

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

August 10, 2011

I. CALL TO ORDER

The special meeting of the Board of Commissioners of the King County Housing Authority was called to order at 8:55 am on Wednesday, August 10, 2011 at the Forest Glen Apartments, 8610 164th Avenue NE, Redmond, Washington.

II. ROLL CALL

Present: Commissioner Nancy Holland-Young, Chair; Commissioner Doug Barnes and Commissioner Terry McLlarky

Excused: Commissioner Michael Brown, Vice-Chair and Commissioner Richard Mitchell

Staff: Stephen Norman, Connie Davis, Tessa Martin, Graeme Atkey, Jeb Best, Tim Walter, Theresa McCartney, Steve Jefferies, Loretta Pagan, Suzanne Roach, Craig Violante, Angela Wallace, Megan Hyla, Linda Weedman and Bill Cook

Guests: Lillie Clinton, Cindy Ference, 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.

Lillie Clinton addressed the Board on a resident issue and distributed copies of a letter that was sent to Housing Management staff (a copy of her letter is appended to the meeting records).

Alex Zimmerman spoke before the Board regarding his opinions of the Housing Authority.

Cindy Ference addressed the Board regarding smoking policies at KCHA communities and distributed documents to the Board (a copy of which are appended to the meeting records). Ms. Ference arrived late to the meeting, but as a reasonable accommodation, was allowed to address the Board upon her arrival mid-meeting.

IV. APPROVAL OF MINUTES

Minutes from the July 13, 2011 Board of Commissioners' special meeting were presented for approval. Commissioner McLlarky moved for approval of the minutes. Commissioner ~~Brown~~ seconded the motion.

Barnes
FD

V. CONSENT AGENDA

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

June 2011 Voucher Reports

General Properties: Bank Wires/ACH Withdrawals for \$5,481,132.55; Accounts payable vouchers #217644-218246 for \$4,595,798.63; Payroll vouchers, computer checks numbered #81669-81711 for \$46,698.89; Payroll computer direct deposit for \$1,064,347.39; Section 8 Program vouchers, ACH withdrawals #164269-167250 for \$7,682,711.80, computer run checks #577708-578919 for \$777,685.57; purchase card/ACH withdrawal \$155,243.90. Total for June 2011 for the General Properties was \$19,803,618.73.

Bond Properties: Total for June 2011 was \$1,647,786.90 related to 20 different properties.

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

VI. RESOLUTIONS FOR DISCUSSION

Resolution No. 5335: Approving the Modification of the Terms of the Authority's Low-Income Housing Assistance Revenue Bond, 2001 (Evergreen Court Apartments Project); & Authorizing and Directing Appropriate Officers of the Authority to Execute such Documents

Presented by: Tim Walter

Tim Walter reported that Resolution No. 5335 authorizes the Executive Director to execute such documents as are necessary to facilitate the modification of the Authority's Low-Income Housing Assistance Revenue Bond, 2001 (Evergreen Court Apartments Project) pursuant to bond holder approval. Mr. Walter referred Commissioners to the cover memorandum contained in their Board packets that related to this Resolution, as well as briefing them on the background of the Evergreen Court Apartments financing. He noted that the purpose of the Resolution is to authorize a modification to the terms of the bonds. The bonds were privately placed with Chase Bank and Chase has tentatively committed to the modification.

Mr. Water noted that the General Partner of the tax credit partnership is Downtown Action to Save Housing (DASH), a private non-profit corporation founded to preserve and develop affordable housing in East King County. DASH currently manages 13 affordable apartments that serve approximately 800 households with a special emphasis on workforce housing, seniors, and families with unique needs. Overly optimistic operating forecasts during development, lower than expected revenues and higher than anticipated operating expenses has resulted in the project not performing up to the initial modeling projections. The operating losses and debt service requirements have put the project in peril. In order to ensure the viability of the development and make much needed repairs, the partnership has found it necessary to negotiate a debt restructuring with the creditors. Chase has tentatively agreed to restructure the bonds. The City of Bellevue and the County have also agreed to extend payment of their existing notes

while providing \$2.4 million in additional funds for the project. These monies will be used to address deferred maintenance and fund project reserves so Evergreen Court can remain viable as a housing resource for Eastside seniors.

Mr. Walter stated that although KCHA has no financial risk in this transaction, KCHA staff have carefully reviewed DASH's financial restructuring plan for Evergreen Court. Staff believe that the plan is sound and is based on reasonable assumptions and projections. Under current market conditions and with good on-site property management, this plan should be able to stabilize the property and insure that all financial and regulatory obligations are met.

Commissioner Barnes asked for the current occupancy rate of Evergreen Court and Mr. Walter replied that it has been 80%. Following further clarifying questions, a motion was made for Resolution No. 5335.

MOTION: Moved that Resolution No. 5335: Approving the Modification of the Terms of the Authority's Low-Income Housing Assistance Revenue Bond, 2001 (Evergreen Court Apartments Project); & Authorizing and Directing Appropriate Officers of the Authority to Execute such Documents, be approved.

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

Resolution No. 5338: Authorizing the Purchase by Negotiation or Condemnation in Lieu of Purchase of Real Property located at 4030 1/2 SW 146th St., Tukwila, Washington

Presented by: Tim Walter

Tim Walter stated that Resolution No. 5338 authorizes the Executive Director to purchase, by negotiated sale or by condemnation in lieu of negotiated sale, a low density residential zoned property directly adjacent to two KCHA owned apartment communities - Pacific Court and Riverton Terrace. The property is located at 4030 1/2 SW 146th Street in Tukwila and also adjoins Tukwila Village currently being planned.

