



KING COUNTY HOUSING AUTHORITY

MEETING OF THE BOARD OF COMMISSIONERS

October 21, 2013

8:30 am

KCHA Administrative Offices
700 Andover Park West
Tukwila, WA

I. Call to Order

II. Roll Call

III. Public Comment

IV. Approval of Minutes **1**

August 19, 2013 Board of Commissioners' Meeting
September 16, 2013 Special Board of Commissioners' Meeting
September 23, 2013 Board of Commissioners' Meeting

V. Consent Agenda **2**

August 2013 Voucher Reports
(General & Bond Properties)

VI. Resolutions for Discussions

Resolution No. 5446: A Change in the Salary Schedule for
Non-Represented KCHA Employees Authorizing a 1.4% Cost of
Living Adjustment (COLA) **3**

Resolution No. 5447: Acquisition of Investor Limited
Partnership Interests in the Alpine Ridge, Colonial Gardens,
Heritage Park and Rural Housing Preservation Limited Partnerships **4**

Resolution No. 5448: Approval of Loan to the Manufactured
Housing Community Preservationists for the Purpose
of Acquiring and Installing Homes at the Wonderland Estates
Mobile Home Park **5**

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VII. Reports

New Bank Accounts
Procurement Report

6
7

VIII. New Business

IX. Executive Director's Report

Update on Current Acquisition Pipeline
Update on Portfolio Refinancing

X. Commissioner Comments

XI. Adjournment

Next Meeting (subject to change)

Monday, November 18, 2013, 8:30 am
KCHA Administrative Offices
700 Andover Park West
Tukwila, Washington

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**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 Withdrawals 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

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

September 16, 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 8:35 am on Monday, September 16, 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 (telephonically); Commissioner Susan Palmer and Commissioner Richard Mitchell

Excused: Commissioner Michael Brown

Staff: Stephen Norman, Dan Watson, Connie Davis, Tim Walter, Tessa Martin, Beth Pearson, John Eliason, Deborah Gooden, Megan Hyla, Bill Cook, Craig Violante, Kristin Winkel and Denise Rasmussen

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 were no public comments.

IV. RESOLUTION FOR DISCUSSION

Resolution No. 5441: Authorization to Purchase a portfolio of Section 8 Assisted Properties (Chaussee)

Presented by: Tim Walter

Tim Walter reported that, as has been discussed at prior Board meetings, KCHA has been working with the housing authorities of Grays Harbor, Yakima, Bremerton and Chelan County on the acquisition of a portfolio of a nine Section 8-assisted apartment buildings located in 5 different counties in the State of Washington. Four of the properties are located in King County (147 units), one property is in Hoquiam (24 units), one in Yakima (51 units), one in Bremerton (30 units) and two in Wenatchee (85 total units). All of the buildings are senior housing communities, with the exception of two family properties in King County.

Mr. Walter noted that because the seller was unwilling to split up the portfolio, KCHA is acting as lead purchaser under nine interrelated purchase and sale agreements. Prior to signing the agreements, KCHA entered into Cooperation Agreements with each of the four housing authorities in whose jurisdictions the five non-King County properties are

located. The intent of the housing authorities is for KCHA to assign its interest in these five non-King County properties to the local authorities at or after the closing date.

Under the terms of each purchase and sale agreement, there is a contingency period for due diligence that expires on September 20, 2013. If KCHA waives this contingency, it will deposit additional earnest money of \$292,000 (to be added to the initial deposit at contract signing, for a total amount of \$584,000), and then have through November 30, 2013 to close on the King County properties and until March 31, 2014 to close on the non-King County properties. Upon the closing of the King County properties, earnest money will increase to a total of \$1 million in order to assure the sellers that King County will complete the closing of the remaining properties in the portfolio.

Mr. Walter reported that over the last three months, KCHA and the other housing authorities have completed extensive due diligence on the properties, including appraisals, physical needs assessments, environmental reports, ALTA surveys and tenant file reviews, as well as property-specific reviews of mechanical systems, roof and building envelope, lead and asbestos sampling, seismic reports, elevator evaluation and pest inspection. Based on the results of this due diligence work, KCHA had negotiated with the sellers reductions in the purchase price of certain properties. In addition, lender commitments are being obtain for financing in amounts that, when combined with the Housing Trust Fund allocations, are sufficient to allow purchase of each non King County property.

Commissioner Mitchell asked if the other housing authorities are also conducting their own due diligence process or are they relying on KCHA's inspectors. Mr. Walter replied that some of the housing authorities have used their own assessors as well as KCHA's. However, the original goal was to not duplicate efforts. Chair Barnes noted that any costs KCHA might incur during the due diligence process will be reimbursed at closing under the terms of the cooperation agreements. Reimbursement would not include KCHA staff time.

