

Implementation Board Regular Meeting Agenda



Meeting Date: April 10, 2024

Time	Item
2:00pm – 2:10pm	<p>Welcome and Settling In</p> <ol style="list-style-type: none"> 1. Welcome, Roll Call of Implementation Board- Members, Mission Statement, and Theory of Change (Benjamin Maritz) 2. Land Acknowledgement (Benjamin Maritz) 3. Public Comment Sign-Up (Benjamin Maritz) <ul style="list-style-type: none"> - Public comment will be 15 minutes. - Public comment must directly address a portion of the agenda. - Each person will have 2 minutes for public comment. <p><i>Result: Everyone feels welcomed and participants are confirmed.</i></p>
2:10pm – 2:15pm	<p>Consent Agenda (Benjamin Maritz)</p> <ol style="list-style-type: none"> 1. March 2024 Regular Meeting Minutes <p><i>Result: Board members will vote to approve/disapprove.</i></p>
2:15pm – 2:20pm	<p>CEO Updates (Darrell Powell)</p> <p><i>Result: Interim CEO Darrell Powell will provide updates to the Board.</i></p>
2:20pm – 2:35pm	<p>Public Comment (Austin Christoffersen)</p> <p><i>Result: Public comment is heard.</i></p>
2:35pm – 2:45pm	<p>Northgate Property Lease (Jeff Simms)</p> <p><i>Result: The IB will hear a briefing and vote on Resolution 2024-08</i></p>

2:45pm – 2:50pm	<p>Operational Workplan Overview (Jeff Simms)</p> <p><i>Results: Jeff will provide the overview of the Operational Workplan approval process that was passed by Resolution 2023-04 by the GC.</i></p>
2:50pm – 3:00pm	<p>Adjourn (Benjamin Maritz)</p> <p><i>Result: The IB will Adjourn until their next meeting on May 8th, 2024.</i></p>

Board Chair: Benjamin Maritz

Clerk: Austin Christoffersen

April 10, 2024 (2:00pm – 4:00pm)

Mission: The mission of the King County Regional Homelessness Authority is to significantly decrease the incidence of homelessness throughout King County by centering customer voices to respond to needs and eliminate inequities.

Theory of Change: If we create a homeless response system that centers on customer voice, then we will be able to focus on meeting needs and eliminating inequities, in order to end homelessness for all.

NOTICE: The Board can be called in to Executive Session as needed, pursuant to RCW 42.30.110

Implementation Board

King County Regional Homelessness Authority

KCRHA Implementation Board Meeting Minutes

Wednesday, March 13,
2024

2:00pm to 4:00pm

Chair: Zsa Zsa Floyd

Roll Call:

Last	First	Present	Absent	Notes
Anderson	Carey	X		
Caminos	Nate		X	
Carvalho	Paula	X		
Chelminak	John	X		
Maritz	Ben		X	
McHenry	Gordon	X		
Pattenaude	Damien	X		
Floyd	Zsa Zsa	X		
Reddy	Simha	X		
Ross	Christopher	X		
Brandon	Okesha	X		
Marvin	Futrell	X		Alternate For Vacant LE Seat

A quorum is present with 10 members

Land Acknowledgement – Zsa Zsa Floyd

Consent Agenda – Zsa Zsa Floyd

- Approval of the February 2024 Regular & Special Meeting Minutes
 - Motioned by Member Reddy; Seconded by Member Futrell
 - Passed unanimously

CEO Update – Darrell Powell

Public Comment – Austin Christoffersen

- Lake City Library
 - Elisha Burton
 - Jorge Chavez II
- Zoom
 - Ruby Tuesday
 - Michelle Eastman
 - Jade Wies
 - Marta Kidane
 - Halli Willis
 - Courtney Love
 - Poverty Action

Implementation Board

King County Regional Homelessness Authority

- T
- Tamara Bauman

Ombuds Report— Ombuds Team [Katara Jordan, Raphael Hartman, Merlin Castelan, Em Ishiki, Mary Dunbar]

- Motion to have a special meeting on the Ombuds by Member Futrell; Seconded by Member Floyd
 - Failed via Roll Call vote
 - YEA: Anderson, Brandon, Floyd, Futrell
 - NAY: Carvalho, McHenry Jr., Pattenaude, Reddy, Ross

2025 Budget Presentation – Jeff Simms, James Rouse & Tiffany Brooks

Meeting Adjourned – 3:52pm

- Motioned by Member Futrell; Seconded by Member Anderson

DRAFT



Memorandum

Does this require a 24hr turnaround? Yes No

To: Implementation Board, King County Regional Homelessness Authority

From: Sean Watkins, Senior Policy Advisor

CC: Jeff Simms, Senior Director for Policy; Darrell Powell, Interim CEO

Subject: ROW Master Leasing – Northgate

Date: 4/2/24

Status: Informational Decisional Critical Incident Follow-up

I. Summary

This memo is a recommendation to negotiate a master lease option for the ROW Initiative in the Northgate neighborhood of a 65-unit building that has been viewed and is suitable for use as supportive housing. KCRHA has engaged with numerous properties and investment firms, and this location has emerged as the most favorable.

