

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

August 19, 2013

I. CALL TO ORDER

The meeting of the Board of Commissioners of the King County Housing Authority was called to order by Chair Doug Barnes at 8:30 am on Monday, August 19, 2013, at the King County Housing Authority's Administrative Offices, 600 & 700 Andover Park West, Tukwila, Washington.

II. ROLL CALL

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

Excused: Commissioner Richard Mitchell

Staff: Stephen Norman, Dan Watson, Connie Davis, Tessa Martin, Beth Pearson, Tim Walter, Linda Weedman, John Eliason, Gary Leaf, Craig Violante, Deborah Gooden, Mike Reilly, Donna Kimbrough, Claude DaCorsi, Bill Cook, Rhonda Rosenberg, Megan Hyla, Steve Jefferis and Kristin Winkel

Guests: Lillian Clinton, Cindy Ference

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.

Cindy Ference addressed the Board of Commissioners with concerns regarding how KCHA's utilizes its financial resources.

IV. APPROVAL OF MINUTES

Minutes from the July 19, 2013 Board of Commissioners' Special Meeting were presented for approval. Commissioner Brown moved for approval, with Commissioner Barnes seconding the motion. The minutes were unanimously approved. Commissioner Palmer abstained from the vote due to her absence from the July 19 meeting.

V. CONSENT AGENDA

June 2013 Voucher Reports

General Properties: Bank Wires/ACH Withdrawls for \$967,121.21; Accounts Payable checks #234013-234637 for \$5,228,751.41; Payroll vouchers, computer checks numbered #82742-82793 for \$57,792.39; Payroll direct deposit for \$1,174,297.42; Section 8 Program vouchers, ACH withdrawals #237953-24155 for

\$9,234,850.22, computer run checks #599583-600102 for \$322,723.78; purchase card/ACH withdrawals \$196,086.94. Total for June 2013 for the General Properties was \$17,181,623.37.

Bond Properties: \$1,447,042.78, related to 19 different properties.

Resolution No. 5433: Intergovernmental Cooperative Purchasing Agreement with the Housing Authority of the City of Everett, WA

Resolution No. 5439: Intergovernmental Cooperative Purchasing Agreement with the Tacoma Housing Authority

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

VI. RESOLUTIONS FOR DISCUSSION

Resolution No. 5440: Evidencing the Intent to Operate Vantage Glen, Rainier View, Harrison House, Westminster & North Lake House as Housing for Persons 55 years of Age or Older under the Terms of the Housing for Older Persons Act (HOPA)
Presented by: Connie Davis

Connie Davis reported that Resolution No. 5440 would confirm KCHA's on-going intent to operate Vantage Glen, Rainier View, Harrison House, Westminster and North Lake House as housing for persons 55 years of age or older under the terms of the Housing for Older Persons Act (HOPA). The Resolution authorizes KCHA to take the actions described in the Resolution to ensure the developments conform to the HOPA exemption regarding familial discrimination under the Fair Housing Act. Ms. Davis briefed the Board of Commissioners on the history of these properties, adding that KCHA has met the occupancy guidelines for the HOPA exemption at these properties and has published and adhered to policies that demonstrate its intent to operate the facilities as housing for persons 55 years of age or older. The Housing Authority follows age verification procedures and the properties are consistently marketed as senior housing.

MOTION: Moved that Resolution No. 5440: Evidencing the Intent to Operate Vantage Glen, Rainier View, Harrison House, Westminster & North Lake House as Housing for Persons 55 years of Age or Older under the Terms of the Housing for Older Persons Act (HOPA), be approved.

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

Chair Barnes noted that staff will present the Second Quarter Financial Report prior to consideration of Resolution No. 5438.

Second Quarter Financial Report Briefing

Presented by: Craig Violante

Craig Violante briefed the Board of Commissioners, via PowerPoint, on the second quarter financial statements and proposed mid-year budget adjustments as were contained in the meeting packet memorandums and in Resolution No. 5438. Mr. Violante noted that the 2013 Federal funding picture became a little clearer during the second quarter as KCHA received word that its 2013 funding allocation for the Section 8 block grant is \$93.1 million or \$1,003.88 per voucher, a prorate of 93.976%. This allocation is down from \$1,067.37 per voucher in 2012 and equates to a loss of funding of \$6 million and is \$3 million less than budgeted. HUD's estimated proration for the 2013 Public Housing Operating Fund Subsidy is now 82%, down from an earlier estimate of 83%. Final funding numbers will be released in the third quarter.

Mr. Violante concluded his briefing stating that while sequestration and the resulting reduction in federal funding present KCHA with several short-term challenges; it also makes long range planning difficult as it becomes problematic to commit to new programs or developments with such large fiscal uncertainties. Staff will continue to look at ways to reduce or delay program or project costs and will continue to update the Board. Following his briefing, questions posed by the Board of Commissioners were satisfactorily answered by staff.