V. EXECUTIVE SESSION

A motion was made by Commissioner Palmer to adjourn to Executive Session at 9:00 am for approximately twenty-five minutes as authorized by RCW 42.30.110(b) – “to consider the selection of a site or the acquisition of real estate by lease or purchase when public knowledge regarding such consideration would cause a likelihood of increased price”. The motion was seconded by Commissioner Mitchell and unanimously passed. An announcement was made to the public at 9:25 am to extend the length of the Executive Session by another twenty-five minutes.

The regular meeting of the Board of Commissioners was reconvened at 9:50 am by a motion made by Commissioner Mitchell and seconded by Commissioner Palmer. Motion unanimously passed, and no action was taken during the Executive Session.

Resolution for Discussion – continued

Following the regular meeting being reconvened, amendments to Resolution No. 5441 were suggested by Commissioner Mitchell as follows: the “asking sale price” wording be changed to “negotiated sale price” throughout the Resolution, the Vashon Terrace “negotiated sale price” of \$1.5 million be amended to state “or such lower price as set forth in

an appraisal to be received by the Authority no later than October 31, 2013”, the “negotiated sale price” for Harbor Manor amended to “\$700,000”, the “negotiated sale price” for Charter House amended to “\$1,575,000” and the “negotiated sale price” for Wenatchee House amended to “\$2,825,000”.

MOTION: Moved that Resolution No. 5441: Authorization to Purchase a Portfolio of Section 8 Assisted Properties (Chaussee), be approved as amended.

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

Stephen Norman commended Tim Walter and Beth Pearson for their roles with the potential acquisition of the Chaussee Properties thereby ensuring the provision of vitally needed long-term housing for low-income persons in King County as well as in other counties and cities across the State of Washington.

VI. ADJOURNMENT

There being no further business, the meeting was officially adjourned at 10:00 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

**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

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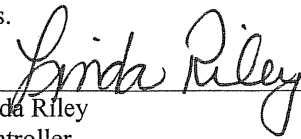
**KING COUNTY HOUSING AUTHORITY
INTEROFFICE MEMORANDUM**

TO: THE BOARD OF COMMISSIONERS, HOUSING AUTHORITY OF
THE COUNTY OF KING, WASHINGTON

FROM: LINDA RILEY

SUBJECT: VOUCHER CERTIFICATION FOR AUGUST 2013

I, Linda Riley, do hereby certify under penalty of perjury that the materials have been furnished, the services rendered or the labor performed as described herein, and that the claims represented by the vouchers listed below were just obligations of the Housing Authority of the County of King, and that I am authorized to authenticate and certify said claims.



Linda Riley
Controller
October 3, 2013

Bank Wires / ACH Withdrawals	7,482,187.20
<i>Subtotal</i>	<u>7,482,187.20</u>
Accounts Payable Vouchers	
Checks - #235268-236074	5,012,964.79
<i>Subtotal</i>	<u>5,012,964.79</u>
Payroll Vouchers	
Checks - #82839-82897	67,553.62
Direct Deposit	1,732,422.73
<i>Subtotal</i>	<u>1,799,976.35</u>
Section 8 Program Vouchers	
Checks - #600596-601067	319,904.46
ACH - #244397-247608	9,251,400.64
<i>Subtotal</i>	<u>9,571,305.10</u>
Purchase Card / ACH Withdrawal	198,604.98
<i>Subtotal</i>	<u>198,604.98</u>
GRAND TOTAL	<u><u>24,065,038.42</u></u>

TO: THE BOARD OF COMMISSIONERS, HOUSING AUTHORITY OF
THE COUNTY OF KING, WASHINGTON

FROM: TIM WALTER

SUBJECT: VOUCHER CERTIFICATION FOR AUGUST 2013

I, Tim Walter, do hereby certify under penalty of perjury that the materials have been furnished, the services rendered or the labor performed as described herein, and that the claims represented by the checks listed below were just obligations of the Housing Authority of the County of King, and that I am authorized to authenticate and certify said claims.

