



Community, Housing, & Human Services (CHHS) Board

March 4, 2020
Meeting Minutes

Meeting called to order at 4:01 PM.

Attendance

- **Board Members Present:** Adriane Leithauser (Chair), Anne Stuyvesant-Whigham (by phone), Kathleen Torella, Jan Simpson, Gordon Graves, Kate Burke, Betsy Wilkerson, Rebecca Sero
- **Staff Present:** Kelly Burnett, George Dahl, Tim Sigler, Niki Madunich, Melissa Morrison
- **Guests Present:** Barry Barfield, Jeri Rathbun, Bob Hutchison, Ike Okoli, Will Holland, Charissa Boniface, Anna Belinski, Nadine Woodward

Introductions: CHHS Board members, city staff and guests present introduced themselves.

Public Comment

No public comments were offered by meeting attendees.

Approval of the Agenda

Motion to approve agenda made by CHHS Board member Betsy Wilkerson and seconded by CHHS Board member Melody Dunn.

➤ AGENDA APPROVED

Approval of the February 2020 Meeting Summary

Motion to approve the February Meeting Summary made by CHHS Board member Melody Dunn and seconded by CHHS Board member Betsy Wilkerson.

➤ MEETING SUMMARY APPROVED

Mayor Woodward Introduction

City of Spokane Mayor Nadine Woodward introduced herself to the board. Mayor Woodward looks forward to seeing the work the board does and provided an update on the ongoing CHHS Department inquiry.

CHHS Department Third Party Audit Briefing

Mayor Woodward provided a brief history regarding the third party department audit announced publicly earlier in the media. At the beginning of her term, the mayor received information from current department staff that during previous administrations, city staff had concerns regarding the appropriateness of certain actions and felt pressured to take action they weren't comfortable carrying out as standard processes were not followed. Based on this information, the Mayor reached out to the State Auditor's office, who have confirmed that this inquiry does fit into their scope and they plan to be in City Hall as soon as next week. The Mayor and her administration felt the best course of action would be to proceed with transparency and did notify the media and the department itself of the investigative action to be taken. At this point, so early in the investigation information is limited, but the closing audit report will be made public. The work that the department does is important to the City of Spokane and the scope of the work handled is impressive and important to the community and she has absolute confidence in the current leadership within the department.

City staff member, Tim Sigler clarified that the staff concerns presented to administration were

in regard to standard processes and protocols not being followed, but that the projects that concerns were raised around did not involve the CHHS board. The audit will confirm if the department missed crucial steps in distributing public funds and ensure that moving forward there is a standard process in place through which all dollars and allocations flow. All current projects will remain funded.

Perpetual Housing, Acquisition and Capital Improvements Project Process Discussion

Last month, the board made its first funding recommendation for the Perpetual Housing, Acquisition and Capital Improvements Project (PHACIP). Historically, funding recommendations have been routed through the RFP Committee for review and their recommendations have been brought before the board at large and then passed to City Council for approval. The idea behind the PHACIP is that it would make the city a better community partner by being more agile and responsive to community needs. In the past, agencies requesting funding would have to wait between 18-24 months for funding to be approved, the PHACIP would shorten that to 2-3 months. In addition to being more responsive, the new process includes the entirety of the board in the decision making and review process and allows them to understand the full context of their funding recommendations and the work being performed within the community as a whole.

Moving forward, this program model will be utilized for all funding through the CHHS department. Utilizing a rolling RFP will allow the city to have written record of all the ideas and projects coming in and be as responsive to them as current funds allow. Having a rolling RFP consistently posted will encourage community engagement with the city as well as give opportunities for consistent review by the board and remove the possibility of allocations being called into question or for funds to expire without being used.

Any applications received are reviewed and vetted by city staff for applicability or qualifications for program funds (CDBG, etc.). Last month was the first funding round and like anything new, questions and issues are expected. The diversity of the work groups represented on the board make it a great place to demo a program like this and is an opportunity for the board to be a part of the full conversation.

Board members expressed concerns that some projects that have been denied by the RFP committee may be able to slip through the cracks and gain funding via the PHACIP. The RFP committee may have identified specific concerns about certain projects and not shared them with the board at large and it's important that those projects not be approved without meeting criteria that in the past they have not. In the past, the RFP committee would take all applications received and break them down into groups being serviced and then score applicant responses question by question in order to make empirical data from subjective answers. The scoring matrix, while extremely useful for guiding discussions and ranking applicants, was never the sole decision factor. Many steps were taken in the decision process and included relevant players such as city staff and context discussion. The process gave a lot of focus to scoring but incorporated discussion and differing perspectives. The level of detail in that process made it feel equitable to all applicants as all information available was used in the decision making process. The discussion at last month's meeting was insightful and heated and ultimately came down to prioritization and spreading out available funds for the greatest good. Board members are unable to say, based on last month's discussion that it was sufficient for funding awards.

