

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

October 12, 2011

I. CALL TO ORDER

The meeting of the Board of Commissioners of the King County Housing Authority was called to order at 8:45 am on Wednesday, October 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; Commissioner Michael Brown, Vice-Chair; Commissioner Doug Barnes and Commissioner Terry McLlarky

Excused: Commissioner Richard Mitchell

Staff: Dan Watson, Kristin Winkel, Connie Davis, Judi Jones, Mike Reilly, Tessa Martin, Deborah Gooden, Linda Weedman, Donna Kimbrough, Megan Hyla, Rhonda Rosenberg, Craig Violante, Tim Walter, John Eliason and Gary Leaf

Guest: Lillie Clinton, Donald King and 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.

Ms. Lillie Clinton distributed copies of letters to the Board of Commissioners as well as sharing her concerns regarding REAC inspections and the impact to residents.

Mr. Alex Zimmerman distributed a document to the Board Chair regarding his termination from the Section 8 Program and expressed his opinions of the Board of Commissioners, staff and the Housing Authority in general.

IV. APPROVAL OF MINUTES

Minutes from the September 21, 2011 Special Board of Commissioners' meeting were presented for approval. Commissioner Brown moved for approval of the minutes.

Commissioner McLlarky noted there were two minor typographical corrections to the minutes and based upon those being corrected, he seconded the motion. The motion unanimously passed.

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:

August 2011 Voucher Reports

General Properties: Bank Wires/ACH Withdrawals for \$7,607,046.99; Accounts payable vouchers #219074-219747 for \$6,194,758.80; Payroll vouchers, computer checks numbered #81760-81823 for \$63,832.17; Payroll computer direct deposit for \$1,082,018.77; Section 8 Program vouchers, ACH withdrawals #170204-173197 for \$7,713,224.68, computer run checks #5801067-581279 for \$709,397.29; purchase card/ACH withdrawal \$164,697.36. Total for August 2011 for the General Properties was \$25,534,976.06.

Bond Properties: Total for August 2011 was \$1,481,312.12 related to 20 different properties.

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

VI. RESOLUTIONS FOR DISCUSSION

Resolution No. 5346: Approving KCHA's Moving to Work Annual Plan for FY 2012
Presented by: Judi Jones

Judi Jones stated that Resolution No. 5346 requests approval of KCHA's Fiscal Year 2012 Moving to Work (MTW) Annual Plan. Submission of an MTW Annual Plan is a requirement of the Housing Authority's participation in HUD's MTW demonstration – a designation that has been crucial in KCHA's efforts to ensure the long-term viability of its aging housing inventory, ensure operational efficiency, expand housing programs and develop new partnerships in order to meet the many and diverse needs of the low income residents of King County.

Ms. Jones noted that while providing an overall snapshot of KCHA's Public Housing and Section 8 program operations, the 2012 MTW Plan details program activities and policy changes that the Authority expects to pursue during the next fiscal year. As intended by HUD, the Plan serves as the primary mechanism for requesting approval of both new initiatives and/or modification of ongoing initiatives proposed for implementation during the fiscal year. HUD uses the MTW Plan to ensure that the Authority's activities are authorized under the terms of its MTW Agreement and are directed at attaining the goals of the MTW demonstration.

Ms. Jones briefed the Board of Commissioners on the core activities identified in the Annual Plan that were detailed in the cover memorandum for Resolution No. 5346. Ms. Jones concluded her presentation by noting that the draft 2012 MTW Annual Plan includes four new initiatives: (1) Interagency Domestic Violence Transfer Program; (2) Promoting Mobility: Family Choice Initiative; (3) Combined Subsidy Program; and (4)

Supplemental Support for the Highline Community Healthy Homes Project. Specific detail regarding the proposed new initiatives were outlined in Section V of the draft Plan that was included in the meeting packets.

Chair Holland-Young asked why certain sections of the submission are labeled “optional”. Ms. Jones replied that it is detail that is not necessarily related to MTW or that is not required to show the Housing Authority is following a Plan requirement. HUD will be revising the Plan’s format and the optional section may be deleted or changed.

In developing the 2012 MTW Annual Plan, KCHA provided opportunity for public and resident input regarding the Plan and any comments have been incorporated into the Plan. Commissioner Barnes asked if it were possible to generate more public comment for the Plan prior to its submission. Ms. Jones replied that the Housing Authority has tried a number of methods to elicit additional comments. This year, there were three community meetings and the draft Plan was published on KCHA’s website. Public Hearing notices were printed in community papers and notices of the meetings were posted in all public housing complexes and management offices.

Following further clarifying questions, a motion was made for Resolution No. 5346.

MOTION: Moved that Resolution No. 5346: Approving KCHA’s Moving to Work Annual Plan for FY 2012, be approved.

