



## Monthly Membership Meeting

Friday, June 15, 2007

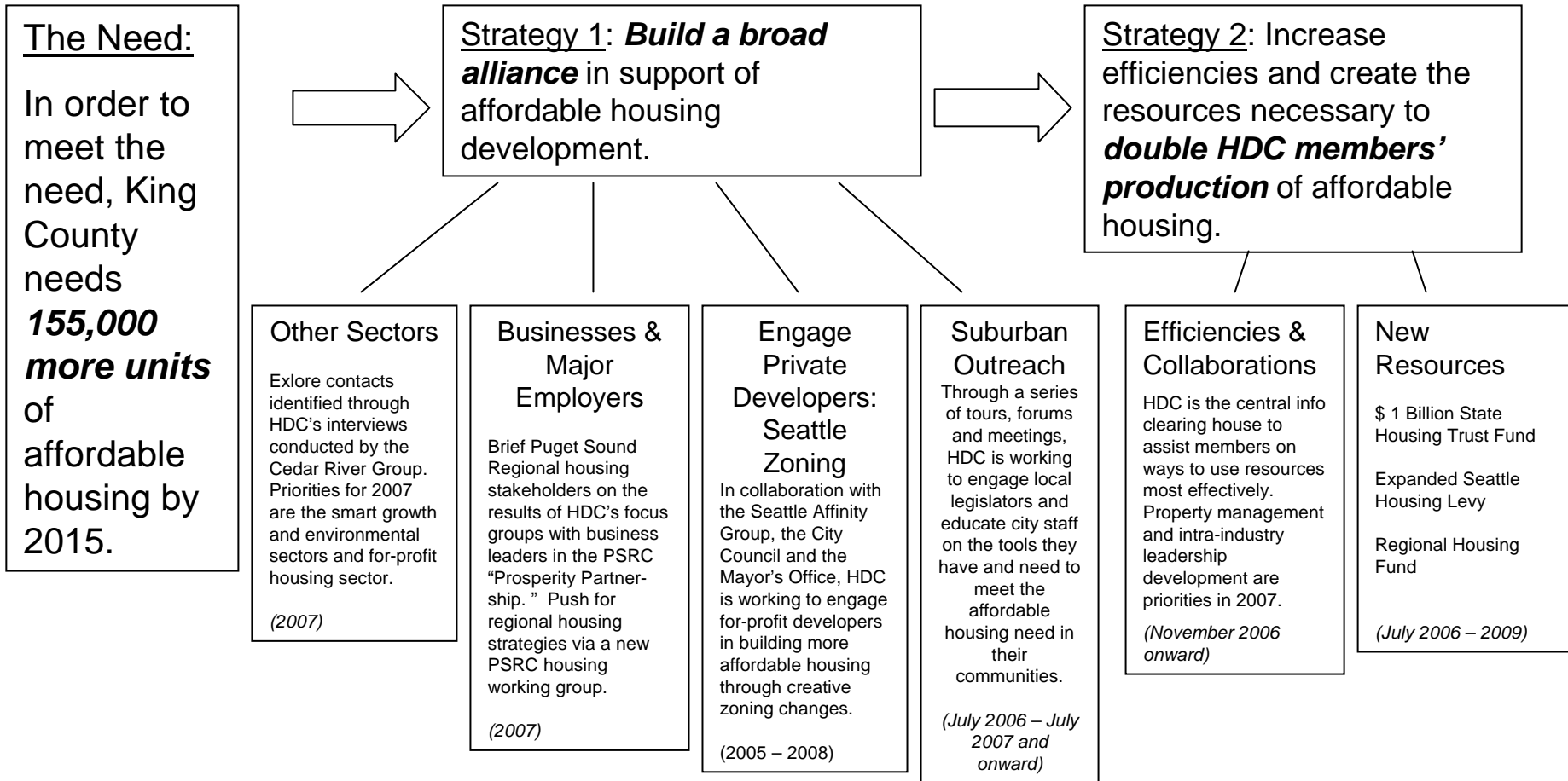
Noon to 1:30 p.m.