In addition to the Resolution's memorandum contained in the meeting packets, Mr. Walter briefed the Board on the property and neighborhood, noting that this acquisition provides KCHA with the opportunity to acquire the property for a use that would be more complementary to the Housing Authority's surrounding apartment communities. KCHA has entered into a negotiated sale of the property at a price slightly higher than the appraised value of \$225,000. Discussions with the seller are currently at a negotiated price of \$244,078 which includes recent upgrades valued at \$16,370. Once the property is acquired, KCHA intends to lease out the existing home until future plans for the development of the land are finalized.

Mr. Walter concluded his presentation by stating that staff recommend proceeding with the negotiated sale of the property on the terms described in the cover memorandum for the Resolution. Acquisition of the property would be of value to KCHA's two other neighboring properties, provide future development opportunities and improve the curb appeal value of the overall KCHA site.

Mr. Walter noted that once the property is acquired, KCHA intends to lease out the existing home until future plans for the development of the land are finalized. The

property could be used to develop outdoor open and recreational space for youth living in Riverton Terrace or for developing additional on-site community and supportive services space.

Although the property is unsightly due to debris, inoperable vehicles, and dilapidated outbuildings in the front and back yards, the home itself is in relatively good condition, with new windows, gutters, aluminum and wood siding, with a roof in need of some maintenance work. The acquisition would alleviate an eyesore sited directly between two existing KCHA properties and would enable the Authority to consolidate management of Riverton Terrace and Pacific Court by providing direct connections between the two properties.

Commissioner McLlarky asked if the property could be used to construct additional housing units. Mr. Walter replied that up to 9 units could be constructed on the site and by approving the Resolution, the acquisition would preserve future development opportunities for the Housing Authority.

Following further clarifying questions that were satisfactorily addressed, a motion was made to approve Resolution No. 5338.

MOTION: Moved that Resolution No. 5338: Authorizing the Purchase by Negotiation or Condemnation in Lieu of Purchase of Real Property located at 4030 1/2 SW 146th St., Tukwila, Washington, be approved.

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

Resolution No. 5339: Adoption of KCHA's Resource Management Plan
Presented by: Theresa McCartney and Angela Wallis

Craig Violante introduced Angela Wallis and Theresa McCartney, staff members of the Housing Authority's Resource Conservation Department.

Angela Wallis briefed the Board of Commissioners, via a PowerPoint presentation, on the Authority's first environmental strategic plan that will guide staff in undertaking strategies to achieve adopted environmental goals. A copy of the PowerPoint presentation is appended to the meeting records.

Ms. Wallis noted that the RMP identifies specific strategies to implement over five years to address five conservation target areas: energy, water, solid waste, hazardous waste and communication/awareness. The Plan provides the framework to evaluate and measure strategy implementation by establishing specific outcomes and indicators of success for each strategy, as well as overall outcomes for each target area.

The Plan will be implemented by KCHA staff, the Resource Conservation staff and contracted property management companies. The Housing Authority's Resource Conservation staff will have the primary responsibility for monitoring, reporting and updates.

MOTION: Moved that Resolution No. 5339: Adoption of KCHA's Resource Management Plan, be approved.

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

VII. REPORTS/BRIEFINGS

New Bank Accounts and Second Quarter 2011 Summary Write-Offs

The Board of Commissioners' had no questions on either report contained in the meeting packets.

Quarterly Dashboard Report

Presented by: Megan Hyla

Chair Holland-Young noted that the Quarterly Dashboard Report is presented in two different formats for the Board and asked if there were was a preference from the Commissioners.

Megan Hyla reported that the new formatted Report offered more concise, readable information for the Commissioners, as well as a longer term perspective on each indicator. Ms. Hyla further briefed the Board on the new format.

The Board of Commissioners concurred that the new format provided more long term information and data that is of use for forecasting.

Quarterly Procurement Report

The Board of Commissioners had no questions on the Quarterly Procurement Report.

Section 8 Housing Choice Voucher Wait List Briefing

Presented by: Graeme Atkey

Graeme Atkey briefed the Board of Commissioners, via a PowerPoint presentation, on the Housing Authority's Housing Voucher Program application and wait list process. The application wait list was recently reopened and the Housing Authority received approximately 25,000 applications and they were received both on-line and via mail. Mr. Atkey noted that the selection process was done by lottery, through a contracted third party and only the top 2,500 applications were placed on the wait list. Mr. Atkey further briefed the Board of Commissioners on the data that was gleaned from the applications that will be of use to the Housing Authority, including the percentage of applicants from King County, the number taken on-line versus mailed in, income sources, family composition, number of veterans and primary language.

A copy of the presentation is appended to the meeting records and Chair Holland-Young thanked Mr. Atkey for his presentation.

VIII. NEW BUSINESS

**ARRA Compliance Audit: HUD Office of Inspector General
Section 8 Housing Choice Voucher Management Review Letter**

Stephen Norman noted that both documents contained in the packet were for informational purposes for the Board of Commissioners. Mr. Norman thanked the Section 8, Hope VI and Capital Construction staff for the success ARRA audit and management review report letters.

IX. 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.

X. ADJOURNMENT

There being no further business the meeting was officially adjourned at 10:25 am.

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



NANCY HOLLAND-YOUNG, Chair
Board of Commissioners



STEPHEN J. NORMAN
Executive Director