Work Plan. <p><u>Strategic Priority 1: Develop and support policies and programs that prioritize and incentivize residential production.</u></p> <p>1A) Identify 1-3 policy and program areas that have significant impact and/or potential for impact, and develop a toolkit for tracking and dissemination</p> <p>For deliverables, the Board should expect the summary assessment of current policy and program landscape performance. The summary assessment will consist of a review of locally and regionally produced reports and recommendations of policies and programs regarding housing affordability and housing production. The review will include but won't be limited to the UWT State of Affordable Housing for Pierce County, the City of Tacoma's Affordable Action Strategy, the Master Builders of Pierce County 10-Point Plan for Housing Accountability, the Puget Sound Regional Council's Housing Innovations Program SSHA3P member surveys and industry feedback. From there, the Board should expect the presentation in September on this summary assessment, with a decision package of six to 12 policy and program areas and options for the Board to consider for potential action.</p> <p>1B) Explore potential collaborative project funding to increase affordable housing development.</p> <p>We'll work with member governments to develop reports on the type of partnership funding structures our members would consider for engagement.</p>	<p>Informational</p>

TOPIC/WHO	DISCUSSION	ACTION
<p>Review of Draft 2022 Work Plan Deliverables and Target Dates-Jason Gauthier</p>	<p><i>Strategic Priority 2: Refine understanding of affordable housing solutions and promising practices</i></p> <p>Here’s where we continue our dive into collective learning and shared understanding as we just did today with the CLT presentation.</p> <p>2A) Identify, package, and share essential data on market rate and affordable housing production</p> <p>We’re already developing interactive maps to show current and future affordable housing development in our community and map out the varying programs serving the housing needs of people currently in housing, including our low-income, home repair and weatherization programs and environmental modifications for seniors and disabled households. The maps will also show the full spectrum of residential production has taken year over year since 2016. The maps will be on the SSHA3P website, anticipated to go live on July 1. They’ll be available for members to utilize.</p> <p><i>Strategic Priority 3: Assist member governments in achieving affordable and attainable production and preservation goals</i></p> <p>3A) Identify funding mechanisms and the scope of member governments’ historical utilization</p> <p>It’s important to note with strategy 3A that Pierce County has not achieved an equitable level of affordable housing capital investment from either the from either the State Housing Trust Fund or the four or 9% housing tax credit programs. Strategy three is a baseline of historical information to support our efforts to ensure affordable housing needs isn’t unfulfilled because of inequitable distribution of statewide resources.</p> <p>3B) Design mechanism(s) to identify member governments’ policy and/or program assistance needs and prioritize the fulfillment of those needs.</p> <p>This is designed to create a member support system and a feedback loop to review our effectiveness. Just yesterday SSHA3P hosted a conversation with member government planning staff and the Department of Commerce to discuss potential and ideas for multi-jurisdictional collaboration on the new middle housing grant programs offered by the Department of Commerce. Supporting our members will take many different forms, but we’ll endeavor each day to provide value to each. .</p>	

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<p>Review of Draft 2022 Work Plan Deliverables and Target Dates-Jason Gauthier</p>	<p>Strategic Priority 4: <i>Ensure our community’s affordable, attainable, and accessible housing needs are represented</i></p> <p>4A) Identify local, regional, and statewide influence hubs that affect member governments’ policies and resources, and map and ensure member government representation</p> <p>The question we must ask: does our community have a seat at every table that affects land use policy and affordable housing investment strategy, because the answer today is no. The Affordable Housing Advisory Board, the principal body to the Department of Commerce on housing and housing-related issues has Governor-appointed members – none from Pierce County. There’s no Pierce County representation on the Washington State Housing Finance Commission Board of Commissioners. And there are many others across the State and region. Pierce County is the second most populated County in our state and should have a voice in every housing policy conversation.</p> <p>4B) Produce an annual set of state legislative priorities and determine collaborative paths for joint advocacy success</p> <p>Since 2019 SSHA3P members have worked to produce a legislative priority letter for Pierce County delegation as an element of our work plan and we have options for how to develop this priority agenda and how to advocate for these priorities. Jason will provide a short presentation at the July Board meeting for the Board to provide direction regarding the desired process for the development of this legislative agenda.</p> <p>Strategic Priority 5: <i>Complete the organizational aspects of the SSHA3P intergovernmental entity</i></p> <p>5A) Hire and support .5 FTE staff position</p> <p>We anticipate having the halftime position listed by mid-June</p> <p>5B) Continuously review, consider, adopt, and implement policies and procedures for SSHA3P governance and operations</p> <p>5B speaks to the question still to be answered regarding the operations of SSHA3P, questions like, what’s the annual review process for the SSHA3P manager, or is there a need to establish Board committees or taskforces or annual work plan development budget setting and legislative priority developments. We’ll review best practices from others, regional and subregional collaborations and present the Executive Board the recommendation memo and presentation late this year for consideration of potential action in 2023.</p>	<p>Informational</p>