Tim Walter

Tim Walter
Director, Managed Assets
September 19, 2013

Property Aug-13	CHECK REGISTER Aug-13	PAYROLL Aug-13	MGMNT FEE Aug-13	OTHER Aug-13	Property Total Aug-13
Bellepark East	1976-2024 \$ 47,437.04	\$ 6,951.05 \$ 6,756.91	On Check Register as Check	NA	\$ 61,145.00
Cottonwood	2238-2275 \$ 16,059.49	\$ 5,359.86 \$ 5,543.36	On Check Register as Check	NA	\$ 26,962.71
Cove East	2518-2576 \$ 39,254.59	\$ 13,347.32 \$ 11,744.03	On Check Register as Check	NA	\$ 64,345.94
Landmark	2267-2316 \$ 89,619.65	\$ 17,664.38 \$ 17,054.53	On Check Register as Check	Issuance Com \$ 18,050.90 LOC Int & Com \$ 1,029.26 Admin & Fee Remarketing	\$ 143,418.72
Meadowbrook	5332-5384 \$ 155,019.07 9 Transfers	On Check Register as Check	On Check Register as Check	NA	\$ 155,019.07
Meadows	10372-10399 \$ 21,358.97	\$ 6,150.71 \$ 7,218.39 \$ 4,634.99	\$ 2,325.00	NA	\$ 41,688.06
Newporter	104396-104430 \$ 163,560.79	\$ 4,915.55 \$ 5,971.44 \$ 6,792.77	\$ 4,015.00	NA	\$ 185,255.55
Timberwood	3157-3225 \$ 135,831.40	\$ 13,010.44 \$ 13,443.81	On Check Register as Check	NA	\$ 162,285.65
Woodland North	599-652 \$ 57,768.36	\$ 11,472.48 \$ 9,361.48	On Check Register as Check	NA	\$ 78,602.32
Woodside East	2620-2676 \$ 47,721.94	\$ 11,950.94 \$ 15,585.54	On Check Register as Check	NA	\$ 75,258.42
Aspen Ridge	102276-102307 \$ 20,547.66	\$ 4,133.92 \$ 5,436.50 \$ 3,448.22	\$ 2,563.00	NA	\$ 36,129.30
Cascadian	11624-11654 \$ 28,877.15	\$ 11,053.54 \$ 13,896.03 \$ 9,952.50	\$ 7,663.00	RR \$ 7,184.60	\$ 78,626.82
Fairwood	12000-12037 \$ 25,341.09	\$ 8,004.02 \$ 11,334.72 \$ 8,820.45	\$ 5,334.00	RR \$ 5,085.37	\$ 63,919.65
Laurelwood	10149-10184 \$ 47,444.90	\$ 5,290.49 \$ 5,809.72 \$ 4,753.73	\$ 4,231.00	RR \$ 3,495.01	\$ 71,024.85
Woodridge Park	11621-11669 \$ 48,104.81	\$ 9,585.46 \$ 9,121.64 \$ 8,355.85	\$ 5,698.00	RR \$ 2,512.50	\$ 83,378.26
Auburn Square	105000-105036 \$ 24,028.54	\$ 7,426.39 \$ 9,353.37 \$ 5,905.16	\$ 4,612.00	NA	\$ 51,325.46
Carriage House	104595-104625 \$ 64,331.13	\$ 9,534.09 \$ 13,846.73 \$ 9,234.15	\$ 4,940.00	NA	\$ 101,886.10
Parkwood	14429-14458 \$ 19,945.81	\$ 4,570.93 \$ 5,711.52 \$ 3,553.07	\$ 3,080.00	NA	\$ 36,861.33
Walnut Park	15039-15081 \$ 52,195.66	\$ 4,462.52 \$ 7,228.04 \$ 4,958.11	\$ 5,929.00	NA	\$ 74,773.33
	\$ 1,104,448.05	\$ 399,710.85	\$ 50,390.00	\$ 37,357.64	\$ 1,591,906.54

Expenditures paid by Check	\$1,104,448.05
Payroll Transfers	\$399,710.85
Management Fee Transfers	\$50,390.00
Other:	\$37,357.64
TOTAL FUNDING:	\$1,591,906.54

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KING COUNTY HOUSING AUTHORITY

TO: Board of Commissioners

FROM: Connie Davis

DATE: October 3, 2013

RE: **Resolution 5446:** A Change in the Salary Schedule for Non-Represented KCHA Employees Authorizing a 1.4% Cost of Living Adjustment (COLA)

Executive Summary: Resolution No. 5446 authorizes an increase in salaries for all non-represented employees of 1.4%, which represents 100% of the Consumer Price Index for Clerical Workers (CPI-W) for the Seattle Tacoma area annualized for the first six months of 2013.

Background: The King County Housing Authority has historically awarded a cost of living increase effective with the first full pay period paid in November. The percentage increase has traditionally reflected 100% of the CPI-W for the Seattle-Tacoma area based on first half of the calendar year. The CPI-W reported in June 2013 was 1.4%.

KCHA continues on its multi-year strategy of reducing its reliance on public housing operating subsidies by conversion of those properties to project-based (PB) rental assistance. With contracts in place to maintain contract rent levels, PB properties are performing well. Many of them have had significant upgrades to their physical plants or are in the process of receiving such upgrades. The 2012 disposition of 509 public housing units is an excellent example of this strategy.

In addition, the Authority maintains a very strong portfolio of multifamily developments whose cash flow is adequate to cover operations and needed repairs as well as provide support for KCHA's corporate overhead. Vacancies are very low in the King County metropolitan area and properties are generally leased at above the 98% occupancy level.

Staff has reviewed a snapshot of funding availability for all existing programs for CY 2014. Based on that review, which will be more fully discussed in the 2014 Budget presentations, confidence is high that an increase of 1.4% to the salary base of KCHA employees is sustainable.

There are currently 269 non-represented employees. At current rates of pay, the overall annual impact of the proposed COLA on the Authority is \$302.2 thousand, and averages \$866 per employee.