**NOTE DIFFERENT PLACE!!**

Opportunity Place  
2024 Third Avenue, Jennings Community Room, 2<sup>nd</sup> floor  
Downtown Seattle

<b>Time</b>	<b>Action</b>	<b>Topic</b>
Noon	Info	<b>Brief Introductions</b>
12:15	Approve	<b>Minutes of 5/11/07 Membership Meeting</b>
12:17	Info	<b>Request for Associate Membership from Robin Amadon, Consultant</b>
12:19	Info	<b>Board Resignations and New Board Member Appointments</b> (Paul Lambros)
12:22		<b>Report on HDC's Board Retreat: What Should the Future HDC Organization Be Like to Achieve HDC's Future-of-the-Field Goals?</b> (Sarah Lewontin)
12:26	Info	<b>Selecting Regional Housing Strategies: Report on PSRC Regional Housing Working Group</b> (Carla Okigwe)  *Furthering HDC's Future of the Field strategy of creating more resources to meet King County's affordable housing needs.
12:30	Info	<b>Update on Collaboration with Cascade Land Conservancy</b> (Linda Hall or Paul Purcell)  *Furthering HDC's Future of the Field strategy of building a broad alliance to meet King County's affordable housing needs.
12:35	Info & Discussion	<b>Project Showcase!</b> Projects highlighting development teams with multi-HDC members (Moderator: Linda Hall)  <b>Youngstown Cultural Arts Center</b> (Philippa Nye, DNDA & Peter Goodall, SMR) <b>Stone Way</b> (Terry Galiney, HRG) <b>Broadway Crossing</b> (Betsy Hunter, CHH & Jon Hall, GGLO) <b>Rose Crest at Talus</b> (Jerome Burns, SAHG)  *Topic furthers HDC's Future of the Field strategy of sharing project information to help our industry be as effective as possible in meeting King County's affordable housing needs.
1:20	Info	<b>Announcements</b>

# Next Steps in the “Future of the Field”



April 2007

**Summary**  
**HDC Monthly Membership Meeting**  
**May 11, 2007**

***Attendees:***

Evelyn Thomas Allen, Archdiocesan HA	Susan Boyd, Kantor Taylor McCarthy	Rick Hooper, Seattle OH
Arthur Sullivan, ARCH	Dan Watson, KCHA	Bill Rumpf, Seattle OH
Jan Laskey, Bank of America	John DeChadenedes, KC HFD	Joanne LaTuchie, Seattle OH
Paul Purcell, Beacon Dev Group	Robin Amadon, LIHI	Amy Gray, Seattle OH
Betsy Hunter, CHH	Geoff Spelman, Mt. Baker HA	Dean Kralios, SMR Architects
Kollin Min, Enterprise	Emily Chen, NEF	Elizabeth Clark, Walsh Construction
Val Pate, Enterprise	Joel Madsen, NEF	Steve Walker, WSHFC
Bill Singer, Environmental Works	Paul Lambros, Plymouth Hsg Group	Christine Rush, Wells Fargo
Jon Hall, GGLO	Heather Beaulieu, Rafn	Pete Ryan, WJE
Sheldon Cooper, Homestead CLT	Priscilla Call, SEED	Danta Lopez, YWCA
Collin Miller, Housing Resources Group	Patricia Julio, SEED	Carla Okigwe, HDC
Jen LaBrecque, Impact Capital	Linda Hall, Seattle HA	Erin Hiemstra, HDC
Elaine Ko, Interim	Maureen Kostyak, Seattle OH	Valerie Edmunds, HDC
Ken Katahira, Interim	Laura Hewitt Walker, Seattle OH	Anh Huynh, intern HDC

***Guests:***

Lish Whitson, Land Use Specialist, Seattle Dept. of Planning & Development  
Ben Gitenstein, Executive Director, Washington Low Income Housing Alliance

**1. Introductions**

Dan Watson called the meeting to order and invited attendees to introduce themselves.

**2. Minutes of 4/13/07 Membership Meeting**

Paul Lambros moved and Robin Amadon seconded to accept the minutes of the April 13 meeting as written. The minutes were approved unanimously with no abstentions.

**3. Info & Discussion: Incentive Zoning – What is it?**

Sheldon Cooper, the chair of HDC's Incentive Zoning Affinity Group, introduced panelists Lish Whitson, Seattle Department of Planning and Development; Arthur Sullivan, ARCH; and Rick Hooper, Seattle Office of Housing.

