

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

**February 9, 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, February 9, 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; Commissioner Michael Brown, Commissioner Terry McLlarky (telephonically) and Commissioner Doug Barnes

**Excused:** Commissioner Richard Mitchell

**Staff:** Stephen Norman, Dan Watson, Connie Davis, Mike Reilly, Linda Weedman, Craig Violante, Tessa Martin, John Eliason, Rhonda Rosenberg, Donna Kimbrough, Tim Walter, Claude DaCorsi, Megan Hyla, Tim Locke and Bill Cook

**Guest:** Lillie Clinton  
Alex Zimmerman, arriving at 8:55 am

**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.

There were no public comments.

**IV. APPROVAL OF MINUTES**

Minutes from the January 12, 2011 Board of Commissioners' meeting were presented for approval. Commissioner Barnes moved for approval of the minutes. Commissioner Brown 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 Brown moved for approval of the following consent agenda items:

**December 2010 Voucher Reports**

General Properties: Bank Wires/ACH Withdrawals for \$6,033,299.96; Accounts payable vouchers #213639-214388 for \$5,864,439.06; Payroll vouchers, computer checks numbered #081456-081488 for

\$1,039,429.39; Payroll computer direct deposit #108114-108751 for \$44,542.42; Section 8 Program vouchers, ACH withdrawals #145457-1484916 for \$7,671,677.15 , computer run checks #570724-571667 for \$721,414.25; purchase Card/ACH withdrawal \$165,939.56. Total for November 2010 for the General Properties was \$21,540,741.79.

Bond Properties: Total for December 2010 was \$2,363,755.55 related to 19 different properties.

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

## **VI. RESOLUTIONS FOR DISCUSSION**

**Resolution No. 5316:** Authorizing the Creation of Four Limited Liability Companies and One Nonprofit Corporation for the Purpose of Financing Projects using New Market Tax Credits

Presented by: Tim Locke

Tim Locke reported that approval of Resolution No. 5316 would authorize the creation of up to four limited liability companies (LLC's) and a non-profit corporation in anticipation of receiving allocations of New Market Tax Credits. The resolution does not authorize KCHA to undertake any transactions with regard to the newly formed LLC's or non-profit corporation.

Mr. Locke reported that, in 2007 KCHA was designated a Community Development Entity (CDE) by the CDFI Fund, making KCHA an eligible recipient of NMTC allocations. KCHA subsequently received an allocation of \$23 million in credits, which were used to help finance the Greenbridge Early Learning Center.

In June of 2010, staff submitted another application to the Community Development Financial Institutions (CDFI) Fund of the U.S. Treasury for \$45 million in additional credits. Due to congressional delays in reauthorizing the New Markets Tax Credit program for 2011, awards of NMTC allocations have not yet been announced but are expected within the next 30 days.

KCHA's application, if approved, will provide low cost equity investment and loans for a pipeline of potential projects which include financing for the acquisition and improvements to the Wonderland Estates Mobile Home Park; a new community center being developed by the City of Auburn next to Green River Homes; a youth theater being developed by the City of Bellevue adjoining the Landmark Apartments, Bellepark East and Woodside East; financing for construction of new for-sale homes at Greenbridge and Seola Gardens; financing of tenant improvements for small business leasing space at Greenbridge; and other similar unspecified projects.

Mr. Locke noted that it is uncertain whether KCHA will receive all, a portion, or none of the NMTC allocation requested in its application. The National NMTC allocation has been reduced by Congress from \$5 to \$3.5 billion resulting in stiff competition for credits and investors among prospective CDE's. Staff is recommending that preparations be made for the receipt of NMTC allocations so that contracting with the CDFI Fund can be expedited and financing of some or all of the projects referenced above can

move forward as quickly as possible. In the event that KCHA does not receive a NMTC allocation, it is possible to obtain NMTC allocations through other CDE's that did receive allocations since KCHA has a pipeline of viable projects that may be positioned to move forward quickly.

Mr. Locke further briefed the Board on the establishment of the limited liability companies and a Qualified Active Low Income Community Businesses (QALICB) ownership entity.

Mr. Locke concluded his presentation by stating that the purpose of Resolution No. 5316 is to set up five legal entities needed to undertake NMTC financing for some or all of planned projects and to begin discussions with potential investors. Wonderland Estates is particularly time sensitive due to the impending construction work planned for this year. By establishing a nonprofit QALICB, KCHA can better position itself to move forward quickly into substantive discussions with investors and other CDE's, once the NMTC allocations are announced by the U.S. Treasury.

This resolution does not authorize any real estate or financial transactions in connection with the newly formed LLC's or non-profit corporation. Each deal will be brought to the Board of Commissioners on an individual basis for approval.