As part of its budgeting process for 2014, KCHA is also forecasting these major impacts and benefits for non-represented employees:

- PERS (the Public Employee's Retirement System) increased its required employer contribution to 9.21% on September 1, 2013. What had been a partial year impact in 2013 will affect the entire year in 2014 (the blended rate in 2013 was 8.2%). We are not expecting any additional legislated increases in 2014. The Office of the State Actuary projects the July 2015 increase to be 10.41%. Of this, 4.24% is needed to address the unfunded liability in the PERS 1 system. Although very few KCHA employees participate in PERS 1 which was closed in 1977, the fiscal health of the entire Washington State retirement system is very important to all employees.

The State Actuary provided a five year estimate of future PERS rates in 2009, with rates climbing steeply through 2015. Since then KCHA has been forecasting retirement costs over a moving six-year time horizon and placing amounts into or removing amounts from reserves to smooth annual cash flow draws. By the end of FY 2013 reserve balances are forecast to be \$671 thousand. Based on current forecasts, approximately \$71 thousand of this reserve will be used in 2014 to reduce the need to use current revenues to cover the PERS rate increase. No additional amounts will be added to this reserve and it is forecast to be fully drawn by 2018.

- The PEBB-provided medical plans are increasing less than 1% in CY 2014-a welcome development. There were no major plan changes proposed by PEBB for the upcoming year. In 2014, it appears that KCHA will be able to offer one plan with a decrease in employee premiums, one plan with no changes, and three plans with an average monthly premium increase of less than \$2. Virtually all of the increase in medical insurance expenses at the Authority will be due to additional FTEs covered by the various plans. The KCHA contribution to medical benefits is projected to average \$13,028 per employee in 2014.

The 73 regular maintenance employees covered by a Collective Bargaining Agreement with the Seattle-King County Construction and Building Trades Council are not included in Resolution No. 5446. November 2013 marks the end of the existing contract and negotiations are scheduled. When negotiations are finalized the terms of any pay increases will be brought to the Board for approval.

Passage is recommended.

THE HOUSING AUTHORITY OF THE COUNTY OF KING

RESOLUTION NO. 5446

**RELATING TO THE SALARY SCHEDULE FOR NON-REPRESENTED HOUSING
AUTHORITY EMPLOYEES AUTHORIZING A PAY INCREASE OF 1.4%
EFFECTIVE AT THE BEGINNING OF THE FIRST TWO-WEEK PAY PERIOD
OCCURRING ENTIRELY IN NOVEMBER**

WHEREAS, the Board of Commissioners annually reviews the salaries and benefits paid to non-represented employees of the Housing Authority; and

WHEREAS, KCHA has sufficient resources to increase base payroll so that employee wages can be maintained at their current inflation adjusted levels during 2014; and,

WHEREAS, Management is recommending that the Board of Commissioners adopt a cost of living increase in wages for non-represented employees effective at the beginning of the first two-week pay period occurring entirely in November equivalent to the CPI-W published by the Bureau of Labor Statistics annualized as of June 2013; and

WHEREAS, the CPI-W calculated as of that date was 1.4%.

NOW, THEREFORE, BE IT RESOLVED, BY THE BOARD OF COMMISSIONERS OF THE HOUSING AUTHORITY OF THE COUNTY OF KING:

SECTION 1: The Administrative Salary Schedule is hereby amended to reflect a 1.4% cost of living increase in all ranges and as set forth in said Salary Schedule, a copy of which is attached as Exhibit A hereto and made a part hereof. The rates set forth in the Administrative Salary Schedule will be increased effective at the beginning of the first two week pay period occurring entirely in November 2013.

**ADOPTED BY THE BOARD OF COMMISSIONERS OF THE HOUSING
AUTHORITY OF THE COUNTY OF KING AT A MEETING THEREOF THIS 21st
DAY OF OCTOBER 2013.**

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

DOUGLAS J. BARNES, Chair
Board of Commissioners

STEPHEN J. NORMAN
Secretary

King County Housing Authority
Administrative Pay Plan
Effective 11/2/2013 - 10/31/2014

