

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

February 15, 2012

I. CALL TO ORDER

The special meeting of the Board of Commissioners of the King County Housing Authority was called to order at 8:30 am on Wednesday, February 15, 2012 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 Doug Barnes, Commissioner Richard Mitchell; and Commissioner Terry McLlarky

Excused: Commissioner Michael Brown, Vice-Chair

Staff: Stephen Norman, Dan Watson, Connie Davis, Mike Reilly, Tessa Martin, Graeme Atkey, John Eliason, Gary Leaf, Sean Heron, Kristin Winkel, Steve Clagett, Linda Weedman, Tim Walter, Rhonda Rosenberg, Craig Violante, Megan Hyla and Deborah Gooden

Guests: Samuel Bellomio, 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. Mr. Samuel Bellomio, with StandUp America, addressed the Board with eight complaints about the Housing Authority and left a letter for the Board of Commissioners outlining his complaints. Mr. Alex Zimmerman addressed the Board with complaints about the Housing Authority management and operations.

IV. APPROVAL OF MINUTES

Minutes from the December 14, 2011 Board of Commissioners' meeting were presented for approval. Commissioner Barnes moved for approval of the minutes. Commissioner Mitchell seconded the motion. The minutes of the previous meeting were adopted.

Minutes from the January 4, 2012 Board of Commissioners' special meeting were presented for approval. Commissioner Mitchell moved for approval of the minutes and Commissioner Barnes seconded the motion. The minutes of the previous meeting were adopted.

V. CONSENT AGENDA

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

November 2011 Voucher Reports

General Properties: Bank Wires/ACH Withdrawals for \$26,491,428.29; Accounts payable vouchers #221129- 221736 for \$4,117,155.56; Payroll vouchers, computer checks numbered #81957-81992 for \$38,447.23; Payroll direct deposit for \$1,222,283.65; Section 8 Program vouchers, ACH withdrawals #179173-182178 for \$7,766,189.06, computer run checks #583583-584748 for \$732,636.11; purchase card/ACH withdrawal \$158,139.67. Total for November 2011 for the General Properties was \$40,526,279.57.

Bond Properties: Total for November 2011 was \$1,636,298.25 related to 20 different properties.

December 2011 Voucher Reports

General Properties: Bank Wires/ACH Withdrawals for \$17,151,093.17; Accounts payable vouchers #221737-222497 for \$5,145,928.31; Payroll vouchers, computer checks numbered #-81993-82028 for \$41,134.62; Payroll direct deposit for \$1,105,879.13; Section 8 Program vouchers, ACH withdrawals #182179-185180 for \$7,878,256.98, computer run checks #584749-585895 for \$750,259.18; purchase card/ACH withdrawal \$152,676.09. Total for December 2011 for the General Properties was \$32,225,228.37.

Bond Properties: Total for December 2011 was \$1,6920,167.10 related to 20 different properties.

Resolution No. 5364: Amending Resolution No. 5359 to allow KCHA to Draw the Full Amount of the Green River Homes 2 Tax-Exempt Line of Credit Note Proceeds at Closing

Resolution No. 5367: Authorizing Revisions to the Section 8 Tenant-based Administrative Plan – Selection Procedures

Resolution No. 5368: Authorizing a Technical Amendment to Seola Gardens Resolution No. 5341

Commissioner McLlarky had a clarifying question on Resolution No. 5364 that was answered by Tim Walter. Commissioner Barnes seconded the motion to approve the Consent Agenda and the motion unanimously passed.

VI. RESOLUTIONS FOR DISCUSSION

During presentation of the Resolutions for discussion, Commissioner Mitchell asked that the meeting record reflect that a member of the public in attendance, Alex Zimmerman, had disrupted the meeting's proceedings several times by talking and laugh-

ing, as well as keeping his hand raised. Chair Holland-Young noted that the public comment period had ended and asked Mr. Zimmerman to refrain from his disruptions so the Board could continue its deliberations.

Resolution No. 5365: Authorizing Execution of a Memorandum of Agreement between KCHA and the Washington Families Fund
Presented by: Kristin Winkel

Kristin Winkel briefed the Board, via a PowerPoint presentation, on the Washington Families Fund and on KCHA's current and proposed efforts to coordinate housing and services to support child welfare involved families to help meet their needs. A copy of the presentation is appended to the meeting records.

