

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

September 23, 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 8:30 am on Monday, September 23, 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, Commissioner Susan Palmer and Commissioner Richard Mitchell (telephonically)

Staff: Stephen Norman, Dan Watson, Connie Davis, Tim Walter, Tessa Martin, Judi Jones, Kristin Winkel, Tim Walter, Craig Violante, Linda Weedman, Trinh Nguyen, Mark Abernathy, Bill Cook, Claude DaCorsi, Sean Heron, Mike Reilly; Donna Kimbrough, Rhonda Rosenberg, Megan Hyla, Deborah Gooden, Rickie Robinson, Denise Rasmussen, Theresa Ross, Beth Pearson

Guests: Michael Huber, Susan Stead, Geoff Jolly, 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. Chair Barnes noted that a request was made by Cindy Ference to make public comments later in the meeting, as she anticipated arriving late to the meeting. However, her comments are included on this portion of the agenda for record purposes. Ms. Ference addressed the Board of Commissioners with concerns regarding the draft MTW Plan and KCHA's non-smoking policy.

IV. Consent Agenda

July 2013 Voucher Reports

General Properties: Bank Wires/ACH withdrawals for \$19,849,908.99; Accounts Payable checks #234638-235267 for \$3,796,847.99; Payroll vouchers, computer checks #82794-823838 for \$47,124.37; Payroll direct deposit for \$1,127,734.27; Section 8 Program vouchers, ACH withdrawals #241156-244396 for \$9,285,386.39, computer run checks #600103-600595 for \$359,863.32; purchase card/ACH withdrawal \$163,180.07. Total for July 2013 for the General Properties was \$34,630,045.31.

Bond Properties: \$2,020,750.63, related to 19 different properties.

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

V. RESOLUTIONS FOR DISCUSSION

Resolution No. 5442: Approving KCHA's Moving to Work Annual Plan for FY 2014
Presented by: Judi Jones

Judi Jones reported that Resolution No. 5442 requests approval of KCHA's FY 2014 Moving to Work (MTW) Annual Plan. Creation and submission of the Annual Plan is a requirement of KCHA's participation in HUD's MTW Demonstration program – 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 growing and diverse needs of the low-income residents of King County.

Ms. Jones noted that KCHA's long-term strategic MTW priorities are shown in Section I of the draft Plan. These, together with the overall program objectives mandated by Congress, serve as the frame for the program activities and policy changes implemented by the Housing Authority. In addition to potential modifications/expansion of previously implemented MTW initiatives noted in Section IV, KCHA staff is proposing new initiatives for implementation in FY 2014. Ms. Jones briefed the Board of Commissioners on the initiatives contained in the draft Plan in the meeting packets.

In developing the FY 2014 MTW Annual Plan, KCHA provided opportunity for public and resident input regarding the Plan components. In addition, on August 29, 2013 a Public Hearing was held at Birch Creek Family Center to allow public input and comment on the draft Plan. An outline of the public process, together with a compilation of comments received on KCHA's proposed Plan, were included in the Plan being presented for Board adoption.

Ms. Jones concluded her presentation by stating that Resolution No. 5442 approves the Housing Authority's MTW Annual Plan for Fiscal Year 2014 (covering January 1, 2014 through December 31, 2014) 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 questions posed by the Commissioners that were answered by Ms. Jones and other KCHA staff, a motion was made for Resolution No. 5442.

MOTION: Moved that Resolution No. 5442: Approving KCHA's Moving to Work Annual Plan for FY 2014, be approved.

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

Resolution No. 5443: Human Resources Policies and Procedures
Presented by: Donna Kimbrough

Donna Kimbrough reported that Resolution No. 5443 authorizes the adoption of revisions to KCHA's Human Resources Policies and Procedures manual. The vast majority of the policies and procedures in the document have been previously adopted by the Board of Commissioners. The revisions reflect an entirely new format, additions and deletions in conformity with current Federal and state laws, clarification of certain existing policies and add new policies which are needed in a rapidly evolving framework of workplace law. Ms. Kimbrough reviewed with the Board the chapters of the previous manual that were deleted, policies that were modified and/or clarified and the addition of new policies related to teleworking, blogging, social networking, physical assessments for manual labor jobs, fire fighter, domestic violence and bereavement leave.

Ms. Kimbrough noted that these Human Resources Policies and Procedures are general guidelines that regulate employee and management actions of the Housing Authority and communicate expectations for both parties. Following Ms. Kimbrough's presentation, a motion was made for Resolution No. 5443.

MOTION: Moved that Resolution No. 5443: Human Resources Policies and Procedures be approved.

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

Resolution No. 5444: Authorizing KCHA to Issue a Tax-exempt Bond in a Not-to-exceed amount of \$95 million to KeyBank for the Purpose of Refinancing Existing Debt and Financing New Property Acquisitions
Presented by: Tim Walter

Tim Walter reported that Resolution No. 5444 has been revised since it was originally mailed to the Board of Commissioners and he distributed a black lined version of the Resolution. He briefed the Board on the minor changes in the Resolution.