EXHIBIT A

Range		Minimum	Midpoint	Maximum	Exceptional
N	Annual	131,389.5355	156,025.0734	180,660.6114	197,084.3033
	Monthly	10,949.1280	13,002.0895	15,055.0509	16,423.6919
	Per Hour	63.1680	75.0121	86.8561	94.7521
M	Annual	114,251.7700	137,816.1976	161,380.6251	177,090.2435
	Monthly	9,520.9808	11,484.6831	13,448.3854	14,757.5203
	Per Hour	54.9287	66.2578	77.5868	85.1395
L	Annual	95,209.8083	113,061.6473	130,913.4864	142,814.7126
	Monthly	7,934.1507	9,421.8039	10,909.4572	11,901.2260
	Per Hour	45.7739	54.3566	62.9392	68.6609
K	Annual	90,676.0079	105,977.5844	121,279.1606	131,480.2115
	Monthly	7,556.3340	8,831.4654	10,106.5967	10,956.6843
	Per Hour	43.5942	50.9508	58.3073	63.2116
J	Annual	82,432.7344	96,343.2585	110,253.7824	119,527.4650
	Monthly	6,869.3945	8,028.6049	9,187.8152	9,960.6221
	Per Hour	39.6311	46.3189	53.0066	57.4651
I	Annual	74,938.8496	87,584.7804	100,230.7113	108,661.3319
	Monthly	6,244.9041	7,298.7317	8,352.5593	9,055.1110
	Per Hour	36.0283	42.1081	48.1878	52.2410
H	Annual	65,164.2170	76,160.6786	87,157.1402	94,488.1146
	Monthly	5,430.3514	6,346.7232	7,263.0950	7,874.0096
	Per Hour	31.3290	36.6157	41.9025	45.4270
G	Annual	56,664.5365	66,226.6771	75,788.8175	82,163.5780
	Monthly	4,722.0447	5,518.8898	6,315.7348	6,846.9648
	Per Hour	27.2426	31.8397	36.4369	39.5017
F	Annual	49,273.5100	57,588.4148	65,903.3196	71,446.5895
	Monthly	4,106.1258	4,799.0346	5,491.9433	5,953.8825
	Per Hour	23.6892	27.6867	31.6843	34.3493
E	Annual	44,794.1000	51,513.2149	58,232.3301	62,711.7401
	Monthly	3,732.8417	4,292.7679	4,852.6942	5,225.9783
	Per Hour	21.5356	24.7660	27.9963	30.1499
D	Annual	40,721.9091	46,830.1954	52,938.4818	57,010.6727
	Monthly	3,393.4924	3,902.5163	4,411.5401	4,750.8894
	Per Hour	19.5778	22.5145	25.4512	27.4090
C	Annual	37,019.9174	42,572.9050	48,125.8926	51,827.8843
	Monthly	3,084.9931	3,547.7421	4,010.4910	4,318.9904
	Per Hour	17.7980	20.4677	23.1374	24.9173
B	Annual	33,654.4704	38,702.6409	43,750.8115	47,116.2584
	Monthly	2,804.5392	3,225.2201	3,645.9010	3,926.3549
	Per Hour	16.1800	18.6070	21.0340	22.6520
A	Annual	30,594.2833	34,610.5633	38,626.1534	41,302.2825
	Monthly	2,549.5236	2,884.2136	3,218.8461	3,441.8569
	Per Hour	14.7088	16.6397	18.5703	19.8569

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KING COUNTY HOUSING AUTHORITY

TO: Board of Commissioners

FROM: Tim Walter

DATE: October 7, 2013

RE: **Resolution No. 5447:** Acquisition of Investor Limited Partnership interests in the Alpine Ridge, Colonial Gardens, Heritage Park and Rural Housing Preservation Limited Partnerships

The attached resolution authorizes the Executive Director to take all actions necessary for KCHA to acquire the investor limited partners' interest in the KCHA-Alpine Ridge, KCHA-Colonial Gardens, KCHA-Heritage Park and KCHA-Rural Housing Preservation Limited Partnerships. KCHA is the sole general partner in each of these tax credit limited partnerships. These transactions are similar to KCHA's acquisition of the limited partner's interest in the KCHA-Laurelwood Garden's Limited Partnership which the Board approved in March, 2013 (Resolution No. 5425).

KCHA currently serves or has served as the managing general partner or managing member of 20 different tax credit partnerships and limited liability companies. KCHA forms these entities to generate equity from the sale of the low income housing tax credits provided under the Federal Low Income Housing Tax Credit (LIHTC) Program to help finance the development of affordable housing. The LIHTC Program has been an invaluable tool without which the Housing Authority would not have been able to develop most of the housing it has built or redeveloped over the last 20 years.

The tax credit model is structured to pass through tax credits and tax deductions to passive investors in exchange for their investment of capital into affordable housing. The tax credits are generally distributed over a 10 to 15 year window and it is over this time period that investors expect to receive their full investment return. The basic assumption in the "non-profit managing general partner" investment model is that the investor will step in on day one, make their investment up front, a non-profit managing general partner will operate the property for 15 years, over which time the investor will claim their tax benefits, and after the 15 year window during which the primary investment return has been realized the investor will deed the property over to the non-profit general partner ("GP"). While from the non-profit GP's perspective this is how these transactions should work, there are numerous technical tax and legal issues and investment concerns that need to be negotiated with the investment partners on a deal by deal basis.

In general, for a real estate transaction to be arms length, partners cannot negotiate up front to sell the property to one or more of the partners at a future point in time at a below market price without creating negative tax consequences to the partnership. There is an exception, however, in the current tax code for non-profit and government general partners to acquire tax credit properties back from their limited partners ("LP") at no cost other than the simple assumption of the partnership's debt plus a payment to the investor sufficient to cover any tax liability they may incur by exiting. This exemption is not an absolute right of the GP but may be agreed to by the partners and is generally negotiated at the time the partnership agreement is originally executed. This is structured in the form of a Right of First Refusal (ROFR) and is usually only granted for a period of 12 – 24 months starting on or near the 15th year of the partnership. The value of a ROFR is somewhat limited by the fact it only extends to the physical real estate itself and not the other liquid assets of the partnership such as net operating cash and replacement or debt service reserves.