Lish gave a brief introduction to zoning, which was established in the early 20<sup>th</sup> century to protect public health and safety. Now zoning is the basic tool for planning how land is used, including the design and height of buildings, and as a guide to growth and density. The City tries to concentrate growth in areas that can best handle it such as downtown, rather than in lower density areas. Fifteen years ago the Growth Management Act (GMA) was adopted, establishing how growth happens throughout Washington State. The focus is on the areas with the largest infrastructure of transportation, etc., with less growth in outlying areas. A bigger building generates more revenue and has more impact, so the revenue stream is regulated to handle impact by providing public benefits. TDRs are used to preserve small buildings by transferring development rights to larger buildings. Bonus programs provide benefits on site, including low income housing and child care.

Arthur gave an overview of how it is different now than it was before the 2006 state law passed. There is a concern with linkage to fees and GMA legislation. The law makes it explicitly clear that cities can use incentives. If a city has a voluntary program, a developer can not be penalized for not participating. Cities can have mandatory programs if they are linked to incentives such as substantial increases in density. With the new law, cities have more options: (1) don't rezone, (2) rezone with bonus density allowed if the developer develops affordable housing, (3) substantial rezone of an area, with affordable housing required whether the developer utilizes the full density allowed by the rezone. The new law specifies that the housing must be for households with incomes under 50% median for rental, 80% for ownership except if the city high cost and adopts levels up to 80/100%. Long term affordability of at least 50 years is also needed. In lieu fees are allowed, as well as housing on adjacent sites.

Sheldon spoke about how HDC became interested in this issue. It goes back to Future of the Field's goal of 155,000 units of new affordable housing by 2015, and looking at how to address this need. A summary of principles was created by the HDC Zoning Affinity Group, who have been meeting with Seattle City Councilmembers to discuss them. The education is focused on Seattle, but HDC wants to spread the principles countywide because numerous rezones are going on currently and we would like to have these principles brought in.

Rick stated that Mayor Nickels has been providing leadership on this program. The mayor wants the Office of Housing to move forward, incorporating incentive zoning into new zoning projects, and has asked them to come to him with ideas. HDC needs to keep moving consistently with the political process. The Council is expecting specific proposals, so we should make as much as possible of this opportunity, if only to convince the Council. Developers are suggesting that it is the wrong approach - they are taking on risk and that should be enough. Hal Ferris at Lorig is working to focus developers away from just writing a check to the city, but instead actually building the units. It is necessary to enlist the developers' creativity and make it easy for them to participate, as was done in San Francisco.

Lish talked about two processes that are in the works in Seattle: changes to multi-family zoning and zoning in South Lake Union and South Downtown (see [www.seattle.gov/DPD](http://www.seattle.gov/DPD) "What's Hot" and join the mailing list).

Arthur mentioned four cities on the Eastside that are committed to including affordable housing in their town centers: Newcastle, Mercer Island, Sammamish, and Bellevue which is looking at several significant rezones. There is a need to branch out and not just focus on Seattle and lose opportunities. Sheldon noted that it is very hard to go back and gain public benefit after the fact when rezones are done. John DeChadenedes asked about mandatory programs, and if a fee would be required. Arthur answered that a fee in lieu may be necessary to get it off the ground. Rick said that Seattle has always had a fee in lieu, but he'd like to see a more creative discussion with developers on performance. Ken Katahira said there is a need for some flexibility, not just blanket requirements. He said flexibility would come from leveraging a fee with levy funds. Ken asked if the incentive zoning principles would apply to areas that didn't used to allow housing. Arthur said it mainly comes down to whether more value is being conveyed.

Linda Hall asked how "hot" a topic incentive zoning is to the Council. Carla replied that seven of the members are at least willing to say they are supportive of inclusionary housing. This is an interesting way to test the water. Five years ago HDC worked in a coalition on Community Benefits Agreements, but only one or two councilmembers were interested. A brown bag on CBA's two

weeks ago was hosted by eight out of the nine councilmembers, and the room was packed. We need to keep working at it. Arthur added that it is important to keep talking to the jurisdictions on the East Side. There is a lot of interest out there now, and he is optimistic that the cities will continue to look at it year after year.