Moving forward, the board will be provided any applications received two weeks prior to board meetings and city staff member George Dahl will prepare a scoring matrix that can be utilized

to score applications prior to board meetings. While it is not possible for the board to pose specific questions to applicants, applications needing more detail may be returned to submitting organizations with feedback indicating more detail is needed. Any applicant is welcome to reapply, even on a repeating monthly basis. The board has no obligation to fund any projects received if they're not comfortable with the information available.

HUD Section 108 Loan Guarantee Program - Open Public Comment Period

City staff member, George Dahl presented information on the HUD Section 108 Loan Guarantee Program as it relates to the funding recommendation for Proclaim Liberty. At last month's board meeting and as part of the new PHACIP process, the board approved \$1.2 million in funding for a joint ECEAP and affordable housing units project, \$400k of which was requested as an interest free loan. The best option that the City could find to accommodate this request was through a HUD Section 108 Loan Guarantee. Toward that end, city staff met with HUD representatives to discuss the process. A Section 108 Loan is an opportunity to leverage the city's grant allocation to access low cost flexible financing for economic development, housing, public facility and infrastructure projects. Communities can elect to use Section 108 to finance a specific project or multiple projects. The loan fee is 2% of the loan and is financed at reduced interest. In order to be eligible, projects must address a CDBG National Objective and be a CDBG eligible activity. The Proclaim Liberty project is eligible for funding as it meets eligibility criteria and the application is in process. If the loan is approved, the payoff period is 20 years. As part of the application, city staff was advised to open a public comment period. The public comment period will run from March 4 through April 2 and any comments received will be addressed by April 17. Comments received will be presented to the board at the April 1 meeting.

Motion to open a public comment period regarding the HUD Section 108 Loan Guarantee Program made by CHHS Board member Gordon Graves and seconded by CHHS Board member Kate Burke.

- HUD SECTION 108 LOAN GUARANTEE PROGRAM PUBLIC COMMENT PERIOD OPENED

Board Education - Conflict of Interest

Each year, CHHS Board members are required to complete a conflict of interest (COI) Board Member Certification Statement acknowledging their receipt and understanding of the city's COI policy. If a board member has COI concerns, they're encouraged to bring those to the department director who can run them through the city's legal department. If business comes before the board that concerns an organization that a board member is personally involved with, board members may abstain from voting. The board does not allow for any financial conflicts. If a board member is approached to participate in some sort of community organization, the city requests those also be run through the legal department before committing.

Board Education - Organizational Chart

As part of their agenda packet, the board was provided with a department organizational chart. The chart is informational and further discussion will be had regarding how the department and board interact in the larger context of the Continuum of Care board and the system of providers and funders at the April board meeting.

Board Education - Public Meetings

Each year, CHHS board members are asked to complete training on the Open Public Meetings Act. During the meeting, the board watched the Attorney General's training video and signed

training certificates as a record of said training.

Director Report

Staff member Tim Sigler provided the Director's Report including the following items:

- Final interviews for the open Homeless Programs Manager position are scheduled for Friday, March 6. Ideally, the successful candidate will be able to start within two weeks of their notification. After a couple months of training they should be up and running.
- Staff has been working with SRHD for information on how to navigate COVID19 in the community and specifically with at-risk populations like those found in shelters.
- Coordinating with state and local HUD departments to discuss disaster relief funding. The city would have to coordinate with the city service community in order to submit an action plan for addressing at-risk population.
- Mayor is commissioning an affordable housing task force, should be in line with boards already active in the community.

Council Update:

City Council Member Betsy Wilkerson introduced herself to the board and explained she's happy to be a part of the board as her family has owned a business in Spokane and she personally has worked with many service providers and has service involved family members. Council Member Wilkerson feels her experience and relationships will be valuable assets to the board.

Council member Kate Burke introduced herself to the board and explained she's interested in solutions around housing and homelessness in our community. She also provided the following updates:

- A statewide housing conference is converging in late April
- Working with Council Member Cathcart for government transparency, they're planning a town hall April 11 to discuss ways it's lacking and how it can be increased and gather feedback from community members on what they'd like to see.

Committee Updates

No updates were given from either the Affordable Housing or RFP committees.

Announcements

No announcements were made.

Meeting Adjourned at 5:57 PM.

The next CHHS Board Meeting is scheduled for **April 1, 2020 from 12-4pm.**