Similar to Laurelwood Gardens, the investor in the Rural Housing Preservation Limited Partnership is a tax credit investment fund formed by NEF (the "National Equity Fund"- an affiliate of the Local Initiative Support Corporation). The investor in the remaining three limited partnerships is an investment fund owned by US Bank and managed by the tax credit syndicator, PNC Multifamily Capital. The terms of the transactions are consistent with the terms of the original ROFR's and the investor limited partners have agreed that all project reserves will remain with the properties. KCHA anticipates the transfers to occur on or around October 31, 2013.

THE HOUSING AUTHORITY OF THE COUNTY OF KING

RESOLUTION NO. 5447

*(Limited Partnership Exit Resolution –
Rural Housing Preservation, Heritage Park, Colonial Gardens, Alpine Ridge)*

A RESOLUTION of the Housing Authority of the County of King (the “Authority”) authorizing (i) the transfer of certain housing projects (the “Projects”) to the Authority through the acquisition of the leasehold interest of limited partnerships (the “Partnerships”) in the Projects by the Authority and/or the acquisition of the interests of the limited partners of the Partnerships by the Authority; (ii) the submission to the Washington State Housing Finance Commission of a request for consent to transfer the Projects; (iii) the assignment and assumption by the Authority of the obligations of the Partnerships with respect to the Projects and bonds issued to finance the Projects; and (v) the approval, execution and delivery of all documents necessary to effectuate the foregoing; and determining related matters.

WHEREAS, the Housing Authority of the County of King (the “Authority”) seeks to encourage the provision of long-term housing for low-income persons residing within King County, Washington; and

WHEREAS, RCW 35.82.070(2) provides that a housing authority may, among other things, “prepare, carry out, acquire, lease and operate housing projects;” and

WHEREAS, RCW 35.82.020 defines “housing project” to include, among other things, “any work or undertaking . . . to provide decent, safe and sanitary urban or rural dwellings, apartments, mobile home parks or other living accommodations for persons of low income;” and

WHEREAS, RCW 35.82.070(5) provides that a housing authority may, among other things, and if certain conditions are met, “own, hold, and improve real or personal property” and “sell, lease, exchange, transfer, assign, pledge, or dispose of any real or personal property or any interest therein;” and

WHEREAS, RCW 35.82.080(1) provides that a housing authority may, among other things, “make and execute contracts and other instruments, . . . necessary or convenient to the exercise of the powers of the authority;” and

WHEREAS, the Authority is the fee owner of certain housing projects described below (collectively, the “Projects”), each of which is leased to a Washington limited partnership (collectively, the “Partnerships”) of which the Authority is the general partner, and each of which was financed in part with low income housing tax credits (“LIHTC”) and revenue bonds issued by the Authority (collectively, the “Bonds”), as further described below:

Property	Address	Units	Partnership	Bond Issue
Rainier View I Apartments	2745 Warner Avenue W, Enumclaw, WA	48	KCHA-Rural Housing Preservation Limited Partnership	Housing Revenue Bonds, 1997 (Rural Preservation Project)
Rainier View II Apartments	2649 Warner Avenue W, Enumclaw, WA	36	KCHA-Rural Housing Preservation Limited Partnership	Housing Revenue Bonds, 1997 (Rural Preservation Project)
Si View Apartments	404 Healy Avenue S, North Bend, WA	20	KCHA-Rural Housing Preservation Limited Partnership	Housing Revenue Bonds, 1997 (Rural Preservation Project)
Heritage Park Apartments	9834 NE 190 th Street, Bothell, WA	77	KCHA-Heritage Park Limited Partnership	Housing Revenue Bonds, 1998 (Heritage Park Apartments Project)
Colonial Gardens Apartments	15001 15 th Avenue NE, Shoreline, WA	72	KCHA-Colonial Gardens Limited Partnership	Housing Revenue Bonds, 1999 (Colonial Gardens Apartments Project)
Alpine Ridge Apartments	14460 Simonds Road NE, Kirkland, WA	42	KCHA-Alpine Ridge Limited Partnership	Housing Revenue Bonds, 1999 (Alpine Ridge Apartments Project)

WHEREAS, each Project has been operating as “qualified low income housing” pursuant to Section 42 of the Internal Revenue Service Code (“Code”) and, as such, the

applicable Partnership has been receiving LIHTC during the 15-year compliance period pursuant to the Code (“Compliance Period”); and

WHEREAS, the Compliance Period for each of the Projects has or will soon expire; and

WHEREAS, the Authority desires to own the Projects and continue their operation as affordable low income housing projects; and

