Welcome

The meeting began at 1:05 pm. Introductions followed. The minutes from the September 9th, 2019 meeting were approved. The agenda was approved.

Agenda Item 3 Criteria and Priorities for Pipeline/Capital projects

Discussion of the future role of the CIP in setting priorities. Background information was provided on: Thurston County housing and population, number of housing units and population growth over next 20 years, the current pipeline projects and criteria used last year for housing projects. The HAT Blue team set the criteria last year, does CIP want to be involved in developing these criteria and does CIP want to work with the Blue Team on developing these criteria?

The first pipeline criteria were developed in 2016, they were updated last year. Joan comments that the housing situation and need has changed over 2 or 3 years, and also questions the “medium” priority of rehabbing or development of affordable housing. Tom gives context: survey was sent out to providers, top priorities was development of affordable rental housing, and development of Permanent Supportive Housing. Those were the highest priority, medium priorities were affordable homeownership and rehab existing housing. Joan emphasized that rehab is underestimated in importance, especially if it is a
market rate unit that becomes an affordable unit, like the Homes First model. Tom draws attention to developer criteria requiring one affordable housing project completed in Thurston County, if they want to bring in other developers who have been working in other counties, do they want to rethink that criteria. John comments that there may be other developers who have the capacity to develop projects at lower cost, Joan wonders if increased competition would harm anyone locally?

JW poses the question about what is their objective: economic development or providing affordable housing in the most efficient way possible? Agreement is that they should eliminate this criteria to maximize efficient affordable housing development. What is the process to remove this? CIP should reach out to HAT and Blue team that they want to have this discussion. Joan suggests that the CIP should have all comments and suggested changes prepared when they meet with the HAT blue team. Send an invitation for future CIP meeting to Trudy Soucoup as Chair of Blue Team and Keylee as HAT Chair. JW says they should look at the objectives and make sure the criteria are appropriate. Joan asks for clarification on who is the deciding body this year? Tom confirms it is the CIP. Joan wants to meet with the HAT before the RFP is developed, need to have the conversation about changes now.

Tom also adds the additional 1406 dollars and how this will factor in to future RFPs. Olympia and Tumwater have retracted their intent legislation, to allow the County to be first. October 22nd is when the BoCC will do their intent, after that Olympia and Tumwater can reapprove. Discussion of 1406 process follows, and regional use of these funds for capitol projects. Unclear who will be the decision making body on these funds.

John asks Cary to update the CIP on the Olympia Home Fund. They have only had preliminary conversation about 1406 funds. Home Fund advisory group feels strongly that operating dollars are the hardest thing to secure, so they feel that should be the priority, but no formal actions. Commerce has not posted implementation rules. Options are capital development construction, rental assistance, supportive housing operations. Discussion follows about when revenue will start to come in to local jurisdictions. Another topic with the Home Fund advisory is to match their RFP fund timing with the CIP RFP. The plan this year is to do the Home Fund RFP before the CIP, so that when an application goes to the CIP RFP it will have Home Fund dollars already awarded. Last year the CIP was first. Home Fund wants to prioritize supportive housing, so the hope is that if they award to a supportive housing project then that project will have their funds committed with the CIP RFP application. Joan wants to note that everyone understands that just because someone is awarded through the Home Fund does not mean that they will get an award from the CIP. Priorities may not be the same. Cary clarifies the assumption is that if a project has funding committed it makes their project more competitive. Discussion follows about multiple projects applying for the same funds (local, state, and tax credits) that are similar projects serving similar groups, how to prioritize these projects. Do they choose to invest everything in one project at the local level, or spread the award and let the determining factor be which project is awarded at the state level. Home Fund wants to decide locally rather than leave it up to the State to make the definitive award.

