

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

February 25, 2013

I. CALL TO ORDER

The special meeting of the Board of Commissioners of the King County Housing Authority was called to order by Chair Doug Barnes at 9:31 am on Monday, February 25, 2013 at Providence Joseph House, 11215 Fifth Avenue, SW, Seattle, Washington.

II. ROLL CALL

Present: Commissioner Doug Barnes, Chair; Commissioner Michael Brown, Vice-Chair; Commissioner Terry McLlarky and Commissioner Susan Palmer

Excused: Commissioner Richard Mitchell

Staff: Stephen Norman, Dan Watson, Steve Clagett, Donna Kimbrough, Kristin Winkel, Al Khalaf, Tim Walter, Mike Reilly, Craig Violante, Sean Heron, Marianne Everett, Megan Hyla, Tony Buhr, Deborah Gooden, Rhonda Rosenberg, Bill Cook and Steve Jefferis

Commissioner Terry McLlarky announced that his medical condition has been assessed as terminal but he intends to remain active on the Board of Commissioners as long as he is able to attend and participate in the meetings.

III. CONSENT AGENDA

December 2012 Voucher Reports

General Properties: Bank Wires/ACH Withdrawals for \$6,219,842.98; Accounts Payable checks #229959-230589 for \$5,133,004.95; Payroll vouchers, computer checks numbered #82502-82539 for \$45,506.15; Payroll direct deposit for \$1,142,379.46; Section 8 Program vouchers, ACH withdrawals #218672-221783 for \$8,877,346.46, computer run checks #595930-596587 for \$441,651.76; purchase card/ACH withdrawals \$177,252.28. Total for December 2012 for the General Properties was \$22,036,984.04.

Bond Properties: \$2,587,414.29 related to 20 different properties.

Resolution No. 5422: Authorizing Renewal of or Substitution of a Letter of Credit for the Landmark Apartments

There being no requests for removal of items from the Consent Agenda, Commissioner Brown moved for approval of the Consent Agenda items. Commissioner McLlarky seconded the motion to approve the Consent Agenda and the motion unanimously passed.

IV. RESOLUTIONS FOR DISCUSSION

Resolution No. 5423: Seola Gardens Providence Joseph House Equity Guarantee to HUD
Presented by: Deborah Gooden

Deborah Gooden reported that Resolution No. 5423 authorizes KCHA to provide financial assurances or otherwise explicitly guarantee the pay-in of \$10,926,559 in tax credit equity in order to induce HUD to make the \$8,297,800 Section 202 Capital Grant payment for the Providence Joseph House project at Seola Gardens. Ms. Gooden briefed the Board of Commissioner on the background of the 65 unit Providence Joseph House project at Seola Gardens. She noted that in order to optimize the value of the tax credits, ownership of the property had to be turned over to Providence well in advance of the formal project close-out and receipt of reimbursement from HUD grant drawdowns and tax equity contributions.

It is expected that all of HUD's preconditions for releasing the Section 202 grant will be met by mid-March except for the requirement that all other project funds be in place. Staff believes that an explicit guarantee or other financial assurances may be necessary to induce HUD to release their funding before July, the scheduled date of the tax credit pay-in. Resolution No. 5423 authorizes KCHA to make whatever financial assurances are needed to allow HUD to complete the Section 202 capital advance closeout so that grant funds can be advanced to Providence and KCHA can, in turn, be reimbursed. Because KCHA has already advanced funds against the Section 202 grant pay-in in order to construct the project, KCHA has already effectively guaranteed the HUD payment and KCHA incurs no additional risk in making these financial assurances.

MOTION: Moved that Resolution No. 5423, Seola Gardens Providence Joseph House Equity Guarantee to HUD, be approved.

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

Chair Barnes noted that an additional Resolution is being added to the agenda – Resolution No. 5424.

Resolution No. 5424: Extending The Executive Director's Contract For Up To Two Months

Chair Barnes stated that Resolution No. 5424 extends the Executive Director's contract for up to two months in order for all evaluations and reviews to be completed in a timely manner.

MOTION: Moved that Resolution No. 5424, Extending The Executive Director's Contract For Up To Two Months, be approved.

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

V. FINANCIAL REPORTS

Fourth Quarter Summary Write-Offs

Presented by: Craig Violante

Craig Violante referred Commissioners to the Fourth Quarter Summary Write-Off Report as contained in the meeting packets. The total amount of write-offs were \$36,720.43. Bill Cook noted that this quarter was significantly higher as KCHA is having an unusually high rate of evictions and tenant abandonments. Mr. Violante noted that the higher write-off amount could continue for a few more quarters. The net collections remitted from KCHA's collection agency is \$246.84 or approximately \$2,766 lower than this period last year.

Chair Barnes asked if this budget line item will need to be re-evaluated in the context of the 2013 budget. Mr. Cook responded that KCHA budgets for contingencies such as these; but staff will be monitoring this over the next few months and it may require an adjustment mid-year.

VI. BRIEFINGS

Fourth Quarter Dashboard Report

Megan Hyla briefed Commissioners on the 4th Quarter Dashboard Report as contained in their meeting packets covering the areas of finance, property management, Section 8 operations and exit data.

HOPE VI Progress Updates

Deborah Gooden briefed the Board of Commissioners, via PowerPoint, on KCHA's HOPE VI projects- Greenbridge and Seola Gardens - over the last 12 years. A copy of Ms. Gooden's PowerPoint presentation is appended to the meeting records.

Potential Multi-Site Acquisition

Dan Watson reported that KCHA has recently learned that a portfolio of privately owned Section 8 assisted senior housing properties was coming on the market for sale, which includes well located properties in Bellevue and Redmond. The portfolio involves nine properties (337 units), four of which are in King County and five properties are outside of King County. The seller of the portfolio wants to sell the entire portfolio to a single buyer which will require KCHA to cooperate with Housing Authorities in other areas of the state in order to purchase the King County properties. Mr. Watson further briefed the Board on the properties noting that KCHA will be providing a non-binding letter of intent to purchase the properties. Tim Walter outlined to the Board the general terms KCHA intends to offer for the portfolio and the due diligence that will be involved in the acquisition process if KCHA's offer is accepted. Staff will continue to pursue this acquisition opportunity and if KCHA's non-binding letter of intent is accepted, Board review and approval of the purchase and sale agreement will be needed.

VII. EXECUTIVE SESSION

The Board of Commissioners adjourned to Executive Session at 10:25 am for approximately ten minutes to discuss the performance of a public employee as authorized by RCW 42.30.110(1)(g).

At 10:35 am, the Board of Commissioners returned to the regular meeting. No action was taken during the Executive Session.

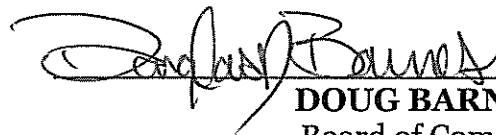
VIII. EXECUTIVE DIRECTOR'S REPORT

The Board of Commissioners had previously received the Executive Director's Report. Commissioner Palmer asked for more information on the OPEIU decertification petition. Mr. Norman responded that the Public Employees Relations Commission had validated the decertification petition filed by employees represented by OPEIU Local #8 and a vote will be held in mid-March.

IX. ADJOURNMENT

There being no further business the meeting was officially adjourned at 10:45 am by a motion from Commissioner Palmer, seconded by Commissioner Barnes and unanimously passed.

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



DOUG BARNES, Chair
Board of Commissioners



STEPHEN J. NORMAN
Secretary