WHEREAS, the Authority has determined that the limited partner of each of the Partnerships (collectively, the “Limited Partners”) has or will soon have received all of the tax and other economic benefits originally anticipated by such Limited Partner; each Limited Partner is expected to be willing to transfer its interest in the applicable Partnership (the “Limited Partnership Interests”) to the Authority; and it is in the best interest of the Authority to acquire such Limited Partnership Interests and/or to acquire the applicable Partnership’s leasehold interest in the Projects; and

WHEREAS, the Authority, in its own capacity and as general partner of the Partnerships, desires to take such steps as are reasonably necessary to acquire the leasehold interest of the Partnership in the Project and/or to acquire the Limited Partnership Interests, in either case for consideration of the assumption of the debt encumbering the Project, including the applicable series of Bonds (the “Debt”); and

WHEREAS, the Authority, in its own capacity and as general partner of the Partnerships, desires to take such steps as are reasonably necessary to obtain consents necessary to effect the Authority’s assumption of the Debt, and to negotiate, execute and deliver such documents as may be required in connection with the foregoing, including, without limitation, any loan assumption documents; and

WHEREAS, the Washington State Housing Finance Commission (“Commission”) must approve the transfer of the Projects from the Partnership to the Authority; NOW, THEREFORE,

BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE HOUSING AUTHORITY OF THE COUNTY OF KING as follows:

Section 1. Approval of Transfer of Leasehold Interests and/or Limited Partnership Interests. The Authority, in its own capacity and as general partner of the Partnerships, is authorized, empowered and directed to take such steps that are reasonably necessary to effectuate the transfer of the leasehold interest in each of the Projects from the applicable Partnership to the Authority or, in the alternative, to acquire the Limited Partnership Interests with respect to the applicable Partnership, and to negotiate, execute, and deliver such documents as may be reasonably required to effectuate such transfer.

Section 2. Authorization of Assignment and Assumption. The Authority, in its own capacity and as general partner of the Partnerships, is authorized, empowered and directed to take such steps as may be necessary or desirable for (1) the Authority to assume all of the Partnerships’ obligations with respect to the Debt, including, without limitation, each Partnership’s obligations under applicable loan and regulatory agreements, financing leases, deeds of trust, hazardous substances agreements, continuing disclosure agreements, and any other document executed in connection with the applicable series of Bonds (collectively, the “Bond Documents”); and (2) each Partnership to assign to the Authority all of its rights and obligations under the applicable Bond Documents. The Authority, in its own capacity and as general partner of the Partnerships, is authorized, empowered and directed to take such steps as may be necessary or desirable to obtain consent of the lenders of the Debt, trustees for the Bonds, or other necessary parties, and to negotiate, execute and deliver such documents as may

be required such parties in connection with the foregoing, including, without limitation, any loan assumption documents.

Section 3. Lease and Bond Document Amendments. The Authority, in its own capacity and as general partner of the Partnerships, is authorized, empowered and directed to make any amendments to any financing lease or the other Bond Documents as may be necessary or desirable in connection with the transactions contemplated by this resolution.

Section 4. Commission Approval. The Authority, in its own capacity and as general partner of the Partnerships, is authorized, empowered and directed to take such steps as may be necessary to obtain the Commission's approval of the transfer of the Projects from the applicable Partnership to the Authority, and to negotiate, execute and deliver such documents as may be required by the Commission in connection with the foregoing, including, without limitation, submitting a request to the Commission for the Commission's consent to transfer the Project from the Partnership to the Authority, and paying any transfer fee required by the Commission.

Section 5. Documents to be Executed by Executive Director. Any and all documents contemplated by this resolution which are authorized to be executed by or on behalf of the Authority, in its own capacity or as general partner of a Partnership, are authorized to be executed by the Executive Director of the Authority.

Section 6. Governmental Filings; Other Agreements. The Executive Director is further authorized to execute, deliver and, if applicable, file (or cause to be executed, delivered and, if applicable, filed) on behalf of the Authority, in its own capacity and as general partner of the Partnerships, any government forms, affidavits, certificates, letters, documents, agreements and instruments that he determines to be necessary or advisable to give effect to this resolution and to consummate the transactions contemplated herein.

Section 7. Acting Officers Authorized. Any action required by this resolution to be taken by the Executive Director of the Authority may in the absence of such person be taken by a Deputy Executive Director of the Authority.

Section 8. Expenditures. The Authority, in its own capacity and as general partner of the Partnerships, is authorized, empowered and directed to make any reasonable expenditures, including, but not limited to, attorney's fees and costs necessary or required in conjunction with actions authorized by this resolution.

Section 9. Ratification and Confirmation. Any actions of the Authority or its officers prior to the date hereof and consistent with the terms of this resolution are ratified and confirmed.

Section 10. Effective Date. This resolution shall be in full force and effect from and after its adoption and approval.

ADOPTED by the Board of Commissioners of the Housing Authority of the County of King at an open public meeting this 21st day of October, 2013.