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

Resolution No. 5347: Authorizing KCHA’s Executive Director to enter into an Amendment to Attachment D of KCHA’s Moving to Work Agreement
Presented by: Judi Jones

Judi Jones stated that Resolution No. 5347 will authorize the Executive Director to execute an Amendment to Attachment D of the Moving to Work Agreement entered into by the Housing Authority and HUD. Attachment D outlines the “Legacy and Community-Specific” authorizations HUD has granted KCHA in order to meet the goals and objectives of the MTW program.

The First Amendment to Attachment D was developed by HUD and concerns MTW agencies authorizations relating to the eligibility, use and assignment of Replacement Housing Factor (RHF) funding. While providing clarification that RHF funds may be utilized for any purpose allowable under KCHA’s MTW Agreement, the Amendment also ensures that KCHA’s MTW status does not limit its eligibility for Replacement Housing Factor funds.

Ms. Jones noted that in general, HUD makes RHF funding available to a housing authority to replace units removed from its public housing inventory through demolition or disposition activity. As allowed by HUD, RHF funding is provided in two 5-year increments for the purpose of constructing replacement public housing units. However,

as an MTW authority, KCHA has the ability to use its combined financial resources for any purpose allowable under the Demonstration. As such, RHF funds are not limited to the sole purpose of building new public housing units. RHF funds provided to KCHA, as a result of the demolition of Park Lake Homes, served as a critical resource in the redevelopment of Springwood even though the new Birch Creek community is now part of KCHA's Project-based Section 8 portfolio.

Ms. Jones concluded her presentation to the Board by noting that the proposed First Amendment to Attachment D of the MTW Agreement will ensure KCHA retains the greatest flexibility possible for the use of its combined Public Housing and Section 8 program resources.

MOTION: Moved that Resolution No. 5347: Authorizing KCHA's Executive Director to enter into an Amendment to Attachment D of KCHA's Moving to Work Agreement, be approved.

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

VII. REPORTS/BRIEFINGS

Potential Acquisition: Meadowbrook Apartments in Shoreline

Presented by: Tim Walter

Tim Walter briefed the Board of Commissioners on the possibility of acquiring the Meadowbrook Apartments, a 115-unit complex located in the Richmond Beach area of Shoreline. The property was built in 1969 and consists of four three-story buildings with 44 one-bedroom units, 62 two-bedroom units and 9 three-bedroom units. The Housing Authority is in the early stages of a due diligence process.

Mr. Walter noted that Meadowbrook is a desirable acquisition opportunity because of the strength of the neighborhood in Shoreline, the fact that there are 29 Section 8 voucher holders currently living at the site and the property's consistency with the goals of KCHA and the City of Shoreline to preserve and promote affordable housing. Notable outstanding risks to be considered include the physical condition of the property's roof and siding, other unrecognized building conditions, and the potential inability to obtain short and/or long term financing on terms and conditions desirable by the Authority.

A letter of interest has been submitted on the property for \$12 million, the seller is amenable to working with the Housing Authority and a purchase agreement is being developed. The seller would like the property to close by the end of the year. Mr. Walter further briefed the Board of Commissioners on the background of The Meadowbrook Apartments, noting that a more comprehensive presentation will be given at the November Board meeting, hopefully accompanied by a resolution to approve the purchase should the due diligence process be favorable.

Commissioner McLlarky thanked Tim Walter for his presentation and briefing.

He also asked if there is any action the Board of Commissioners needed to take at the meeting that would facilitate the Housing Authority moving forward on the acquisition. Mr. Walter replied that no Board action is necessary at this time, but the Board will be asked to consider the acquisition approval at its next meeting.

Commissioner Barnes commented that he has visited the site and asked how long is the contingency period. Mr. Walter replied that there is a 30-day period.

VIII. EXECUTIVE DIRECTOR'S REPORT

Fiscal Year 2012 Budget Review and Approval Process

Presented by: Connie Davis

Connie Davis reported that at the December Board meeting, Commissioners will be asked to approve the Fiscal Year 2012 budget and that meeting will include a thorough briefing on the budget for the next year. The November Board meeting will include a strategic presentation and discussion on the major factors and initiatives that will drive the budget. Ms. Davis noted that staff currently estimates a \$1.5 million cut in the Operating Subsidy, a significant reduction in Section 8 payments and additional cuts to Capital Funds. These cuts will impact KCHA's reserves levels and how those levels should be utilized for the Housing Authority. Ms. Davis further briefed the Board of Commissioners on the potential outlook for the 2012 budget and ended her presentation by stating that a more in-depth budget discussion will occur at the November meeting.

IX. EXECUTIVE SESSION

The Board of Commissioners adjourned to Executive Session at 9:15 am for approximately 15 minutes to discuss a potential real estate acquisition as authorized by RCW42.30.110(1)(c). The regular meeting was reconvened at 9:35 am.

X. ADJOURNMENT

There being no further business the meeting was officially adjourned at 9:40 am.

THE HOUSING AUTHORITY OF THE COUNTY OF KING, WASHINGTON



NANCY HOLLAND-YOUNG, Chair
Board of Commissioners



STEPHEN J. NORMAN
Executive Director