

**MINUTES OF THE MEETING OF THE
BOARD OF COMMISSIONERS OF THE
KING COUNTY HOUSING AUTHORITY**

January 12, 2011

I. CALL TO ORDER

The meeting of the Board of Commissioners of the King County Housing Authority was called to order at 8:30 am on Wednesday, January 12, 2011 at the King County Housing Authority's Administrative Offices, 600 Andover Park West, Tukwila, Washington.

II. ROLL CALL

Present: Commissioner Nancy Holland-Young, Chair (telephonically); Commissioner Michael Brown (telephonically), Commissioner Richard Mitchell, Commissioner Terry McLlarky, and Commissioner Doug Barnes (telephonically)

Staff: Stephen Norman, Dan Watson, Connie Davis, Mike Reilly, Linda Weedman, Craig Violante, Deborah Gooden, Gary Leaf, Tessa Martin, John Eliason, Rhonda Rosenberg, Donna Kimbrough, Tim Walter, Claude DaCorsi, Megan Hyla, Bill Cook, Kristin Winkel and Graeme Atkey

Guest: Alex Zimmerman

III. PUBLIC COMMENT

Chair Holland-Young announced that members of the public in attendance at the meeting would have five minutes to speak before the Board.

Guest, Alex Zimmerman, addressed the Board expressing his opinions about the Housing Authority's Commissioners and staff.

IV. APPROVAL OF MINUTES

Minutes from the December 15, 2010 Board of Commissioners' meeting were presented for approval. Commissioner Mitchell moved for approval of the minutes. Commissioner McLlarky seconded the motion and the minutes were unanimously approved.

V. CONSENT AGENDA

There being no requests for removal of items from the Consent Agenda, Commissioner McLlarky moved for approval of the following consent agenda items:

November 2010 Voucher Reports

General Properties: Bank Wires/ACH Withdrawals for \$6,946,406.46; Accounts payable vouchers #213111-213638 for \$4,933,839.48; Payroll

vouchers, computer checks numbered #81419-081455 for \$1,020,364.97; Payroll computer direct deposit #107474-108113 for \$47,692.42. Section 8 Program vouchers, ACH withdrawals #142494-145456 for \$7,617,301.57, computer run checks #569780-570723 for \$711,173.60; purchase Card/ACH withdrawal \$163,485.97. Total for November 2010 for the General Properties was \$21,440,264.47.

Bond Properties: total for November 2010 was \$1,750,504.84 related to 19 different properties.

Commissioner Mitchell seconded the motion to approve the Consent Agenda. The Consent Agenda was unanimously approved.

VI. RESOLUTIONS FOR DISCUSSION

Resolution No. 5315: Amending KCHA By-Laws & Establishment of a Public Expression Policy

Presented by: Stephen Norman

Stephen Norman reported that Resolution No. 5315 seeks approval of amended and restated By-Laws. Proposed amendments to the By-Laws include the addition of Section 8: Ethics and Conflicts of Interest, which refers back to the requirements of the King County RCW regarding conflicts of interest for Commissioners and to KCHA's Personnel Policies and Procedures regarding the subject. Mr. Norman noted that additional language will also be added to the By-Laws regarding the order of business for the meetings, procedures for public comments, clarifying Executive Sessions and procedures for adjournment. Mr. Norman stated that the proposed changes for the By-Laws have been reviewed by counsel.

Resolution No. 5315 also sought approval of a new proposed Public Expression Policy. Mr. Norman noted that the proposed policy clarifies for the Board of Commissioners and the general public how the public comment period will be conducted at meetings. The intent is to assure opportunity for public input while also assuring that a level of public decorum is maintained at the meetings. Under the proposed policy, speakers will be required to first sign a form requesting the opportunity to speak and acknowledging receipt of the KCHA Public Expression Policy prior to speaking at a Board meeting.

Commissioner McLlarky expressed his appreciation for development of the Public Expression Policy.

Commissioner Mitchell noted he will recommend approval of the Resolution but asked that the Board carefully consider the use of the word, Authority, versus the use of the words, alternatively, Commissioner(s)/Board of Commissioners in the documents. He noted that there are instances where the phrase, Board of Commissioners, should be used to define when the entity is exercising its statutory authority, as opposed to when the word, Authority, is used to describe generally the entity. He noted that within the reference to the Board of Commissioners, there are offices and within offices, a Secretary-Treasurer is defined as the Executive Director.