What is the Home Fund balance, and do they have emergency set aside etc? Estimated revenue is $2.3M a year, they are a little behind this year. Olympia bought the Martin Way property. Discussion followed regarding phase 1 and 2 development of the Martin Way site. Estimate is that the next RFP will be about
$1M for Capital project awards. 65% goes toward capital, some staff salary, and the remainder goes toward housing operations awards. Discussion follows regarding Merritt Manor, HUMI (non-profit), Homes First, and CDBG dollars. Homes First will be helping with rent-up. Ribbon cutting is on October 24th.

**AGENDA ITEM 4 Leverage scoring when reviewing/scoring applications**

John gave a brief background, during the last RFP the CIP had a recurring question regarding if an applicant is leveraging other dollars, does it count for or against them. Joan thinks it shouldn’t hurt. Chris points back to the criteria of a successful track record of leveraging other funding criteria, what is the purpose of this criteria. Just because an applicant does not have a track record of leveraging does not mean they cannot do it now or in future.

Tom provides additional background: leverage for capital is different from leverage on operations. Pipeline criteria was aimed at identifying successful developers for capital projects. The service applications were given up to 5 points if they had additional funds. However during their award discussion, they discussed the need of small local agencies who don’t have much ability to secure leverage. There was a disconnect between what they discussed vs what their scoring criteria was. Discussion follows regarding the size of organizations, their ability to secure funds, the quality and importance of the work they do, and not wanting to penalize/deflate scores on smaller organizations. RFP should ask the question about how they secure leverage, but should not count for or against the applicant. Agreement by the CIP is to eliminate this scoring criteria.

**AGENDA ITEM 5 Funding Set-Asides**

Set-Asides have been the same for some time, does the CIP want to make changes?

Joan’s question: when and where did they decide on set asides? How much is required? How much is their decision? Answer: The PIT and CE are required by the state, but the amount is not required, amount is set by the CIP. The other set asides are decided by the CIP. How did they arrive at the $200K? In the past it had been $100K, recommended to Tom from supervisor to increase to $200K. The CIP passed an emergency fund policy that states 8% of 2163 would be set aside for emergency and last year 8% was roughly $160K and the recommendation was to increase to $200k.

Discussion follows regarding the emergency fund, the mitigation site, and the request for funding from Quixote village. Prompted a discussion of the emergency fund policy, and what it says for funding request requirements. Clarify what the emergency fund is for, not being awarded during the RFP is not an emergency. Quixote requested administrative and operations dollars as an emergency. Chris suggests adding on page 1 of policy “funds are intended for urgent, acute problem unforeseen by the applicant” such as a broken water heater or urgent emergency repair. Discussion follows about language to clarify that the emergency fund is not intended to fund unsuccessful applicants.

Cold and hazardous weather is not a set aside requirement. Currently, agencies are awarded funds to run cold weather shelter, County determines how much they get, but for next year Staff recommends that they add this as an RFP application to have more information about what agencies will do with the funds. Still set aside some funds to award, but ask for applications.
Vote on Emergency Fund policy? Then can finalize the policy. Motion to approve policy with Acute added, motion seconded, all approved.

County has a proposal for the PIT consultant to assist the County. Discussion follows, Olympia is no longer overseeing PIT, state requires PIT but does not provide funds.

Housing Basic needs set aside, do they want to do that again this year? $160,000 last year. CIP will make formal decisions in January, but at this point the CIP does want to keep it as a Set Aside.

Coordinated entry set aside required by the state, it is a 2 year contract so they do not need a set aside for this next year.

**AGENDA ITEM 6 Next meeting date**

Discussion of November and December meeting dates. Agenda might include Trudy, Cary and discussion of capital priorities. Can they settle the agenda early and have the meeting on the 4th? Yes. Meet on the 4th. Meeting at 1 – 3 on November 4th, agenda meeting at 12:30.

**ADJOURN:** The meeting adjourned at 3:00 pm.

**Next regular CIP Meeting:**

November 4, 2019
1:00 pm to 3:00 pm
Conference Room 280