Following the presentation, Ms. Winkel stated that since the late 1990's, KCHA has received several awards of Family Unification Program (FUP) vouchers from the Department of Housing and Urban Development. These vouchers are targeted to families involved in the child welfare system and may be used to prevent placement into the foster care system or to expedite the reunification of children currently in out-of-home placement with their families. The Program represents a unique partnership between an individual housing authority and the local child welfare system, requiring the two agencies to enter into a partnership agreement. To support these families, KCHA continues to look for partnerships with agencies who have the funding and experience required to provide appropriate targeted services as long as needed.

Ms. Winkel stated that Resolution No. 5365 authorizes KCHA to enter into a Memorandum of Agreement with Building Changes to allow them to competitively allocate up to 15 KCHA Family Unification Program vouchers in conjunction with their Washington Families Fund (WFF) service funding to a high need homeless family program in King County. WFF is a public-private partnership led by Building Changes to provide funding to support the housing and service needs of homeless families across Washington state.

Following clarifying questions on Resolution No. 5365 that were satisfactorily addressed by staff, a motion was made to approve the Resolution.

MOTION: Moved that Resolution No. 5365, Authorizing Execution of a Memorandum of Agreement between KCHA and the Washington Families Fund be approved.

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

Resolution No. 5366: Authorizing the Execution of a \$16.5 million Bank of America Line of Credit for the Fairwind (Seola Gardens) Project
Presented by: Deborah Gooden

Deborah Gooden reported that Resolution No. 5366 is in follow-up to Resolution 5341, passed at the September 2011 Board of Commissioners' meeting, authorizing the Executive Director to apply for and negotiate the terms of a new \$16.5 million line of credit to finance the construction of the third rental housing phase (Fairwind) and Phase

2 infrastructure at Seola Gardens. Phase 2 infrastructure includes all roads, utilities and parks north of SW 111th Street in the currently undeveloped north portion of the site.

Ms. Gooden noted that staff is now requesting Board approval of the terms of the credit facility and the issuance of \$16.5 million in taxable bond notes. Ms. Gooden briefed the Board on the terms of the line of credit as outlined in the cover memorandum contained in the meeting packets. The \$16.5 million line of credit provides financing for construction of Fairwind Apartments and the Phase II infrastructure improvements. The line of credit will be repaid with \$15,462,329 in tax credit equity and \$1,037,671 in HOPE VI loan proceeds received on or before July 1, 2014.

Ms. Gooden noted that King County has provided a credit enhancement commitment to Seola Gardens for up to \$31.5 million. In the spring of 2013, the KCHA Line of Credit debt at Seola Gardens could total up to \$36.5 million between this new line of credit and the existing \$20 million line. Bank of America has agreed to lend up to \$6 million of LOC debt without credit enhancement at a slightly higher interest rate, which will be \$1 million more than necessary to finance the project. Current projections indicate that the \$5 million in KCHA obligations that are beyond the maximum King County Credit Enhancement limit will be carried for up to 6 months until the Joseph House tax credit equity and Section 202 funding are received.

Commissioner McLlarky asked for a definition of “unused commitment fee” as mentioned in the terms of the Fairwind line of credit memorandum. Tim Walter noted that if a bank commits funds to a loan instrument, bank capital must be set aside in the full amount and the bank is not able to commit that amount to someone else. So a fee is charged to cover the bank’s opportunity cost where capital is committed but goes unused. Following further clarifying questions a motion was made to approve Resolution No. 5366.

MOTION: Moved that Resolution No. 5366, Authorizing the Execution of a \$16.5 million Bank of America Line of Credit for the Fairwind (Seola Gardens) Project, be approved.

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

VII. FINANCIAL REPORTS

Quarterly Procurement Report
Third Quarter Financial Statements
Fourth Quarter Summary Write Offs
New Bank Accounts

There were no questions from the Commissioners on any of the Financial Reports contained in the meeting packets.

VIII. NEW BUSINESS

With respect to e-mails amongst Board members, Commissioner Mitchell cautioned Board members about engaging each other in a dialogue as it could potentially violate the Open Public Meetings Act should more than three Commissioners be involved in the exchange.

Commissioner Barnes asked if Commissioners could be assigned KCHA e-mail accounts rather than using their home/work e-mail accounts. Stephen Norman responded that he will look into the possibility and report back to the Board.

IX. BRIEFINGS

Dashboard Report

Megan Hyla briefed the Commissioners on the Dashboard Report contained in the meeting packets.