Commissioner Mitchell also commented that under the Public Expression Policy it is mentioned that the public would hand documents to the Board Secretary, which would not be the Secretary-Treasurer as defined in the By-Laws. There is no clear wording that would allow the Secretary-Treasurer to delegate responsibilities, i.e., accepting documents from the public at meetings. Commissioner Mitchell suggested, as an example, that Section 4 of the By-Laws could read "The Secretary-Treasurer, or his/her designee. . .". He noted that there are other instances within the By-Laws where the wording could also be altered for clarification. Commissioner Mitchell commented that his suggestions should not stop the Resolution from being put forth for a vote, but at some point in the future the suggested wording should be considered. As a result of Board discussions on this issue, the motion for Resolution No. 5315 was amended.

MOTION: Moved that Resolution No. 5315: Amending KCHA By-Laws & Establishment of a Public Expression Policy, be approved, subject to modifications/clarification of definitions within the By-Laws document as brought forth before the Board of Commissioners.

MOVED BY: Commissioner Brown seconded by Commissioner Barnes. Motion unanimously passed.

Resolution No. 5309: Amending the Procurement Policy to Include Debarment of Contractors, Vendors and Consultants
Presented by: Connie Davis

Connie Davis reported that Resolution No. 5309 was brought to the Board at its December meeting, but as issues were raised by Commissioners regarding the debarment process and proposed policy the Resolution was tabled. Ms. Davis noted that legal counsel has thoroughly reviewed both the criteria and process language and it is comfortable with KCHA instituting debarment procedures within its Procurement Policy.

Ms. Davis noted that the current Procurement Policy was adopted in April 2000 by Resolution 3067 and over time has been updated and revised with Board Resolutions and/or internal administrative changes. However, none of these changes have addressed situations where a contractor (the term "contractor" references all KCHA contractors, consultants and vendors) can be barred from doing business with KCHA.

A new chapter, No. III-N, (in the Procurement Methods and Procedures chapter) needs to be created to address situations where the documented business practices of a contractor are such that the interests of the Housing Authority are best served by precluding or debaring the contractor from bidding on KCHA work for a certain time period. This chapter is broken down into two sections, criteria and process. Prior to further discussion, a motion was made to bring the Resolution back to the table for approval.

MOTION: Moved that Resolution No. 5309: Amending the Procurement Policy to Include Debarment of Contractors, Vendors and Consultants, having been tabled at the December 2010 meeting, be brought forth to the Board for consideration and approval.

MOVED BY: Commissioner Mitchell, seconded by Commissioner McLlarky. Motion unanimously passed.

Ms. Davis thoroughly reviewed for the Board the criteria and process covered by the proposed chapter that incorporated suggestions made by Commissioners at the December meeting.

Following her briefing, Commissioner Mitchell noted his appreciation for the revised document including the section that ensures that anyone who risks being debarred is given an opportunity to see all of the documents that led to the recommendation, and he is in support of the procedures as currently written.

MOTION: Moved that Resolution No. 5309: Amending the Procurement Policy to Include Debarment of Contractors, Vendors and Consultants, be approved.

MOVED BY: Commissioner McLlarky seconded by Commissioner Mitchell. Motion unanimously passed.

Commissioner Barnes asked if there are any contractors currently under consideration for debarment. Stephen Norman replied there are a few contractors that may be subject to the Debarment Policy due to misrepresentation. Mr. Norman noted that the Authority has not moved forward with a debarment recommendation at this point as the matter is still under investigation.

VII. REPORTS

Bank Accounts Opened in December 2010

There were no questions from the Commissioners on bank accounts opened in December 2010.

Section 8 Payment Standard Annual Analysis

Presented by: Megan Hyla

Megan Hyla reported that each year, KCHA reviews the payment standards that are used to establish maximum subsidy levels under the Section 8 Program. The recommendation this year, based upon current market conditions and trends, is to hold the Program at current payment standards for the next twelve months.

Ms. Hyla noted that almost 10,000 households are served by the King County Housing Authority's Section 8 program. Many of these households are seniors or disabled (54%), and the balance consists of families with children. In 2009, over sixty percent of those newly housed in KCHA's Section 8 programs were formerly homeless. Section 8 vouchers allow households to rent well maintained units close to good schools, jobs and family, if the payment standard is set at an appropriate level. Payment standards are the maximum subsidy level a household with a Section 8 voucher can receive. If payment standards are too high, the program quickly becomes costly to administer. In addition, relatively high payment standards in large Section 8 programs such as KCHA's can place upward pressure on market rents particularly at the lower end of the rent spectrum, distorting market costs for non-subsidized households. Ms. Hyla noted that if

the payment standards are too low, neighborhoods with amenities such as good schools, jobs, parks and transit may be out of reach while poverty becomes concentrated in less desirable neighborhoods. In addition, households that choose to pay above the payment standard to live in deconcentrated, economically diverse neighborhoods may struggle between paying rent and other necessities like food and transportation.

