

City of SeaTac

Council Study Session Minutes Synopsis

October 10, 2023
4:00 PM

City Hall
Council Chambers

CALL TO ORDER: Mayor Jake Simpson called the SeaTac City Council Study Session (CSS) to order at 4:00 p.m.

COUNCIL PRESENT (in-person): Mayor Jake Simpson; Councilmembers (CMs) Mohamed Egal and Iris Guzmán; **(remote):** CMs Peter Kwon; **Excused absent:** Deputy Mayor (DM) Senayet Negusse and CM Erin Sitterley; **Unexcused absent:** CM Takele Gobena.

STAFF PRESENT (in-person): City Manager Carl Cole, Senior Assistant City Attorney Cindy Corsilles, City Clerk Kristina Gregg, Multimedia Video Specialist David Inman; **(remote):** Government Relations & Communications Manager Kyle Moore, Deputy City Manager (DCM) Gwen Voelpel, Community & Economic Development (CED) Director Evan Maxim, Finance & Systems Director Gwen Pilo

AGENDA REVIEW: Hybrid Meeting: Broadcast on SeaTV Government Access Comcast Channel 21, Live-streamed on the City's website <https://www.seatacwa.gov/seatvlive>, in-person and remote options for public participation.

PUBLIC COMMENTS: Vicki Lockwood – Agenda Bill (AB) 6300, South King Housing and Homelessness Partnership (SKHHP)

AGENDA BILLS: (These items are for discussion only. Most Agenda Bills will be referred to a future Council meeting for action.)

Agenda Bill #6279; A Motion approving the City's 2024 Legislative Agenda.

Summary: The Legislative Agenda gives the Government Relations & Communications Manager and City Lobbyist, Gordon Thomas Honeywell (GTH), direction on which legislative issues to actively advocate for and which issues to react to during the legislative session.

The 2024 State Legislative Agenda consists of two documents. The first document is the 2024 Legislative Agenda that contains three to five top priorities for the City at the state level. GTH will proactively seek to accomplish these top priorities. The second document is the 2024 Policy Document (formally referred to as the Internal Legislative Agenda). These are also called "back-page items" which give the City's lobbyist policy direction on issues that will occur during the session. GTH will react to these items when they appear during the legislative session.

This was reviewed at the September 12 CSS and referred to tonight's CSS. Staff is requesting this be referred to the November 14 CSS for further discussion. Final passage is scheduled for the November 28.

Government Relations & Communications Manager Moore introduced Gordon Thomas Honeywell (GTH) Lobbyists Josh Weiss & Annika Vaughn.

Mr. Weiss provided a summary of SeaTac's bill review process.

Council discussion ensued regarding the review process.

Council consensus / direction: Refer to the November 14, 2023 CSS for further discussion of the agenda

Agenda Bill #6300; A Motion authorizing the City to enter into an Interlocal Agreement (ILA) with the South County Housing and Homelessness Partners, and approving the 2024 South King Housing and Homelessness Partners (SKHHP) work plan and budget.

Summary: In the SeaTac 2023-2024 biennial budget, the City Council budgeted money for the City to join the SKHHP. SKHHP is a voluntary partnership between eleven jurisdictions (ten cities and King County) that work together to address affordable housing challenges in South King County (SKC). The member jurisdictions, by joining SKHHP, commit to:

AGENDA BILLS (continued):

Agenda Bill #6300 (continued):

1. Collaborate on formulating affordable housing policies that benefit SKC residents; and
2. Support the preservation and / or creation of affordable housing by pooling public funding with private sector resources.

SKHHP's 2024 work plan and budget reflects an anticipated operational expenditure of \$419,158 and four 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.

To join SKHHP, the SeaTac City Council will need to approve the SKHHP Interlocal Agreement (ILA). Once the City Council approves the SKHHP ILA, the City Council will also need to approve the 2024 SKHHP Work Plan and Budget.

SKHHP is managed by Executive Manager Claire V. Goodwin, who is advised by an Executive Board, Advisory Board, and staff working group. The eleven jurisdictions each contribute annual operation funding to SKHHP, with the contribution amount based upon the population of each jurisdiction. For SeaTac, the 2024 Operating Budget contribution is \$11,407; this amount was included in the SeaTac 2023-2024 biennial budget.