Commissioner Barnes asked if the LLCs are dissolved if KCHA does not receive the tax credits. Mr. Locked replied that the LLCs would be retained for a period of time for reapplication of new market tax credits. Commissioner Barnes also asked who would comprise the board of directors for the non-profits. Stephen Norman responded that the boards can be comprised of staff and/or Commissioners; and it is at the discretion of the Board of Commissioners. Commissioner Brown stated he would prefer that staff are involved and set up a structured reporting process to the Commissioners. Other Commissioners present concurred.

Chair Holland-Young asked for a scenario if the funds are not received. Mr. Locke replied that if the allocation of credits is not received, the CDEs will not be necessary. For Wonderland Estates, Mr. Norman commented that the project needs to move forward regardless of the tax credits and the Housing Authority may be able to receive tax credits from another entity.

Following further clarifying questions, a motion was made for Resolution No. 5316.

**MOTION:** Moved that Resolution No. 5316: Authorizing the Creation of Four Limited Liability Companies and One Nonprofit Corporation for the Purpose of Financing Projects using New Markets Tax Credits, be approved.

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

## **VII. REPORTS**

### **Briefing on Wind Rose Environmental Assessment and Development Plans**

Presented by John Eliason

John Eliason noted the purpose of the briefing was to give Commissioners an update on the Wind Rose site at Greenbridge. He noted that at the March Board meeting, the Board of Commissioners will consider a resolution approving the Environmental Assessment and the Determination of Non-Significance for Wind Rose and will formally “take action” under the State Environmental Policy Act (SEPA) which starts the clock on the 21 day appeal period in which members of the public may appeal the Determination of Non-Significance.

Mr. Eliason thoroughly briefed the Board on the SEPA and NEPA Environmental Assessment process involved for Wind Rose. He also provided slides showing aerial views of the site and conceptual site plans of various development options.

Following his presentation, Commissioner McLlarky asked if there are a specific number of units assigned to the parcel. Mr. Eliason replied there can be between 8 and 80 units on the site. Commissioner McLlarky asked if Wind Rose is part of Greenbridge or is it a separate entity. Mr. Eliason replied it will be a separate entity but has many of the same characteristics of Greenbridge in that it is part of the demonstration ordinance.

Chair Holland-Young thanked Mr. Eliason for his presentation.

### **Briefing on Washington State Department of Social and Health Services Entitlement Cuts**

Presented by Mike Reilly and Connie Davis

Mike Reilly and Connie Davis briefed the Board of Commissioners, via PowerPoint, on the Washington State DSHS entitlement cuts noting that there will be a 21% reduction across the board to GAU (General Assistance for the Unemployable), and a 15% reduction in TANF (Temporary Assistance for Needy Families).

The sweeping cuts will impact 25% of KCHA residents and Section 8 recipients. The presentation focused on how these cuts will severely impact the Housing Authority and its residents. As part of the presentation, Mr. Reilly provided several scenarios of how families will be affected by the cuts. The Housing Authority has taken a number of measures to help these families including reducing rents and working with landlords. There is also a financial impact to the Housing Authority.

Following Mr. Reilly’s and Ms. Davis’ presentation, Chair Holland-Young asked if these cuts will necessitate KCHA revising its rent reform policy. Mr. Reilly replied that staff is reviewing the financial impacts very carefully before any recommendations are made. Commissioner Brown asked that staff return to the Board at a future meeting with an update on the DSHS cuts.

A copy of the PowerPoint presentation is appended to the meeting records.

## **Quarterly Dashboard Report**

There were no questions from the Commissioners on the Dashboard Report.

## **Fourth Quarter Summary Write offs**

There were no questions from the Commissioners on the Fourth Quarter Summary Write-offs Report.

## **VIII. EXECUTIVE DIRECTOR'S REPORT**

Stephen Norman previously distributed a copy of his February Executive Director's report and there were no questions from the Commissioners on his report.

Chair Holland-Young asked that the meeting record reflect that visitor, Mr. Alex Zimmerman, vocally disrupted the meeting's proceedings twice.

## **IX. EXECUTIVE SESSION**

A motion was made by Commissioner Brown to adjourn to Executive Session at 9:35 am for approximately 15 minutes to discuss the performance of a public employee as authorized by RCW 42.30.110(1)(g). Commissioner Barnes seconded the motion and it unanimously passed.

A motion was made by Commissioner Brown to return to the regular Board of Commissioners' meeting, motion was seconded by Commissioner Barnes and the motion unanimously passed. The regular meeting was reconvened at 9:50 am.

## **X. ADJOURNMENT**

There being no further business before the Board of Commissioners, a motion was made by Commissioner Brown and seconded by Commissioner Barnes to officially adjourn the meeting at 9:52 am.

## **THE HOUSING AUTHORITY OF THE COUNTY OF KING, WASHINGTON**

  
NANCY HOLLAND-YOUNG, Chair  
Board of Commissioners

  
STEPHEN J. NORMAN  
Executive Director