Ms. Hyla reported that in 2007, the Board of Commissioners resolved to decouple KCHA's payment standards from HUD's Fair Market Rent (FMR) utilizing KCHA's Moving to Work authority. As a result, KCHA has established two sets of payment standards – standard and “exception” rents – reflecting the dramatically different rent levels found across different submarkets in the County.

During Ms. Hyla's briefing, Commissioner McLlarky asked that the meeting records reflect that the public comment speaker, Alex Zimmerman, vocally disrupted the meeting's proceedings for the third time.

Incorporated into Ms. Hyla's briefing was a thorough PowerPoint presentation that is appended to the Board meeting records. Her presentation included a complete analysis of shelter burdens, local market data, shopping success rates and the geographic distribution of voucher holders. Ms. Hyla noted that with the exception of select East-side neighborhoods, market rents have been relatively stable since last year's review. Neighborhoods in the East and Southwest have seen rents rise a modest one percent, while rents in the North have declined by the same amount. No change was seen in rents in Southeast King County.

The Board of Commissioners asked clarifying questions throughout her briefing and thanked Ms. Hyla for her in-depth presentation.

Fourth Quarter Procurement Report

There were no questions from the Commissioners on the Fourth Quarter Procurement Report.

Financial Summary of Seola Gardens

Presented by: Deborah Gooden

Deborah Gooden reported that in 2008 KCHA was awarded a \$20,000,000 HOPE VI Revitalization Grant for the redevelopment of Park Lake Homes II which has now been renamed Seola Gardens. The HUD Section 202 project, known as Joseph House which is the second phase of residential construction, has been fully incorporated into the Revitalization Plan and most of the financing and costs for this initiative are now known. Ms. Gooden's memorandum contained in the Board packet summarized the revitalization plan for Seola Gardens including a description of the infrastructure, for sale housing and rental housing to be built, the schedule, the services to be offered and the financial plan. Outstanding financial risks and mitigations were also detailed in her memorandum.

As way of background, Ms. Gooden noted that Seola Gardens will include 177 affordable rental homes and 110 homes for sale. On-site amenities will include a 6,500 square foot community center, 7 parks, public art, a par course for exercise, P-Patch

community gardens, and state-of-the-art water quality ponds and rain gardens. The adjacent Lakewood Park, Lake Garrett, and Evergreen Aquatics Swimming Center will provide recreational choices for returning and new residents. Educational opportunities are provided for infants through high school age in nearby schools. Neighborhood House will offer tutoring and the YWCA will offer a computer center at the Seola Gardens Community Center. The Boys and Girls Club will bring programs to the site and children are also welcome in the Greenbridge Boys and Girls Club facility. Finally, the Technology Access Foundation facility to be built adjacent to Seola Gardens in Lakewood Park will offer some openings to Seola Gardens' youth for intensive technology related education.

Ms. Gooden noted that seniors will also enjoy the community spaces, programs and services tailored to them in the Joseph House senior building to be owned and operated by Providence Health and Services of Washington. A nearby public health center, food bank, fire station, and retail stores provide off-site services available to Seola Gardens' residents.

Clarifying questions were posed by the Commissioners during the presentation that were answered by Ms. Gooden and other staff. The Board of Commissioners thanked Deborah for her in-depth presentation on Seola Gardens.

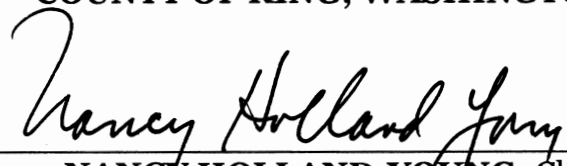
VIII. EXECUTIVE DIRECTOR'S REPORT

Stephen Norman had previously distributed his Executive Director's Report to the Commissioners. Chair Holland-Young noted that the report mentions recent Census Bureau statistics and the fact that the western United States has the highest regional poverty rate in the country at 19.2%. She asked for the percentage ranges for other parts of the country. Mr. Norman replied that most other areas are in the low teen percentages but he'll forward the exact numbers to Chair Holland-Young.

IX. ADJOURNMENT

There being no further business before the Board of Commissioners, a motion was made by Commissioner Mitchell and seconded by Commissioner McLlarky to officially adjourn the meeting at 9:50 am.

THE HOUSING AUTHORITY OF THE COUNTY OF KING, WASHINGTON



NANCY HOLLAND-YOUNG, Chair
Board of Commissioners



STEPHEN J. NORMAN
Executive Director