

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

June 8, 2011

I. CALL TO ORDER

The special meeting of the Board of Commissioners of the King County Housing Authority was called to order at 9:45 am on Wednesday, June 8, 2011 at the Northridge Apartments Community Room, 1540 NE 177th Street, Shoreline, Washington.

Chair Holland-Young thanked staff for the tour of properties that proceeded the Board meeting.

II. ROLL CALL

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

Staff: Stephen Norman, Connie Davis, Mike Reilly, Ruben Rivera-Jackman, Jody Stewart, Steve Jefferis, Dan Watson, Tim Locke, Craig Violante, Bill Cook, Linda Weedman, Loretta Pagan, Myra Jacobs and Tessa Martin

Guests: Lillie Clinton, Cindy Ference, Alex Zimmerman, Eric Nelson, Vicki Kessler

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.

Alex Zimmerman spoke before the Board regarding his opinions of the Housing Authority's operations, staff, Section 8 application process and employee salaries.

Commissioner Mitchell asked that the meeting records reflect that Mr. Zimmerman's used profanity during his comment period which is inconsistent with the Housing Authority's Public Expression Policy. Chair Holland-Young asked several times for Mr. Zimmerman to sit down and refrain from continuing to speak.

Cindy Ference read a letter to the Commissioners that expressed, among other items, her appreciation for the Housing Authority and the work it does for the community.

Chair Holland-Young acknowledged other guests present in the room; however, they did not wish to make public comments before the Board.

IV. APPROVAL OF MINUTES

Minutes from the April 29, 2011 Board of Commissioners' special meeting were presented for approval. Commissioner Barnes moved for approval of the minutes. Commissioner Mitchell seconded the motion.

Minutes from the April 30, 2011 Board of Commissioners' special meeting were presented for approval. Commissioner Brown moved for approval of the minutes. Commissioner Barnes seconded the motion.

Minutes from the May 11, 2011 Board of Commissioners' meeting were presented for approval. Commissioner McLlarky moved for approval of the minutes. Commissioner Mitchell seconded the motion.

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 item:

April 2011 Voucher Reports

General Properties: Bank Wires/ACH Withdrawals for \$7,054,912.89; Accounts payable vouchers #216243 - 217010 for \$5,349,554.22; Payroll vouchers, computer checks numbered #81588-81631 for \$33,676.85; Payroll computer direct deposit for \$1,629,913.62; Section 8 Program vouchers, ACH withdrawals #158306-161279 for \$7,677,203.95, computer run checks #575177-576432 for \$712,724.31; purchase card/ACH withdrawal \$179,609.94. Total for April 2011 for the General Properties was \$22,660,881.05.

Bond Properties: Total for April 2011 was \$1,619,250.56 related to 19 different properties.

Commissioner McLlarky seconded the motion to approve the Consent Agenda and it was unanimously approved.

VI. RESOLUTIONS FOR DISCUSSION

Resolution No. 5331:

Presented by: Dan Watson

Dan Watson reported that approval of Resolution No. 5331 would formally acknowledge KCHA's participation in the *Growing Transit Communities* program and authorize the Executive Director to enter into a nonbinding Memorandum of Understanding (MOU) with other participants in the program (Consortium Partners). Mr. Watson noted that the *Growing Transit Communities* is a regional planning initiative coordinated through the Puget Sound Regional Council that has been awarded a

Sustainable Communities Planning Grant by HUD. KCHA would be one of over 25 Consortium Partners that include King County, Pierce County, Snohomish County, the cities of Seattle, Tacoma, Everett, Bellevue and Redmond, the Seattle, Snohomish County, and Pierce County Housing Authorities, Sound Transit, the University of Washington, the Cascade Land Conservancy, the Urban Land Institute, the Housing Development Consortium and other public and nonprofit agencies. The goal and governance for this initiative were included in the MOU, a copy of which was attached to the Resolution.

Mr. Watson briefed the Board on the background of the program and its initiatives that were also outlined in his memorandum contained in the meeting packets. Mr. Watson noted that the purpose of the *Growing Transit Communities* program is to develop policies, tools, templates, and strategies to foster compact, equitable development in high capacity transit station areas, while providing affordable housing, reduced transportation costs, better environmental outcomes, and access to jobs for low-income households and communities of color in areas receiving major transit and housing investments. One of the ambitious goals of the program is to identify unique development, community, and other opportunities associated with the expansion of the Sound Transit LINK light rail system and to gain the support of local governments, communities, and neighborhoods through the coordination and direct involvement of a wide array of stakeholders, both public and private.

He noted that HUD has identified the development of "equitable, affordable housing" as a sustainable community principle and key element of any regional plan. KCHA's primary interest will be insuring that meaningful low income and affordable housing development requirements and policies are effectively incorporated into the planning documents. Also, KCHA hopes to identify transit oriented development opportunities and financing strategies for the development of affordable housing, particularly within the East Link Light Rail Corridor in Bellevue and Redmond.

Stephen Norman noted that at the April Board strategic retreat, Commissioners prioritized six overarching goals one of which was assuming a leadership role in enabling a significant amount of new affordable housing to be developed along emerging mass transit corridors and Resolution No. 5331 would be a preliminary step in addressing that initiative.

