

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

September 19, 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, September 19, 2012 at the Administrative Offices of the King County Housing Authority, 600 Andover Park West, Tukwila, Washington.

II. ROLL CALL

Chair Holland-Young introduced Susan Palmer, Commissioner Designate, and noted her confirmation by the Metropolitan King County Council is pending and is expected to be approved in the near future.

Present: Commissioner Nancy Holland-Young, Chair; Commissioner Terry McLarky, Commissioner Michael Brown, Vice-Chair; Commissioner Doug Barnes, Commissioner Richard Mitchell and Susan Palmer, Commissioner Designate

Staff: Stephen Norman, Tessa Martin, Therese Ross, Kristin Winkel, Marianne Everett, Tim Walter, Mike Reilly, Linda Weedman, Bill Cook, Donna Kimbrough, Craig Violante, Connie Davis, Deborah Gooden, Dan Watson, Rhonda Rosenberg, John Eliason, Mark Abernathy, Megan Hyla and Claude DaCorsi

Guests: Susan Smith and Geoffrey Jolly with Parker Smith Feek; Lillie Clinton

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 of Commissioners.

Ms. Lillian Clinton addressed the Board expressing her concerns of being harassed by other residents, as well as the possibility of her losing her housing through the Housing Authority.

IV. APPROVAL OF MINUTES

Minutes from the July 11, 2012 Special Board of Commissioners' meeting were presented for approval. Commissioner McLarky moved for approval of the minutes. Commissioner Brown seconded the motion. Minutes 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 items:

July 2012 Voucher Reports

General Properties: Bank Wires/ACH Withdrawals for \$12,060,203.57; Accounts Payable checks #226499-227048 for \$5,377,212.87; Payroll vouchers, computer checks numbered #82277-82319 for \$49,962.99; Payroll direct deposit for \$1,102,035.60; Section 8 Program vouchers, ACH withdrawals #203340-206316 for \$8,031,315.78, computer run checks #591898-592784 for \$666,032.99; purchase card/ACH withdrawals \$172,100.18. Total for July 2012 for the General Properties was \$27,458,863.98.

Bond Properties: \$1,777,487.19 related to 20 different properties.

Resolution No. 5401: Authorizing Daniel R. Watson and Constance C. Davis as Alternative Contracting Officers for the Purpose of Executing Essential Legal Documents

Commissioner Barnes seconded the motion to approve the Consent Agenda and the motion unanimously passed.

VI. RESOLUTIONS FOR DISCUSSION

Resolution No. 5402: Related to Disposition and Sale of Greenbridge Lots 63-82 to BDR Homes, LLC
Presented by: Deborah Gooden

Deborah Gooden stated that Resolution No. 5402 authorizes the Executive Director to sell Greenbridge lots 63-82 to BDR Homes for construction of market rate, attached townhomes that will be offered for sale. All lots are platted and serviced and are ready for construction. BDR is planning to sell their townhomes for between \$184,800 and \$249,800. These lots are located just north of the 29 lots which are currently under contract to BDR.

Resolution No. 5402 authorizes the sale of the land to BDR Homes on substantially the same terms as proposed in a non-binding Letter of Intent (LOI) dated August 20, 2012. The LOI asks that KCHA sell the lots for \$45,000 per lot or \$900,000 with a 45-day feasibility period. The purchase price will be paid in cash at each closing and would be adjusted by no more than 10% for unforeseen opportunities or issues identified during the feasibility process. The closings will be on a "rolling takedown" schedule. BDR Homes will close on four lots every 120 days after waiver of feasibility. Furthermore, BDR cannot close until home construction on at least three lots of the previous takedown phase has started.

Ms. Gooden further reviewed the specifics of the Resolution as outlined in her cover memorandum contained in the meeting packets including the disposition process, background of BDR Homes, land valuation, profit participation and risks associated with the transaction.

Ms. Gooden concluded her presentation by stating that Resolution No. 5402 authorizes KCHA staff to complete a purchase and sale agreement with BDR Homes with terms

substantially the same as the Letter of Intent (LOI) and to take any and all actions necessary to close the transaction within the terms and structure of the current agreement. It also authorizes the Executive Director to adjust the price base by no more than 10% for issues raised during feasibility that directly affect the value of the lots.

Following clarifying questions posed by Commissioners that were satisfactorily answered by Ms. Gooden, a motion was made for the Resolution.

MOTION: Moved that Resolution No. 5402, Related to Disposition and Sale of Greenbridge Lots 63-82 to BDR Homes, LLC, be approved.