Presentation by the Brookings Institute: *“The Shifting Geography of Poverty and Opportunity in Metropolitan America”*

Alan Berube, Research Director with the Brookings Institute briefed the Board of Commissioners, via video conferencing, on the above topic.

The presentation provided an overview on such topics as where do the metropolitan poor live today, what do the trends mean for the metropolitan poor and what are the next steps in the project. The project was launched by the Brookings Institute in 2009 and documents the changing geography of poverty and opportunity in metropolitan America. It analyzes its drivers and implications and offers policy recommendations to enhance the well-being of lower-income families and communities in both cities and suburbs.

The Board of Commissioners thanked Megan Hyla for facilitating the presentation.

X. EXECUTIVE DIRECTOR’S REPORT

Stephen Norman noted that the Board of Commissioners had previously received his monthly Executive Director’s Report via e-mail.

Commissioner Barnes asked about the ordinance recently enacted by the City of Redmond that prohibited discrimination based upon source of income that was cited in the Director’s report.

Mr. Norman replied that in early 2011 the Archstone Company, a large national property owner, notified numerous Section 8 voucher holders residing at their Redmond property that their leases would not be renewed. The notice stemmed from a decision by the company at a national level not to rent to Section 8 voucher holders except where local jurisdictions explicitly prohibited discrimination based upon source of income. Another national firm, Avalon Bay, shortly followed suit. Anti-discrimination ordinances existed

in Seattle, Bellevue and unincorporated King County, but not in any of the region's other suburban jurisdictions. KCHA reached out to Hopelink; and with their support began discussions with the Redmond City Council regarding a possible ordinance, resulting in the ordinance coming before the Council and receiving a unanimous vote. The ordinance precludes differential treatment of both existing tenants and prospective tenants based solely on source of income. Of the 20 individuals that spoke at the Council meeting, 19 were in favor of the measure. Speakers included Section 8 tenants, landlords, service providers as well as KCHA staff. Mr. Norman thanked Megan Hyla and Elizabeth Westburg for their roles in marshaling support in the community for the ordinance.

Commissioner Barnes extended congratulations for approval of KCHA's disposition application for 509 units of public housing and asked for an estimated timeline on implementing an action plan. Connie Davis replied that a timeline is being developed for critical path items and the Board will be briefed at an upcoming meeting. KCHA is awaiting formal approval from HUD which will outline conditions for the disposition that will need to be addressed before moving forward with implementation.

Deborah Gooden reported that Quadrant Homes has informed the Housing Authority that they will not be moving forward with the purchase of 60 lots at Seola Gardens. The reason cited by Quadrant in pulling out of the contract at the end of the 45 day feasibility period was the continuing weakness in the new home market in the Puget Sound region. The sale would have brought in \$3.24 million to KCHA in lot sale proceeds.

Deborah Gooden distributed a brochure detailing the sale of land at Seola Gardens and Greenbridge. There will be 108 serviced lots for sale at Seola Gardens. At Greenbridge, there is a mix of fully serviced lots (60) and bulk land sales. These lots represent between 400 and 500 homes which are an important component of the mixed income concept of HOPE VI communities and KCHA's applications for HOPE VI funding. Ms. Gooden also briefed the Board with a regional snapshot of the real estate market over the last year in King County, southwest King County and White Center/Burien.

XI. EXECUTIVE SESSION

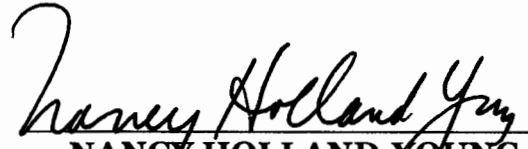
A motion was made by Commissioner McLlarky to adjourn to Executive Session at 10:40 am for approximately 5 minutes to discuss the performance of a public employee as authorized by RCW 42.30.110(1)(g). Commissioner Barnes seconded the motion and the motion unanimously passed.

A motion to return to the regular Board of Commissioners' meeting was made by Commissioner McLlarky, was seconded by Commissioner Barnes, and unanimously passed. No formal action was taken during the Executive Session. The regular meeting was reconvened at 10:45 am.

XII. ADJOURNMENT

There being no further business the meeting was officially adjourned at 10:47 am.

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



NANCY HOLLAND-YOUNG, Chair
Board of Commissioners



STEPHEN J. NORMAN
Secretary