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<p>Review of Draft 2022 Work Plan Deliverables and Target Dates-Jason Gauthier</p>	<p>5C) Identify, orient, and deploy an Advisory Board to affect equitable community engagement</p> <p>The SSHA3P intergovernmental agreement requires that the Advisory Board be created within one year of the hiring of the SSHA3P Manager. The work plan would set the stage. The goal is to begin Board recruitment by the end of 2022.</p> <p>Seeking Exec Board feedback today. Late June will bring a final draft and hope for final approval on July 1.</p> <p>Councilmember Ballard noted that one of the most poignant comments in Jason’s presentation is that there’s no Pierce County representation at the State level. He would like to focus on any sort of state-defined composition of said Board to see what we need to do to give Pierce County a voice.</p> <p>Executive Dammeier echoed Councilmember Ballard’s comments. It’s unconscionable that we don’t have a voice – need to start work on that soon as part of our advocacy with our state-level legislators as well as local legislators. Great presentation! He’s happy with the 7/1 go-live website date and achieving 2A by 9/1.</p> <p>He added that at the Puget Sound Regional Council’s General Assembly meeting, the City of Renton received an award for being permit-ready. It was a great example of how to streamline and simplify affordable housing using four or five predefined, prior-approved plans.</p> <p>How have presentations to Councils gone? Two thumbs up from DuPont! Other cities agreed that they went great and amazingly well.</p> <p>George noted that this past session there was a strong push to free up local zoning. There was a proviso in last year’s budget for housing, does require a summary assessment, the AWC will work with members on middle-housing legislation (check recording)</p> <p>Christi said she’d like Jason to be able to hire sooner than later. Jason said that HS has been very helpful but yes, it will be great to have staff officially on board.</p>	<p>Please let Jason know if you have input for the plan; it should be ready for approval next month.</p>
<p>Public Comment</p>	<p>Councilmember Hunter invited public comment.</p>	<p>None</p>

TOPIC/WHO	DISCUSSION	ACTION
SSHA3P Manager Report	Jason reported that the Association of Washington Cities’ annual conference is coming up in Vancouver, June 22-24. He encouraged members to register if they can attend. He will be there with some subregional housing colleagues. There will be a number of housing-related panel sessions.	
Board Member Updates/ Comments	<p>Mayor Backus will be at the AWC conference on a housing policy panel on 6/23. She plans to speak with Rep Bateman.</p> <p>Mayor Roscoe explained that she applied to be on the AHAB in late 2020 and Mary Hudson was selected. She would like to be a part of any type of outreach to work on composition of the Board.</p> <p>Councilmember Ballard suggested that we make sure that AWC knows that Pierce County needs representation on the State Affordable Housing Commission.</p> <p>Executive Dammeier noted there are some openings - we should get some people from Pierce County to apply.</p> <p>Councilmember George suggested that members strategize together during the conference.</p> <p>Mayor Markley said that she’ll be there and would love to meet with others to strategize. She will be getting there Tuesday evening through Friday.</p> <p>Updates from City of Sumner:</p> <ol style="list-style-type: none"> 1. Recently updated senior housing regulations, allowing for up to 40 units per acre 2. Public hearing coming up on updating ADU in Sumner, 3. Expanding residential targeted areas to include East Sumner for 500 new multi-family units! 	Composition of State Affordable Housing Commission
Good of the Order/ Adjournment	Terrific presentation today – have a great time at AWC! Councilmember George adjourned the meeting at 10:00 a.m.	Meeting adjourned

The next SSHA³P Executive Board meeting is scheduled for Friday, July 1, at 8:30 p.m. via Zoom.

Respectfully submitted,

Becki Foutz, Administrative Assistant