SKHHP Housing Capital Fund Options: The member jurisdictions also contribute to a Housing Capital Fund, which funds the creation or preservation of affordable housing in SKC. Participating jurisdictions currently contribute restricted funds from SHB 1406 and / or HB 1590 to the Housing Capital Fund. SeaTac currently uses SHB 1406 restricted funds for the rental assistance program. There are three options that SeaTac could use to fund the SKHHP Housing Capital Fund in 2024:

1. Use a portion of the currently budgeted but unallocated 1.5% Human Services (HS) General Fund (GF) money to contribute to SKHHP.
2. Direct staff to prepare a standalone budget amendment to contribute GF money to SKHHP.
3. Direct staff to reallocate unused SHB 1406 money from rental assistance to SKHHP. Replace rental assistance funding with 1.5% HS GF money.

Recommendation: Staff recommends that the City Council take the following actions / approach:

- Approve the SKHHP ILA, work plan, and budget.
- Use Option 1 to provide \$300,000 in unallocated HS GF money to the SKHHP Housing Capital Fund in 2024.
- Evaluate the long-term funding approach for the SKHHP Housing Capital Fund as part of the 2025-2026 biennial budget process.

Rationale: Between 2019 and 2044, SeaTac will need to accommodate 5,900 additional residential dwelling units. The new homes must be affordable for the projected needs of all economic segments of the SeaTac community (RCW 36.70A.070(2)). To meet projected needs in SeaTac, approximately 1,200 of the 5,900 additional residential units will need to be affordable at less than 50% of Area Median Income, and SeaTac will seek to preserve existing affordable housing. The State and KC have increasingly focused on housing policies and passing housing related legislation; it is important that SeaTac has a voice in advocating for the housing policies that best serve the community. By joining the SKHHP, SeaTac will: (A) increase its access to regional funding to preserve existing affordable housing and possibly create new housing; and (B) improve its ability to advocate for affordable housing policies on behalf of the community.

AGENDA BILLS (continued):

Agenda Bill #6300; (continued):

Approximately \$330,000 of the budgeted 1.5% HS GF money is unallocated to HS contracts. The City Council has directed staff to prepare a HS Strategic plan, which was included in the September 2023 budget amendments. The HS Strategic plan should be completed in mid-2024 and will inform HS expenditures in 2025 and subsequent years. Consequently, the \$330,000 budgeted 1.5% HS funding will likely remain mostly unallocated for 2024. By allocating \$300,000 to SKHHP in 2024, the City Council will preserve approximately \$30,000 for any yet to be identified Human Service programs and provide a necessary contribution to SKHHP's Housing Capital Fund.

Future Policy Discussion: The City Council should evaluate the funding approach for the SKHHP Housing Capital Fund as part of the 2025-2026 biennial budget process. The proposed funding approach for 2024 allows the City to meet its allocation and is roughly equivalent to other identified funding options (i.e., SHB 1406) for SKHHP over a biennial budget period. The HS Strategic plan is intended to assist the City in prioritizing its HS funding, which may affect the City Council's desired approach to funding the Housing Capital Fund.

Budget Significance: GF (Fund 001) expenditure total of \$311,407 for 2024. The total expenditure reflects \$11,407 for SKHHP operations along with the staff recommended \$300,000 from the 1.5% GF expenditures for HS programs. Ongoing funding of the SKHHP Capital Housing Fund for 2025-2026 should be evaluated with the 2025-2026 Biennial Budget in 2024.

The Planning & Economic Development (PED) Committee heard an informational briefing on September 25, 2023, and expressed support for joining SKHHP. The PED committee also provided guidance supporting the use of some of SeaTac's HS budgeted monies for SeaTac's contribution to the 2024 Housing Capital Fund.

CED Director Maxim introduced SKHHP Executive Manager Claire Goodwin and reviewed the agenda bill summary.

Ms. Goodwin reviewed SKHHP, including work plan and budget.

Council discussion ensued regarding SKHHP, ILA, and recommendations.

Council consensus / direction: Refer to the November 28, 2023 Regular Council Meeting (RCM) as an Action Item

EXECUTIVE SESSION: None

ADJOURNED: MAYOR SIMPSON ADJOURNED THE MEETING AT 5:19 PM.