RESOLUTIONS FOR DISCUSSION – continued

Resolution No. 5438: Authorizing Approval of the Mid-year Comprehensive Operating and Capital Budget Amendment for Calendar Year Beginning January 1, 2013

Presented by: Craig Violante

Craig Violante reported that the Board of Commissioners previously adopted the 2013 Operating and Capital Budget via Resolution No. 5417 on December 17, 2012. As a budget is a plan based on a set of assumptions, it is prudent to make adjustments so that the plan is consistent with revised expectations. Mr. Violante briefed the Board on the proposed mid-year budget adjustments that were contained in the cover memorandum and Resolution No. 5438.

MOTION: Moved that Resolution No. 5438: Authorizing Approval of the Mid-year Comprehensive Operating and Capital Budget Amendment for Calendar Year Beginning January 1, 2013, be approved.

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

VII. FINANCIAL REPORTS

Mid-year Progress - Capital Plan

Presented by: Dan Watson

Dan Watson briefed the Board of Commissioners, via PowerPoint, on the 2013 Capital Budget Mid-year Progress, noting that the adopted KCHA Capital Budget for 2013 projected \$71,841,480 in total expenditures. Of this approximately, \$45 million represents

planned construction work. The briefing included budget adjustments, project progress and revisions for Capital Construction, Housing Management, Hope VI and Asset Management Departments. Chair Barnes thanked Mr. Watson for his informative briefing.

New Bank Accounts

Second Quarter Summary Write-Offs

Presented by: Connie Davis

There were no questions from the Board of Commissioners on the memorandums related to New Bank Accounts or Second Quarter Summary Write Offs. Mike Reilly noted that the Fraud Investigator for the Section 8 Department recently received a check for \$72,000 from a Section 8 landlord who had been fraudulently renting to a family member.

VIII. BRIEFINGS

Chaussee Properties

Presented by: Tim Walter

Tim Walter briefed the Board of Commissioners, via PowerPoint, on the possible acquisition of nine Section 8 properties currently owned in various partnerships by the Chaussee Family. Four of the sites are located in the cities of Bellevue, Auburn, Redmond and on Vashon Island. The remaining five are located in Bremerton, Hoquiam, Wenatchee and Yakima for a total of 337 units that KCHA, in cooperation with the Housing Authorities of Bremerton, Grays Harbor, Wenatchee and Yakima, is attempting to purchase and preserve as subsidized housing for low income families, seniors and persons with disabilities. Mr. Walter's presentation included the risks involved as well as proposed mitigations. Mr. Walter specifically addressed KCHA's plan and risks attendant to assigning the 5 properties outside of King County to the cooperating local authority. The Board of Commissioners will be apprised as due diligence continues with the acquisition of these properties. Commissioner Brown thanked Mr. Walter for his presentation and hard work involved with acquiring the Chaussee Properties.

Quarterly Dashboard Report

Presented by: Megan Hyla

Megan Hyla presented the Quarterly Dashboard Report as of June 2013 highlighting the Section 8 utilization rate at 106%, the shopping success rate of 82% and the fact that households are beginning to pay more of their income toward rent.

Homesight Phase II Initiative

Presented by: Deborah Gooden

Deborah Gooden briefed the Board of Commissioners, via PowerPoint, on affordable homeownership at Greenbridge, including a review of HomeSight Phase 1 and 2, project revenue and expenses, homebuyer subsidies, a current snapshot of the market, the Housing Authority's role with HomeSight and associated risks and mitigations.

IX. REPORTS

Second Quarter Procurement Report

Presented by: Connie Davis

Connie Davis referred the Board of Commissioners to a copy of the Procurement Report for the period April to June 2013 contained in the meeting packets noting that there were 42 condition or scope change orders on contracts whose value had exceeded 10% of the initial contract amount. There were four scheduled change orders involving contract extension as allowed on the original contracts. The Report also lists awarded contracts showing the issuing KCHA department, contract type, company awarded the contract, the award and estimate/budgeted amounts, procurement process involved, the number of bids received and, if needed, notes about the procurement. Dan Watson further briefed the Board on some of the change orders related to the Spiritwood and Hidden Village community building projects.

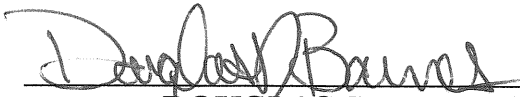
X. EXECUTIVE DIRECTOR'S REPORT

There were no questions from the Board of Commissioners on the Executive Director's Report.

XI. ADJOURNMENT

There being no further business, the meeting was officially adjourned at 10:30 am by a motion from Commissioner Brown, seconded by Commissioner Palmer and unanimously passed.

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



DOUGLAS J. BARNES, Chair
Board of Commissioners



STEPHEN J. NORMAN
Secretary