

Housing Levy Technical Advisory Committee
September 30, 2008
Meeting Summary

Attendees: Martha Barkman, Barry Blanton, Donald Burton, Andrea Caupain, Tara Connor, Eric Franklin, Margret Graham, Jim Greenfield, Betsy Hunter, Hyeok Kim, Tim Overland, Jinn Schladweiler, Linda Taylor, Dinah Thoreson, Tony To, Christine VanDerwerf, Stephen Walker, Chuck Weinstock, David Wertheimer

Guests: Councilmember Richard McIver, Myisha Chambers, Nathan Torgelson, Paul Fischburg, Sara Levin, Andrea Akita, Humberto Alvarez

Office of Housing: Adrienne Quinn, Rick Hooper, Bill Rumpf, Maureen Kostyack, Julie Moore, Jess Chow, Cindy Erickson, Debbie Thiele, Lindsay Hare

1. Welcome and Introductions

Adrienne Quinn opened the meeting with a brief review of the committee's work so far. Today's meeting will continue to focus on very low income and homeless people, with discussions about non-capital Levy programs.

2. Operating and Maintenance Subsidies

Cindy Erickson reviewed the Operating and Maintenance Subsidy Programs white paper, which was sent to the committee in advance. The Levy O&M program provides 20-year awards of operating subsidies to housing developments that serve extremely low-income and homeless tenants. These tenants pay rents that are too low to support building operations. Cindy explained that OH is recommending that the O&M funds awarded over three successive housing levies should be rolled into a single account to make administration more efficient. OH is also recommending a fixed operating subsidy with annual increases, rather than project-specific gap financing, to reduce costs and increase predictability.

Adrienne pointed out that operating support is essential for serving very low-income and homeless tenants. We've had the benefit of SHA's commitment of 500 vouchers to the current levy; the actual number of project-based Section 8 units is more than 700. OH has asked SHA to commit additional Section 8 for the new levy and they are estimating 500 vouchers again at this point. The Levy O&M Program assists units that do not receive Section 8, with a lower level of subsidy per unit.

In response to questions, Cindy explained that OH's annual monitoring encompasses both compliance and technical assistance -- covering resident income reporting, building conditions, operating and maintenance reserves,

partnership agreements and service models. O&M is not a stand-alone program. O&M subsidies are awarded along with Levy capital funding.

A question was asked about how Seattle's O&M model compares to other cities. A variety of rent subsidy sources are used nationally. To our knowledge, Seattle is unique for its 20-year commitments. Washington State is making five- and ten-year awards. Other cities are funding year-to-year.

There were a number of questions clarifying the status of O&M funds from prior housing levies. The 1986 and 1995 levies have O&M reserves that are projected to extend through the term of the next levy. It was noted that, if the upcoming levy were to fail, existing reserves would cover current O&M funded units for the next ten years. Adrienne explained that it is OH's proposal to supplement these reserves in this upcoming levy so the following levy is not hit with expiring contracts from three housing levies all at once.

Questions were asked about the practical steps needed to combine the three O&M programs, and any potential inequities with funding preservation of existing units versus new. The City's Law and Finance departments will advise us on how to combine the programs. The policy choice for extending the existing O&M subsidies is whether we should continue to provide housing for extremely low income tenants in existing projects versus new.

A question was asked about energy efficiency in the existing portfolio, since it's not uncommon for tenants of buildings from the 1960s or 70s to pay double the utility bills of newer buildings. OH has worked closely with building owners and utilities on energy efficiency. For some buildings we are able to fund extensive weatherization and retrofits. For eligible buildings, light bulbs, toilets and refrigerators have been replaced to conserve both energy and water. This topic will be discussed further at the next meeting. It was noted that energy conservation upgrades would help make the case for O&M renewals.

Some concerns were expressed about the proposal to shift to a fixed subsidy amount, and whether that would result in some projects receiving more subsidy than needed and others not enough. Cindy clarified that OH will still monitor operating expenses and reserves. Projects that encounter significant operating deficits will still have the opportunity to request modest increases in support, but just within the contingency amounts of the fund. Levy O&M are not able to fill any gap or substitute for other sources.

The committee generally agreed with the recommendations to include O&M in the next levy, and to combine the three prior levy programs into the new fund. There was also support for extra reserve funds to extend previously funded projects. The committee recommended more flexibility in the proposal for setting the subsidy amount, rather than the proposed fixed operating subsidy.

3. Tenant-Based Rental Assistance

Maureen Kostyack reviewed the Rental Assistance white paper, which was sent to the committee in advance. The paper introduced the different types of rental assistance, potential national models, and programs the City is currently funding through the Housing Levy. Maureen reviewed OH's proposals for the upcoming Levy. Emergency rent assistance would continue but would be linked to countywide efforts to coordinate service delivery for the homeless, and would provide a higher dollar amount per household so people can get the help they need from a single provider. Time limited rent assistance is also recommended, with a focus on rapidly re-housing homeless families and helping low-wage working people access education to increase their income. These programs would leverage resources from new philanthropic initiatives, including evaluation of program outcomes.

In response to questions, it was clarified that the emergency program requires people to demonstrate that they are experiencing a short term crisis and can pay their rent in the future. The assistance is not meant for people who cannot afford to pay rent.

The committee was asked to comment on these recommendations. There was agreement that both emergency and short-term rental assistance would be beneficial. Higher benefit amounts are essential due to rising rents. We may also see new people needing assistance due to rising foreclosures.

Committee members were asked whether the emergency rent assistance program should be more flexible and pay for non-housing costs that threaten housing stability (such as car repairs needed to maintain employment). Members agreed that opening the program up to pay for non-housing costs could be risky.

There were concerns about whether Levy funds would be used to create a unified delivery system for homeless services, or to pay for evaluation studies. It was clarified that Levy funds would be tied to a new delivery system as it's developed, and help drive the transition. Evaluation would be paid for by private philanthropy. The Levy would pay service providers for data collection and other agency costs required to ensure accountability.

A question was asked about the availability of data about homeless programs and their performance. Existing Levy programs show good results, with 77% to 80% of clients still stably housed six months after assistance. Where data is lacking, or national data is inconclusive, is the amount of rent assistance and supportive services that would be most beneficial and cost-effective. It was noted that rental assistance is often a catchall, making it difficult to get accurate data when you're talking about such a wide range of scenarios. The

comment was made that Seattle's programs would make a great contribution by developing in-depth data and predictors about what triggers homelessness.

There was general agreement that, while flexibility in program design is desirable, it is not advantageous to call programs "pilots." This description gives the misimpression that funds would be spent on studies rather than direct services. We need to be clear about the specific program models the Levy will support, and the expected outcomes.

Other suggestions included:

- We should ease the criteria to access service. If families must have a 3-day notice to vacate, you run the risk that it will be too late to help.
- In re-structuring the system for accessing homeless services, we should not lose the connection people have to community-based agencies. The International District includes many agencies that provide services to people of color and immigrants, who make up a significant part of those served by these programs. If we lose that connection while looking for programmatic efficiencies, the result will be that residents in the ID will not be comfortable going to outside agencies for help.
- We should shift the question to: what is the least amount of support necessary to stabilize homeless families?
- Program flexibility is good, because minority and foreign-born populations will require different approaches.
- Rapid re-housing is a great idea because it will open up slots for those who are housing ready. This is a way to create units without constructing new buildings.
- Linking rental assistance to education and employment is really important. Many of those coming through such training do so without stable housing. Second Chance Washington is good, but you should also remain open to other employment programs and providers.

The meeting adjourned at 6:30 p.m.