Sheldon closed the discussion, saying that HDC is working to organize a Council brown bag on incentive zoning with Tom Rasmussen and Sally Clark.

#### **4. State Legislative Wrap-Up & Interim Activities**

Ben Gitenstein, executive director of the Washington Low Income Housing Alliance (WLIHA), gave a wrap-up of the legislative session and an update on WLIHA. He spoke about HB 2984, a bill he worked to move through Olympia when he was on HDC staff, and how legislators say “don’t come back” until its successful use can be demonstrated by number of units built, etc. Ben said that WLIHA currently has about 220 members, most of whom are housing authorities, non-profits, advocates, housing developers, housing consortiums, and lending communities, and their process is a consensus agenda. They went in this year asking for several things and had 5 major victories: \$130 million for the Housing Trust Fund; HB 1359, a new \$8 document recording fee generating \$12.5 million per year in local dollars; \$4 million for offender housing and \$1 million for vouchers for foster youth; manufactured housing enforcement and preservation; and HB 1450, extending tax relief to locally funded projects. The governor wants to get the Housing Trust Fund up to \$140 million next session. Set-asides tell a political story. We need to change our relationship with the Senate. Ben said that WLIHA’s tours of projects in Snohomish County last summer were instrumental in getting representatives’ attention, leading to HB 1450. There was not enough consensus among members regarding the condo conversion bill, but WLIHA’s lobbyist kept tabs on it and reported that neither side would budge. As an organization, WLIHA is going through change. To help affordable housing to evolve, their program will include communications, mobilization, and advocacy. They will hold a membership drive, and the process of setting the agenda for next year is open to all members in good standing. Call, email, or visit [www.wliha.org](http://www.wliha.org).

#### **5. Announcements**

Paul Purcell reported that a group of individuals is putting together a “thank you” fund raiser for the governor, being organized by Kathy Roseth.

Elaine Ko announced that there will be an affordable housing briefing with Bruce Harrell on Monday, May 14 in Interim’s office at 4:00 pm.

Emily Chen announced that Joel Madsen has joined NEF as Acquisition Analyst.

Steve Walker reported that Beacon Development and DASH were recognized by Affordable Housing Magazine as being among the top 50 affordable housing developers in the country.

Project Showcase: HDC Members Working Together on Affordable Housing

	BROADWAY CROSSING	ROSE CREST AT TALUS	STONE WAY	YOUNGSTOWN CULTURAL ARTS CENTER
<b>Sponsor</b>	<b>Capitol Hill Housing</b>	<b>St. Andrew's Housing Group</b>	<b>Housing Resources Group</b>	<b>Delridge Neighborhoods Development Association</b>
<b>Architect(s)</b>	<ul style="list-style-type: none"> <li>• GGLO</li> <li>• ArchEcology</li> </ul>	ARC Architects	<ul style="list-style-type: none"> <li>• GGLO</li> <li>• ArchEcology</li> </ul>	<ul style="list-style-type: none"> <li>• Stickney Murphy Romine</li> <li>• Environmental Works</li> <li>• GGLO</li> </ul>
<b>Contractor(s)</b>	Rafn		Walsh Construction	Walsh Construction
<b>Attorney</b>	Kantor Taylor McCarthy	Kantor Taylor McCarthy	Kantor Taylor McCarthy	Kantor Taylor McCarthy
<b>Lender</b>	<ul style="list-style-type: none"> <li>• Key Bank (const)</li> <li>• WCRA (perm)</li> <li>• Impact Capital (predev)</li> </ul>	<ul style="list-style-type: none"> <li>• Key Bank (const)</li> <li>• WCRA (perm)</li> <li>• Impact Capital (predev)</li> </ul>	US Bank	<ul style="list-style-type: none"> <li>• U.S. Bank</li> <li>• Impact Capital</li> </ul>
<b>Funders</b>	<ul style="list-style-type: none"> <li>• Enterprise Community Investments</li> <li>• Enterprise Community Partners – Green Communities</li> <li>• Seattle Housing Auth</li> <li>• Seattle Office of Hsg</li> <li>• WSHFC</li> </ul>	<ul style="list-style-type: none"> <li>• Enterprise Foundation</li> <li>• King County HOME/CDBG</li> <li>• ARCH CDBG/general funds (10 Eastside cities)</li> <li>• Sound Families</li> <li>• KCHA Sec-8 replace vouchers</li> </ul>	<ul style="list-style-type: none"> <li>• Federal Home Loan Bank</li> <li>• King Co. Dev. Disabilities Div.</li> <li>• National Equity Fund</li> <li>• Seattle Office of Housing</li> <li>• Seattle Housing Authority</li> </ul>	<ul style="list-style-type: none"> <li>• Enterprise Foundation</li> <li>• Key Bank (grant)</li> <li>• National Equity Fund</li> <li>• Seattle Housing Authority (bonds)</li> <li>• Seattle Office of Housing</li> <li>• Washington Mutual (grant)</li> <li>• WSHFC</li> </ul>
<b>Property Management</b>	CHH		HRG	Quantum Management
<b>Services</b>		YWCA	YWCA	



