

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

October 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 Monday, October 15, 2012 at the Administrative Offices of the King County Housing Authority, 700 Andover Park West, Tukwila, Washington.

II. ROLL CALL

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

Excused: Commissioner Richard Mitchell

Staff: Stephen Norman, Dan Watson, Mike Reilly, Bill Cook, Megan Hyla, Craig Violante, Deborah Gooden, John Eliason, Tessa Martin, Rhonda Rosenberg, Connie Davis, Beth Pearson, Linda Weedman, Donna Kimbrough, Marianne Everett, Gary Leaf, Sean Heron, Judi Jones, Claude DaCorsi and Tim Walter

Guest: Alex Zimmerman

III. PUBLIC COMMENT

Mr. Alex Zimmerman, representing StandUp America, addressed the Board with complaints about KCHA's management and operations.

IV. APPROVAL OF MINUTES

Minutes from the August 8, 2012 Board of Commissioners' meeting were presented for approval. Commissioner Barnes moved for approval of the minutes. Commissioner McLarky seconded the motion. Minutes unanimously passed.

Minutes from the August 30, 2012 Board of Commissioners' Special meeting were presented for approval. Commissioner Brown moved for approval of the minutes. Commissioner Barnes 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:

August 2012 Voucher Reports

General Properties: Bank Wires/ACH Withdrawals for \$9,084,657.40; Accounts Payable checks #227049 - 227818 for \$7,231,674.05; Payroll vouchers, computer checks numbered #82320-82375 for \$66,372.19; Payroll direct deposit for \$1,694,245.44; Section 8 Program vouchers, ACH withdrawals #206317-209379 for \$8,196,757.97, computer run checks #592785-593622 for \$682,445.02; purchase card/ACH withdrawals \$173,638.83. Total for August 2012 for the General Properties was \$27,129,790.90.

Bond Properties: \$1,484,417.66 related to 20 different properties.

Resolution No. 5404: Amending the By-Laws of the Housing Authority for the County of King

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

VI. RESOLUTIONS FOR DISCUSSION

Resolution No. 5405: Approving KCHA's Moving to Work Annual Plan for FY 2013
Presented by: Judi Jones

Judi Jones reported that Resolution No. 5405 requests approval of KCHA's FY 2013 Moving to Work (MTW) Annual Plan. Creation and submission of an MTW Annual Plan is a requirement of KCHA's participation in HUD's MTW demonstration – a designation that has been a key factor in KCHA's ability 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 in addition to providing an overall snapshot of KCHA's Public Housing and Section 8 program operations, the FY 2013 MTW Plan details program activities and policy changes that the Authority expects to pursue during the next fiscal year. The Plan is intended by HUD to serve as the primary mechanism for requesting approval of both new initiatives and/or modification of ongoing initiatives proposed for implementation. HUD uses the MTW Plan submission to ensure that the Authority's activities are authorized under the terms of its MTW Agreement.

Judi Jones and Stephen Norman briefed the Board of Commissioners on the Moving to Work Annual Plan for FY 2013 including long-term strategic priorities, current initiatives, as well as potential new program approaches and proposed modifications of previously implemented MTW initiatives. A copy of the draft Plan was contained in the meeting packets.

Ms. Jones concluded her presentation by stating that Resolution No. 5405 approves the Housing Authority's MTW Annual Plan for Fiscal Year 2013 and authorizes its submission to the Department of Housing and Urban Development. In addition, the Resolution authorizes execution of the required "HUD Certification of Compliance with MTW Plan Requirements and Related Regulations" for submission with the Annual Plan.

Following clarifying questions from the Commissioners that were addressed by Ms. Jones, a motion was made for Resolution No. 5405.

MOTION: Moved that Resolution No. 5405, Approving KCHA's Moving to Work Annual Plan for FY 2013, be approved.

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

Resolution No. 5406: Authorizing the Commitment of \$6 million in Moving to Work Working Capital Reserves for the Purpose of Providing a Reserve for Housing Assistance Payments Equivalent to One Month Average Landlord Rental Support
Presented by: Connie Davis

Connie Davis reported that Resolution No. 5406 confirms the Board of Commissioner's commitment of \$6 million in MTW Working Capital to establish a reserve for the purpose of assuring the availability of sufficient funds to pay Section 8 landlords in the event of a delay in the receipt of such funds from HUD. She noted that KCHA currently has 7,243 Housing Choice Vouchers block granted to it under its MTW authority. The Board has also authorized issuance of an additional 275 vouchers in order to address the region's need for low-income housing. As of the end of August 2012, 7,455 Vouchers were leased.

Ms. Davis stated that participation of landlords is a critical factor in the success of the Section 8 program. KCHA guarantees timely payments for the subsidized portion of the tenant rent and it is especially important to prospective landlords. Timely receipt assists landlords in having sufficient income to manage and maintain the properties. HUD has traditionally allowed Housing Authorities to accrue reserve funding to assist them in the event HUD subsidy payments to the Housing Authority are delayed past the first of the month. In the past, the reserve levels HUD has allowed housing authorities to hold has been as high as two months. HUD has recently announced that in 2013 it will be zero.

Ms. Davis concluded her presentation by stating that prudent management of the Section 8 program requires a level of reserves to be kept on hand in order to pay landlords and KCHA has the ability to establish a payment reserve under its Moving to Work contract. A one month payment reserve, currently valued at \$6 million, will allow KCHA to pay landlords promptly and then replenish its reserves when HUD funds become available.

Commissioner Barnes asked if other housing authorities are establishing similar reserves. Ms. Davis replied that currently the Seattle Housing Authority has put similar measures in place as they are also a MTW housing authority.

