

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

July 19, 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 9:05 am on Friday, July 19, 2013, at the King County Housing Authority's Administrative Offices, 600 Andover Park West, Tukwila, Washington.

II. ROLL CALL

Present (telephonically): Commissioner Doug Barnes, Chair; Commissioner Michael Brown, Vice-Chair and Commissioner Richard Mitchell

Staff: Stephen Norman, Dan Watson, Connie Davis, Tessa Martin, Tim Walter, John Eliason, Rhonda Rosenberg, Mike Reilly and Kathleen McKay

Stephen Norman asked that those in attendance at the meeting observe a moment of silence on the recent passing of Commissioner McLlarky.

III. PUBLIC COMMENT

Chair Barnes announced that members of the public in attendance at the meeting would have five minutes to speak before the Board of Commissioners. There was no public comment.

IV. APPROVAL OF MINUTES

Minutes from the June 17, 2013 Board of Commissioners' Meeting were presented for approval. Commissioner Mitchell moved for approval, with Commissioner Brown seconding the motion. The minutes were unanimously approved.

V. CONSENT AGENDA

May 2013 Voucher Reports

General Properties: Bank Wires/ACH Withdrawals for \$16,985,331.92; Accounts Payable checks #233233-234012 for \$5,369,681.55; Payroll vouchers, computer checks numbered #82698-82741 for \$47,216.02; Payroll direct deposit for \$1,110,463.01; Section 8 Program vouchers, ACH withdrawals #234724-237952 for \$9,209,166.34, computer run checks #599046-599582 for \$390,681.76; purchase card/ACH withdrawals \$202,617.49. Total for May 2013 for the General Properties was \$33,315,158.09.

Bond Properties: \$1,729,449.26, related to 19 different properties.

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

VI. RESOLUTIONS FOR DISCUSSION

Resolution No. 5434: Authorizing KCHA to Enter into Contingent Loan Agreement with King County in Connection with the Financing of the King County Property Portion of the Chaussee Section 8 Assisted Portfolio Acquisition (Bellevue Manor, Patricia Harris Manor, Northwood Square, Vashon Terrace and Vashon Manor)
Presented by: Tim Walter

Tim Walter reported that Resolution No. 5434 seeks authorization to submit an application for, and to enter into, a contingent loan agreement with King County to, credit enhance the financing necessary to acquire the King County portion of the Chaussee Section 8 portfolio. The properties include Northwood Square (24 units/family/Auburn), Bellevue Manor (66 units/senior/Bellevue), Patricia Harris Manor (41 units/senior/Redmond), Vashon Terrace (16 units/family/Vashon Island) and possibly Vashon Manor (24 units/senior & family/Vashon Island). The credit enhancement is structured as a loan guarantee and will, due to the County's AAA credit rating, allow KCHA to borrow funds for acquisition and necessary improvements to the properties at preferential borrowing rates and to secure permanent financing on rates and terms not otherwise available.

Mr. Walter further briefed the Board on the background of the Resolution as was detailed in his cover memorandum in the meeting packet, noting that KCHA seeks authorization to submit an application for and to enter into a contingent loan agreement with King County for an allocation of approximately \$27.5 million in CLA loan guarantee authority for the 5 properties. An award requires approval by the County's 7 member review committee (4 in house members and 3 industry professionals), approval by the County's Director of Community and Human Services, and ultimately approval by the County Executive. If approved, the origination fee to the County will be \$110,000 (.4% of the total amount) and the on-going fee will be \$25,500 per year (.1% of the total amount).

Questions posed by Commissioners were answered by Mr. Walter and a motion was made for the Resolution.

MOTION: Moved that Resolution No. 5434: Authorizing KCHA to Enter into Contingent Loan Agreement with King County in Connection with the Financing of the King County Property Portion of the Chaussee Section 8 Assisted Portfolio Acquisition (Bellevue Manor, Patricia Harris Manor, Northwood Square, Vashon Terrace and Vashon Manor), be approved.

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

Resolution No. 5435: Authorizing a Credit Advance from the Federal Home Loan Bank of Seattle for the Purpose of Making a Rehabilitation Loan to Moving King County Residents Forward (MKCRF)
Presented by: Tim Walter and Connie Davis

Tim Walter stated that Resolution No. 5435 authorizes KCHA to borrow \$18 million from the Federal Home Loan Bank of Seattle (FHLB) in order to loan the proceeds to Moving King County Residents Forward (MKCRF) to finance non-routine repairs and capital improvements at the "509" portfolio. The Resolution further authorizes KCHA to establish any and all accounts required by the FHLB, pledge collateral to the FHLB to securitize the loan and enter into any agreements required by the FHLB, as well as to enter into the agreements necessary to document the loan KCHA makes to MKCRF. Mr. Walter briefed the Board of Commissioners on the FHLB, collateral requirements and terms of the loan.

Mr. Walter noted that the primary purpose of the disposition of the 509 portfolio to MKCRF was to allow MKCRF to borrow \$18 million and invest the proceeds into the properties for needed non-routine repairs and capital improvements. The term of the loan, as approved in the HUD disposition application, is projected to be 20 years. Proceeds of the \$18 million advance from the FHLB would be used to make a loan to MKCRF for this HUD approved purpose. The full amount of the proceeds is anticipated to be invested into physical improvements to these properties within the next 36 months.

Questions posed by Commissioners were satisfactorily addressed by Mr. Walter and Ms. Davis.

MOTION: Moved that Resolution No. 5435: Authorizing a Credit Advance from the Federal Home Loan Bank of Seattle for the Purpose of Making a Rehabilitation Loan to Moving King County Residents Forward (MKCRF), be approved.

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

Resolution No. 5436: Pertaining to the Executive Director's 2013 Performance Goals
Presented by: Stephen Norman

Stephen Norman reported that, at the request of the Chair, the Executive Director's Performance Goals for 2013 have been amended to reflect new opportunities, challenges and emerging concerns. A draft copy of the amended goals were attached to Resolution No. 5436 and Chair Barnes noted that the draft reflects changes, in red, that were suggested by Commissioners.

MOTION: Moved that Resolution No. 5436: Pertaining to the Executive Director's 2013 Performance Goals, be approved.

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

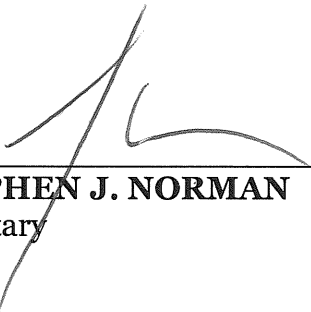
VII. ADJOURNMENT

There being no further business the meeting was officially adjourned at 9:40 am by a motion from Commissioner Mitchell, seconded by Commissioner Brown and unanimously passed.

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



DOUG BARNES, Chair
Board of Commissioners



STEPHEN J. NORMAN
Secretary