Mr. Walter stated that Resolution No. 5444 authorizes KCHA to enter into a new tax-exempt debt facility in the approximate principal amount of \$85 million with KeyBank Government Finance, an affiliate of KeyBank N.A. \$45 million of this facility would be held directly by KeyBank and the remaining \$40 million to be held by other participant banks identified by KeyBank. The proceeds of the new facility will be used to finance new acquisitions and to refinance existing KCHA debt. The Resolution further authorizes KCHA to issue and deliver a single revenue bond, redeem outstanding bond obligations to be refunded and enter into the agreements necessary to document the new loan facility.

Mr. Walter briefed the Board of Commissioners on the background and terms of the Resolution as were contained in the cover memorandum in the meeting packet. Mr. Walter recommended approval of the Resolution for the primary purposes of 1) reducing the interest rate on current outstanding debt, 2) obtaining permanent take out financing for a number of short term loans, and 3) financing new acquisitions, such as four of the Chaussee properties. He noted that KCHA is proposing to refinance approximately \$45 million of outstanding higher-interest rate debt into the \$85 million pool. The expected

interest expense savings over the next ten years is projected to be \$4.5 million. If the opportunity arises to increase the pool to \$95 million, the expected savings at the same interest rate would increase by an additional \$1 million to \$5.5 million.

MOTION: Moved that Resolution No. 5444: Authorizing KCHA to Issue a Tax-exempt Bond in a Not-to-exceed amount of \$95 million to KeyBank for the Purpose of Refinancing Existing Debt and Financing New Property Acquisitions, be approved.

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

Resolution No. 5445: Authorizing the Executive Director to Sign the Growing Transit Communities Compact
Presented by: Dan Watson

Dan Watson reported that the purpose of Resolution No. 5445 is to formally authorize KCHA to be a signatory to the Growing Transit Communities Compact, which is the nonbinding agreement between cities, counties, transit agencies, affordable housing providers, public health agencies, educational institutions, and other regional stakeholders that establishes wide ranging goals and strategies for creating sustainable and equitable communities within the region's transit corridors.

Michael Hubner, Principal Planner for the Puget Sound Regional Council briefed the Board of Commissioners on the Growing Transit Communities Partnership and the recently completed Compact.

Mr. Watson noted that the Compact affirms the stakeholder's support for the work to date, the collective commitment to work toward regional goals and the recognition of the acute need for additional resources to maintain and expand public transportation and to create and preserve affordable housing. The Compact does not obligate signatories to implement all recommendations, but rather to consider and adopt tools that fit best with community or organizational needs and available resources. The development of low income and affordable housing within transit corridors is a critical component of the Compact; and the Board of Commissioners have identified development within transit corridors as an important KCHA initiative.

MOTION: Moved that Resolution No. 5445: Authorizing the Executive Director to Sign the Growing Transit Communities Compact, be approved.

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

VI. BRIEFINGS

Annual Risk Management/Insurance Overview

Mark Abernathy, KCHA Risk Manager, introduced Susan Stead and Geoff Jolly with Parker Smith & Feek, insurance and risk management brokerage firm for the Housing Authority. Mr. Abernathy, Ms. Stead and Mr. Jolly briefed the Board of Commissioners, via

PowerPoint, on an annual review of the 2013 Risk Management and Insurance Programs. The presentation included Parker Smith and Feek's annual Stewardship Report and touched on the roles of the Risk Management staff, elements of KCHA's insurance program, property and liability claims, safety and workers compensation statistics and other current risk management issues and initiatives.

Review of Non-smoking Policy Implementation

Bill Cook reported that KCHA fully implemented a non-smoking policy in October 2012 that converted the remaining inventory of KCHA owned subsidized housing to non-smoking facilities, following an initial pilot. He noted that KCHA staff have managed the process and continue to follow the enforcement procedures and offered cessation assistance for those residents who have expressed an interest in quitting smoking. Mr. Cook briefed the Board on the progress of the non-smoking policy, including the current policies, enforcement procedures, warning letter and "last chance to comply" statistics, status of smoking shelters and future considerations for the policy.


VII. EXECUTIVE DIRECTOR'S REPORT

There were no questions from the Board of Commissioners on the written Executive Directors' Report. However, Mr. Norman asked Tim Walter to brief the Board on a potential property acquisition in Issaquah and Rhonda Rosenberg to brief the Board on changes to the KCHA logo.

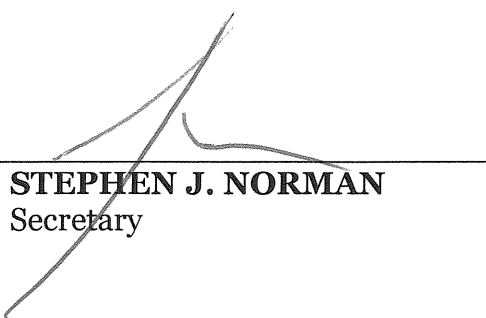
VIII. ADJOURNMENT

There being no further business, the special 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