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

Resolution No. 5403: Authorizing the Commitment of \$7.512 Million in Moving To Work Working Capital Reserves for the Purpose of Performing Critical Capital Improvements on Public Housing and other Eligible Low-Income Developments During Fiscal Years 2013 and 2014

Presented by: Connie Davis

Connie Davis reported that Resolution No. 5403 would confirm the Board of Commissioner's commitment of \$7.512 million in MTW Working Capital for the purpose of completing approximately 10 separate projects and commencing the pre-development costs on approximately 12 additional projects in KCHA's public housing and low-income housing portfolio.

Ms. Davis noted that KCHA's remaining public housing portfolio is an average or 30 years old; and HUD's major source of funding for capital projects is the Capital Fund Program (CFP), which has seen significant cuts in appropriations. As a Moving-to-Work (MTW) housing authority, KCHA can use its single fund flexibility to combine all sources of funds from Section 8 (Vouchers) and Section 9 (public housing operating and capital) to support eligible activities. For the past several years, rehabilitation, repair and upgrading of public housing buildings have been a primary use of MTW working capital as a major supplement to CFP grants. In addition, using the single use flexibility also afforded by its MTW agreement, the Housing Authority can perform capital work on other developments which house eligible low-income residents.

Ms. Davis reported that the Capital Construction Department has developed a five year plan which lists capital activities through 2017. These plans include \$7.512 million in MTW working capital funds to be obligated in 2013. Pre-development work on many of these projects has already begun. It is essential that KCHA be able to demonstrate the commitment of these funds to HUD even prior to their being obligated under a construction contract in order to assure that they will be available for this intended purpose in 2013 and 2014.

MOTION: Moved that Resolution No. 5403, Authorizing the Commitment of \$7.512 Million in Moving To Work Working Capital Reserves for the Purpose of Performing Critical Capital Improvements on Public Housing and other Eligible Low-Income Developments During Fiscal Years 2013 and 2014, be approved.

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

VII. BRIEFING

Risk Management Program Presentation

Mark Abernathy introduced Susan Smith and Geoffrey Jolly with Parker Smith Feek who provided an annual summary about the Housing Authority's risk management programs, including an overview of KCHA's current insurance program, insurance trends, claims history reporting and risk management mitigation plans. A copy of the PowerPoint presentation made at the meeting are appended to the meeting records.

VIII. REPORTS

Quarterly Dashboard Report Second Quarter 2012 Financial Statements New Bank Accounts

Following presentations by staff, there were no questions from the Board of Commissioners on these reports.

IX. NEW BUSINESS

Connie Davis distributed to the Board of Commissioners the NW Management Consulting's progress report on the compensation study of housing authority executive director positions as required by HUD.

X. EXECUTIVE DIRECTOR'S REPORT

Stephen Norman referred Commissioners to his report that was previously e-mailed to the Board. Mr. Norman welcomed Susan Palmer, Commissioner Designate, and asked staff at the meeting to introduce themselves and their departmental responsibilities.

Mike Reilly noted that the Board of Commissioners approved a non-smoking initiative in its federally subsidized properties with a date of November 1 for implementation. Resident meetings are being held to educate tenants on the new policies and two sites will have smoking shelters for residents.

Commissioner Mitchell asked what the Board of Commissioners' involvement or role should be on tenant evictions and other issues. Mr. Norman replied that the Board of Commissioners has not had a role in day-to-day tenant issues and the Housing Authority works with third-party hearing officers who conduct grievance hearings for tenants. Tenants also have the right to go to court on issues as well. He noted that given the Housing Authority 18,000 households, it would be difficult for the Board to be involved in the day-to-day decisions and issues that arise related to residents. The Board's role is primarily policy review instead of fact finding and decision making on individual tenant cases. Chair Holland-

Young asked that, at a future meeting, the Board be further briefed on policies related to eviction of tenants.

Rhonda Rosenberg briefed the Board of Commissioners on three "ribbon-cutting" events at the Valli Kee Community Center, Joseph House at Seola Gardens and Woodridge Park Apartments and encouraged Commissioners to attend any or all of the events.

XI. COMMISSIONER COMMENTS

Chair Holland-Young noted that holding the Commissioners meetings on the third Wednesday of the month has become problematic due to scheduling issues and suggested that the meeting day and time be changed for future meetings. Tessa Martin will poll the Board for a mutually agreeable time for the meetings.

XII. ADJOURNMENT

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

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



NANCY HOLLAND-YOUNG, Chair
Board of Commissioners



STEPHEN J. NORMAN
Secretary