II. Description of Property

As part of the ongoing Right of Way initiative, KCRHA has identified a need to increase permanent housing capacity beyond the current portfolio using ongoing ROW funds. To that end, staff have identified a 65-unit building of brand-new construction in the Northgate Neighborhood, which the owners have agreed to master lease to the KCRHA for an initial term of 36 months. Staff have toured the building and believe that the layout and design of the building coupled with the proximity to services and amenities make this building a good fit to add to our ROW portfolio.

Each unit is roughly 220 square feet (about twice the area of an apartment bedroom) and comes with a shower, toilet, sink, and small kitchenette with microwave and hot plate. There is a large community room on the ground floor with 3 full kitchens and space for both desk staff and case management. The building has secure access. The building comes with 6 fully ADA accessible units which are often difficult to find within the current system.

In discussions with the investment group, the initial rent requested is \$1850 per month per unit, which is well below the current Fair Market Value for efficiency units. The below table is the

Department of Housing and Urban Development fair market value rent for Seattle for comparison.

Final FY 2024 FMRs By Unit Bedrooms					
Year	Efficiency	One-Bedroom	Two-Bedroom	Three-Bedroom	Four-Bedroom
FY 2024 FMR	\$2,211	\$2,269	\$2,645	\$3,510	\$4,080
FY 2023 FMR	\$2,042	\$2,100	\$2,455	\$3,297	\$3,847

Staff anticipates there will be no issues in finding suitable tenants for this location.

KCRHA has already contracted with a service provider who will be able to provide support services onsite. KCRHA will need to hire a property management company to manage repairs, maintenance, etc..

In considering this option, staff has been careful to apply lessons learned from previous master lease negotiations and have been able to negotiate more favorable terms for the agency. Specifically, the master lease at the Westwood was under NNN terms in which KCRHA is responsible for taxes and other expenses that ultimately led to increased cost. This lease will be negotiated as an Absolute Net Rent thereby incurring less cost to the agency. In alignment with a previous master lease agreement, KCRHA will be responsible for graffiti remediation and security improvements such as security cameras. These items will be the property management company's responsibility and paid for through that contract.

It is important to note that this lease differs from the previous lease at the Westwood in that KCRHA would agree to a fixed 4% increase in rent year over year, rather than an increase in alignment with HUD FMR, not to exceed 4%. At Westwood Apartments, units were leased at Fair Market Value in accordance with HUD. At this location, units are being leased significantly under FMR and so KCRHA does not run the risk of going over FMR with the fixed 4% rate. The below table illustrates the rent rate including increases in comparison to current FMR. Assuming that the HUD rate increases at 3% yearly, KCRHA will continue to pay less than FMR under the 4% agreement. This is aligned with our recent master lease at Olive Street.

Initial Rent Rate with 4% increases by year	Current 2024 FMR for Efficiency with estimated 3% yearly increase
\$1850	\$2211
\$1924	\$2277
\$2000	\$2345
\$2080	\$2416
\$2164	\$2488



The only potential concern about this location is the existence of a permanent supportive housing facility across the street. KCRHA is conscious not to over saturate an area and may need to collaborate with the operator of that PSH facility to ensure there are no detrimental impacts on the surrounding area.

III. Due Diligence in Selecting Location

KCRHA has not frequently had the opportunity to master lease entire buildings. Many of the offers KCRHA has received have either included unfavorable terms or have not been suitable for the client type that will be served by the ROW initiative.

As part of its due diligence for considering this property, KCRHA undertook the following to evaluate other options that had been presented. Below are listed several other opportunities and leads that the team has explored for master leasing.:

1. Toured a hotel/hostel and ultimately deemed the location unsuitable for our purposes due to condition of the building and location.
2. Reviewed a master lease of a motel that KCRHA declined due to the condition of the building and layout.
3. Negotiated terms with a development group that expressed interest in a master lease, but the development group ultimately declined to move forward with any proposal due to concerns over client type and lease terms, which were similar to the terms proposed for the recommended location.
4. Engaged with the owners of a building in Capitol Hill that was ultimately deemed unsuitable for clients due to shared bathrooms.
5. Declined another master lease with the XXXXXX Investment and Real Estate firm that KCRHA worked with on the Westwood master lease because the 110-unit former hotel was located a substantial distance from resolved encampments and would likely encounter challenges in navigating local statutes and regulations.
6. Sought proposals from a development group recommended by a board member, which identified this Northgate building and another location in Redmond but indicated that rents would be significantly higher for the other properties it could recommend for a master lease.
7. The Housing Acquisition Team was consulted about possible master lease opportunities with their landlord contacts, but no viable options were identified.