MOTION: Moved that Resolution No. 5406, Authorizing the Commitment of \$6 million in Moving to Work Working Capital Reserves for the Purpose of Providing a Reserve for Housing Assistance Payments Equivalent to One Month Average Landlord Rental Support, be approved.

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

Resolution No. 5407: Authorizing the Executive Director to Approve, Execute and Deliver all Documents Relating to the Disposition of 509 Units of Public Housing, including but not Limited to a 30 Year Lease, Release of Various Declarations of Trust and the Recording of a New Use Agreement

Presented by: Connie Davis

Connie Davis stated that Resolution No. 5407 is submitted in preparation for the disposition of 509 units located at 22 public housing developments scheduled for November 1, 2012. The Resolution authorizes the Executive Director to approve, execute, and deliver all documents related to the disposition, including but not limited to: a long term lease and related documents with Moving King County Residents Forward (“MKCRF”); release of the public housing Declarations of Trust and a new Use Agreement to be recorded against the 509 Properties and a Housing Assistance Payment contract and other documents related to property operations.

Ms. Davis briefed the Board of Commissioners on the background of the Moving King County Residents Forward entity and the disposition of the 509 units of public housing, as well as the detailed contents of Resolution No. 5407 that were also outlined in her accompanying cover memorandum for the Resolution. Ms. Davis introduced Beth Pearson who has been coordinating the 509 disposition project.

Commissioner McClarky asked about moving costs for residents affected by the 509 disposition process. Ms. Davis replied that part of the disposition requires that residents be allowed moving costs should they chose to leave the property with a Section 8 voucher.

MOTION: Moved that Resolution No. 5407: Authorizing the Executive Director to Approve, Execute and Deliver all Documents Relating to the Disposition of 509 Units of Public Housing, including but not Limited to a 30 Year Lease, Release of Various Declarations of Trust and the Recording of a New Use Agreement, be approved.

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

Resolution No. 5408: Intergovernmental Cooperative Purchasing Agreement with Housing Authority of the County of Cook

Presented by: Megan Hyla

Megan Hyla reported that Resolution No. 5408 authorizes the Executive Director to enter into an Intergovernmental Cooperative Purchasing Agreement with the Housing Authority of the County of Cook (HACC) to receive consulting services for the design and implementation of KCHA’s new Mobility Program.

Ms. Hyla noted that the Housing Authority’s Mobility Program will advance the academic performance of children participating in KCHA’s Section 8 program. Mobility counseling will increase the awareness of families that plan to move to neighborhoods with good schools, living wage employment opportunities and access to public transportation. Classroom stability will be encouraged through counseling and potential policy changes. By scheduling moves for a time that is less disruptive to classroom learning and encouraging mobile families to move to “higher opportunity” neighborhoods, KCHA’s Mobility Program

will help to improve the scholastic performance of its children participating in the Section 8 program.

Ms. Hyla noted that for the past year KCHA has been reviewing mobility programs across the nation in anticipation of developing its own. Jennifer O'Neil, with the Quadel Consulting Corporation, has provided valuable insight into the nationwide mobility programs. Earlier this year, HACC solicited proposals to revitalize their program and they chose Quadel Consulting through this competitive process. For KCHA, intergovernmental purchases are made pursuant to Chapter 39.34 RCW - The Interlocal Cooperation Act - provided the interlocal or intergovernmental agreement is approved by the governing boards of the cooperating public agencies.

Resolution No. 5408 will authorize the Executive Director to enter into an Intergovernmental Cooperative Purchasing Agreement to contract for mobility program consultation at a cost not to exceed \$70,000.

Commissioner McLlarky asked why the proposed cost has been capped at \$70,000. Ms. Hyla replied that she feels the amount will not exceed \$70,000 for services based on similar contracts.

MOTION: Moved that Resolution No. 5408, Intergovernmental Cooperative Purchasing Agreement with Housing Authority of the County of Cook, be approved.

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

VII. REPORTS

Quarterly Procurement Report
New Bank Accounts

There are no questions from the Board of Commissioners on the Quarterly Procurement Report or the New Bank Accounts Report.

VIII. EXECUTIVE DIRECTOR'S REPORT

Stephen Norman briefed the Board of Commissioners on the contents of his Executive Director's Report that was previously distributed to the Board. There were no questions from the Board of Commissioners on the Report.

Tim Walter briefed the Board of Commissioners on the refinancing of a FHA mortgage on one of the preservation properties and the Housing Authority's new role in working with the Federal Home Loan Bank which allows KCHA to access lines of credit directly from a bank. KCHA cannot use the lines of credit for its own properties, but it enables KCHA to offer loans to its tax credit partnerships.

Kristin Winkel briefed the Commissioners on Title 4E which governs foster care payments for the State of Washington and directly affects KCHA's families involved in the Family Unification Program (FUP). The State submitted an application to obtain a waiver allowing increased flexibility with foster care payments which impacts the types of services

offered and how long they can be in place. This waiver will offer a direct benefit for FUP families served by the Housing Authority by offering more support services to the families.

IX. COMMISSIONER COMMENTS

Commissioner McLarky commented that he is pleased with the new opportunities and initiatives that were discussed at the meeting.

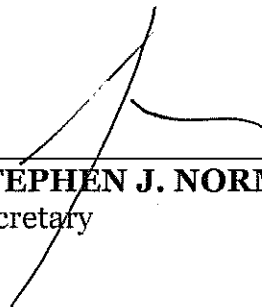
X. ADJOURNMENT

There being no further business the meeting was officially adjourned 9:45 am.

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



NANCY HOLLAND-YOUNG, Chair
Board of Commissioners



STEPHEN J. NORMAN
Secretary