Commissioner Barnes noted that the Resolution refers to the Housing Authority supporting "... the goals, organization, governance and work objectives of the *Growing Transit Community Program*" and asked for an explanation of the work objectives for the Program. Mr. Watson replied that the work plan is an exhibit to the MOU but was not attached to the meeting materials due its sheer volume. The work plan is not specific to what would actually be accomplished through the Program but lays out an array of possible long term results.

Following further clarifying questions, a motion was made for Resolution No. 5331.

MOTION: Moved that Resolution No. 5331: Authorizing The Executive Director to Sign the Memorandum of Understanding Between the Agencies, Organizations and Local Governments Participating in the Growing Transit Communities Program, be approved.

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

Resolution No. 5330: Authorizing the Purchase by Negotiation or Condemnation in Lieu of Purchase of Real Property located at 10015 and 10021 8th Ave SW in Seattle
Presented by: Tim Locke

Chair Holland-Young noted that a corrected copy of Resolution No. 5330 was distributed to the Commissioners as there was a minor error in the original wording of Section 3.

Tim Locke reported that Resolution No. 5330 authorizes the Executive Director to purchase, by negotiated sale or by condemnation in lieu of negotiated sale, two contiguous, blighted, residential properties that adjoin Greenbridge. The properties are located at 10015 and 10021 8th Ave SW and adjoin the back yards of the 7 units of for-sale housing being developed and marketed by HomeSight. The properties are directly across the street from the White Center Heights Elementary School, and in close proximity to the Nia and Salmon Creek Apartment complexes.

Mr. Locke briefed the Board on the properties, their condition, appraised value and risks associated with the purchase as outlined in cover memorandum contained in the Board meeting packets.

Greenbridge development staff have indicated that the condition of the properties has turned off prospective buyers of the adjacent for-sale homes and were cited by one interested buyer as a significant reason not to purchase. In the midst of Greenbridge, the old mobile homes and ancillary structures on the property are very conspicuous. The negative impact of these properties is potentially more significant than just hampering sales of the seven new HomeSight homes since Greenbridge still has well over 30 acres of land to sell to prospective homebuilders. An inability to sell the seven HomeSight homes may raise concerns from prospective homebuilders. Also, these properties are also directly visible from the unleased, retail spaces in the Salmon Creek Apartments.

Chair Holland-Young noted that the KCHA would be paying \$59,000 per lot for the property, for a total of \$177,000 for the entire property and asked what is the average market price for a lot. Mr. Locke responded that it depends upon the appraiser. With these properties, the appraisal that was undertaken as part of the negotiation was a standard residential summary appraisal where the appraiser determined the highest and best use to be vacant land and examined sales of comparable lots in the White Center area to determine the gross value and then deducted \$20,000 for the cost of disposing of the two mobile homes. The appraiser may have erred in not analyzing the properties' value as substandard rentals. The two mobile homes, are permanently affixed to the land, have had their titles extinguished and are actually real property which

should be evaluated based on the potential rental income generated by the properties. A quick analysis revealed a reasonable value in the range of \$170,000 to \$190,000 for all of the lots. The final negotiated price is \$176,000.

Commissioner Barnes asked if the underlying lender with the reverse mortgage is moving immediately on foreclosure of the property. Mr. Locke responded that the foreclosure has been delayed for five weeks. Commissioner Barnes also asked if the Housing Authority would have the opportunity to buy the note directly and Stephen Norman responded staff would look into the possibility.

Commissioner McLlarky asked if the negotiated price is for the entire lot. Mr. Locke responded the price is for the entire piece of property and the Housing Authority was not interested in purchasing only one of the lots.

Mr. Locke concluded his presentation by noting that staff recommend approval of Resolution No. 5330 due to the value to the Greenbridge project in quickly acquiring and removing these blighted eyesores.

Prior to a motion being made, Chair Holland-Young noted that approval of the Resolution will not preclude staff from inquiring about the purchase of the note from the lender.

Stephen Norman expressed his appreciate for Tim Locke's hard work in bringing this deal to fruition.

MOTION: Moved that Resolution No. 5330: Authorizing the Purchase by Negotiation or Condemnation in Lieu of Purchase of Real Property located at 10015 and 10021 8th Ave SW in Seattle, be approved.

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

Chair Holland-Young reported that the Housing Authority recently held its 3rd Annual Service Award Luncheon for employees. She was a speaker at the event and Commissioner McLlarky attended as well. She extended congratulations to Mike Reilly who has been with the Authority for 30 years and Dan Watson who has been with KCHA for 35 years. Both were honored at the luncheon for their service to KCHA as well as a number of other staff.

VII. REPORTS

New Bank Accounts

There were no questions from the Board of Commissioners on the New Bank Accounts memorandum contained in the meeting packets.

VIII. EXECUTIVE DIRECTOR'S REPORT

Stephen Norman's monthly report was previously electronically distributed to the Board of Commissioners and there were no questions on his report.

Mr. Norman introduced Ruben Rivera-Jackman, Senior Resident Services Manager. Mr. Rivera-Jackman briefed the Board on Resident Services and how they benefit residents at KCHA sites. He noted that the program includes nine staff working in 25 buildings. Commissioners expressed their appreciation for Mr. Rivera-Jackman's presentation.


IX. COMMISSIONER COMMENTS

Commissioner Holland-Young noted that the July Board meeting will be held at Greenbridge.

X. ADJOURNMENT

There being no further business the meeting was officially adjourned at 10:35 am.

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



NANCY HOLLAND-YOUNG, Chair
Board of Commissioners



STEPHEN J. NORMAN
Executive Director