## **Executive Director Monthly Report – May 2007**

### **Future of the Field: Outreach to Business Sector/ Prosperity Partnership**

Carla has been appointed to the PSRC's Regional Housing Working Group, co-chaired by Bill Longbrake and Rita Ryder. At the first meeting 5/21, attendees discussed an initial list of "consensus strategies" gleaned from other recent housing task forces and then added more strategies. The second meeting 6/12 will evaluate the effectiveness of the many potential strategies and begin winnowing them down.

### **Future of the Field: Outreach to Other Sectors**

HDC sponsored a table at the Cascade Land Conservancy's fundraising breakfast 5/15. Erin, Carla, Linda Hall, and Paul Purcell met with CLC staff & board 5/30 to plan a high level brainstorm session with CLC & HDC. CLC director Gene Duvernoy is on the PSRC's Regional Housing Working Group.

### **Future of the Field: Outreach to Public**

Carla and HDC members Sue Cary & Debbie Thiele gave a well-received "Housing Development 101" presentation 5/23 to the Consumer Advisory Council of the Committee to End Homelessness. Carla did a half-hour interview 5/30 about HDC and housing affordability for KEXP's *Mind Over Matters* radio program to air Saturday 6/9.

### **Future of the Field: For-Profit Developer Zoning Incentives**

HDC's zoning affinity group briefed Councilmember Sally Clark 5/2 about our zoning principles. We sent our proposal for a Council "brown bag" education session on inclusionary zoning to Councilmembers Licata, Steinbrueck, Rasmussen & Clark. It appears that Council will do one related to the multifamily tax abatement program before considering ours.

### **Future of the Field: Efficiencies in Property Management**

The affinity group has been actively collecting data and trading best practices. They met 5/24 to develop a preliminary work plan including obtaining grant funding for a consultant to facilitate this group.

### **Demolition of Affordable Housing: Lora Lake**

The HDC board took a position 5/2 against the demolition of 162 units of affordable housing adjacent to the third runway clearance zone. HDC wrote letters to the Port director and commissioners 5/7, and also sent comments on the SEIS 5/11. We received a response 5/30 from the new Port director stating that the Port is following the City of Burien's wishes on the property (demolition).

OVER

### **Consortia/Alliance Collaboration**

The Washington Low Income Housing Alliance is seeking ways it can be more helpful to the four housing development consortia in the state (Spokane, Pierce, Snohomish and King). At a meeting 5/7, the non-HDC consortia said they need help such as joint fundraising for their and the Alliance's operations, and Carla agreed to assist with this because HDC would benefit by having stronger allies.

### **Tax Credits**

HDC's tax credit affinity group met 5/22 to discuss a long list of potential issues to tackle prior to the Commission's adoption of any revisions to the selection criteria in the fall. Some new ideas were brought up, such as having a separate set of criteria for King County, since we have a cap and are not really competing with projects in the rest of the state. The group will meet again 6/5.

### **2006 Audit**

John L O'Brien & Co, HDC's auditor, presented the audit of 2006 to the board's audit committee 5/3. HDC's financial procedures and condition are in good shape and there were no findings.

### **Thanks to our Intern**

HDC's Wales Fellowship Intern Anh Huyhn completed her stint on HDC's project data base 5/18.