Recommendations

Since this location has been deemed the most viable among currently available properties for KCRHA's proposed use, staff recommend entering into a 36-month master lease at this location and beginning lease negotiations. This will cost \$1,443,000/yr with fixed 4% increases each subsequent year in line with market rate increases



RESOLUTION NO. 2024-08

A RESOLUTION OF THE IMPLEMENTATION BOARD OF THE KING COUNTY REGIONAL HOMELESSNESS AUTHORITY AUTHORIZING A LEASE WITH SJC TURIN LLC.

WHEREAS, under Article VIII, Section 2(j)(i) of the Interlocal Agreement, the Implementation Board of the King County Regional Homelessness Authority (“Authority”) must approve the “Transfer or conveyance of an interest in real estate, except for lien releases or satisfactions of a mortgage after payment has been received or the execution of a lease for a current term less than one (1) year” by resolution; and

WHEREAS, the Authority prioritizes investments and programs that support housing to end the experience of homelessness for people in King County; and

WHEREAS, the Authority has negotiated and seeks to enter a lease with SJC Turin LLC, a Washington limited liability company, to lease sixty-five apartments in a newly remodeled building for a duration of three years;

NOW THEREFORE BE IT RESOLVED BY THE IMPLEMENTATION BOARD OF THE KING COUNTY REGIONAL HOMELESSNESS AUTHORITY:

Section 1: The Implementation Board hereby authorizes the Authority to enter into a lease with SJC Turin LLC, a Washington limited liability company, substantially in the form on file with the Authority (“Lease”). The Chief Executive Officer of the Authority, in consultation with legal counsel, is hereby authorized to make such revisions and to finalize the terms of the Lease as determined to be necessary and in the best interest of the Authority. The Chief Executive Officer is further authorized to execute the lease on behalf of the Authority.

Section 2: This resolution shall take effect immediately upon passage. Passed by a simple majority of the Implementation Board pursuant to the terms of the Interlocal Agreement at a special meeting held the 10th day of April, 2024.

RESOLUTION NO. 2024-08

[Results]

Yea:

Nay:

Abstain:

KING COUNTY REGIONAL HOMELESSNESS AUTHORITY
IMPLEMENTATION BOARD
KING COUNTY, WASHINGTON

x _____

Benjamin Maritz, Chair

ATTEST:

x _____

Austin Christoffersen, Clerk of the Authority

RESOLUTION NO. 2024-08



KCRHA

King County Regional Homelessness Authority

Operational Workplan

Implementation Board Update: April 10, 2024

Resolution 2023-04

- Adopted by the Governing Committee at its November 6, 2024 meeting
- Requires KCRHA to prepare and submit an operational workplan
- First submit to the Implementation Board

RESOLUTION NO. 2023-04

A RESOLUTION OF THE GOVERNING COMMITTEE OF THE KING COUNTY REGIONAL HOMELESSNESS AUTHORITY REQUESTING THE DEVELOPMENT AND REVIEW OF AN OPERATIONAL WORK PLAN

WHEREAS, Article IV, Section 4(b) of the Interlocal Agreement (“Interlocal Agreement”) establishing the King County Regional Homelessness Authority (“Authority”) requires that the Authority develop a Five-Year Plan (as defined in the Interlocal Agreement) within the first 18 months of the Authority’s operations; and

WHEREAS, the Authority is responsible for ensuring that public funds are used efficiently and effectively in the fight against homelessness; and

WHEREAS, the creation and review of an operational work plan that outlines discrete activities to achieve the Five-Year Plan and the key timelines and implementation steps associated with those activities will promote transparency and accountability within the Authority; and

WHEREAS, an operational work plan is crucial to the effective and efficient implementation of the Authority’s Five-Year sub-regional plans, re-procurement of homelessness services, Ombud activities and initiation of newly funded services, such as tiny home villages and safe lots, in an expeditious and timely manner that maximizes the expansion of services; and

WHEREAS, Article VIII, Section 2(i) of the Interlocal Agreement authorizes the Implementation Board to develop and recommend for approval “Goals, Policies, and Plans” (as defined therein) to the Governing Committee; and

WHEREAS, Article VIII, Section 1(b)(ii)(1) of the Interlocal Agreement authorizes the Governing Committee to approve or amend by an affirmative vote of at least a 2/3 majority Goals, Policies, and Plans recommended by the Implementation Board; and

WHEREAS, development of an operational workplan and regular reporting on implementation of such a workplan is consistent with Article IX, Section 5(c) of the Interlocal Agreement, which states that “at the request of the Governing Committee or on at least a quarterly basis, the Chief Executive Officer shall provide a written report to the Governing



Operational Work Plan Components

- Five Year Plan milestones and deliverables
- Five Year Plan metrics
- Expenditure of newly provided resources (if any)
- Contracting updates
 - Expiring one-time funding
 - Reprocurement of services
 - Contracting process updates and decisions
- Ombuds office
- Major initiatives
- Organizational chart



Timeline

- November 6, 2023: Resolution 2023-04 adopted
- April 18, 2024: Update on progress to Governing Committee
- May 6, 2024: Submit plan to Implementation Board
- Quarterly updates after adoption of plan





KCRHA

King County Regional Homelessness Authority

Thank you.

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