HOUSING AUTHORITY OF THE COUNTY OF KING

By: Douglas J. Barnes Chair
Board of Commissioners

ATTEST:

Stephen J. Norman, Secretary

CERTIFICATE

I, the undersigned, the duly chosen, qualified and acting Executive Director of the Housing Authority of the County of King (the "Authority") and keeper of the records of the Authority, CERTIFY:

1. That the attached Resolution No.5447 (the "Resolution") is a true and correct copy of the resolution of the Board of Commissioners of the Authority, as adopted at a meeting of the Authority held on October 21, 2013, and duly recorded in the minute books of the Authority.

2. That such meeting was duly convened and held in all respects in accordance with law; that a quorum was present throughout the meeting and a majority of the members of the Board of Commissioners of the Authority present at the meeting voted in the proper manner for the adoption of the Resolution; that all other requirements and proceedings incident to the proper adoption of the Resolution have been duly fulfilled, carried out and otherwise observed, and that I am authorized to execute this Certificate.

IN WITNESS WHEREOF, I have hereunto set my hand this 21st day of October, 2013.

Stephen J. Norman
Secretary and Executive Director of the Authority

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KING COUNTY HOUSING AUTHORITY

TO: Board of Commissioners

FROM: Tim Walter

DATE: October 8, 2013

RE: **Resolution No. 5448:** Loan to the Manufactured Housing Community Preservationists for the purpose of acquiring and installing homes at the Wonderland Estates Mobile Home Park

The attached Resolution authorizes the Executive Director to enter into a loan agreement with the Manufactured Housing Community Preservationists ("MHCP") for the purpose of financing the acquisition and installation of mobile and/or manufactured homes at the Wonderland Estates Mobile Home Park. KCHA would provide a revolving loan to MHCP in an amount not to exceed \$300,000. The loan would either be at no interest or at a nominal interest rate in order to minimize MHCP's costs and the resulting sale prices to low income mobile home buyers. MHCP is a qualified 501(c)3 non-profit organization dedicated to the preservation of mobile home communities for low income households. They currently own 7 low-income mobile home parks and have extensive experience with the acquisition and installation of mobile homes. MHCP also serves as the property manager for Wonderland Estates.

Wonderland Estates Mobile Home Park is a 109-space 55+ mobile home park located in Renton. In 2007, the park's former owner notified the residents of his intent to close the park and sell the property for redevelopment. The low income and elderly residents of the Park attempted to create an association to acquire the park from the owner but were unable to assemble the financing. Over the ensuing months, approximately 40% of the homeowners moved from the site. In late 2007, KCHA was notified of the pending park closure and began negotiations with the owner to acquire the park for the purposes of preserving the property as affordable housing. KCHA was ultimately successful in negotiating the sale and acquired the park shortly thereafter.

In 2011, in order to qualify the project for New Markets Tax Credit financing, KCHA entered in a 99-year lease of the park to the South King County Affordable Community Group, a non-affiliated 501(c)3 organization which subsequently completed a \$4.5 million renovation of the park's infrastructure systems including the replacement of the water, sewer, storm water and electrical systems as well as installing new street lighting, roads and landscaping. The community building was also renovated as part of the improvement project.

As the park renovation has been completed, it is now possible to re-tenant the vacant pad spaces. Unfortunately, most lending institutions which will

provide loans to finance the sale of an existing home within a park will not provide financing to acquire a home off-site, transport it and set it up in another location. The resources necessary to cover the out of pocket cost associated with acquiring, moving and setting up a mobile home are more than most low-income persons have available which creates a barrier for low-income households to acquire the homes and move them into the park.

For this reason and to assist with the re-occupancy of the park, MHCP has agreed to enter into an agreement with the South King County Affordable Community Group to allow it to install homes at the park. The homes would be either modest newly built homes or used homes and the prices would be affordable to households between 50% - 80% of the area median income. The loan provided by KCHA would be treated as a revolving loan and is estimated to be sufficient to allow MHCP to acquire and install between 4 – 8 homes at any one time. As homes are sold, the net proceeds would be used to acquire additional homes and this process would repeat itself until the park is fully reoccupied.

KCHA expects the complete re-tenanting of the park to take between 24 – 36 months. Any residual net proceeds from the acquisition, installation and resale of the mobile homes by MHCP, after payment of fees and third party costs, would be returned to KCHA at the completion of the re-occupancy of the park.

HOUSING AUTHORITY OF THE COUNTY OF KING

RESOLUTION NO. 5448

A RESOLUTION of the Housing Authority of the County of King authorizing the Authority to provide a revolving loan to the Manufactured Housing Community Preservationists in an amount not to exceed \$300,000 at any one time outstanding for the purpose of financing the acquisition and installation of mobile or manufactured homes to be located at the Wonderland mobile home park, directing appropriate officers of the Authority to execute such documents as are useful or necessary to the purposes of this resolution, and determining related matters.

ADOPTED October 21, 2013

This document was prepared by:

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HOUSING AUTHORITY OF THE COUNTY OF KING

RESOLUTION NO. 5448

A RESOLUTION of the Housing Authority of the County of King authorizing the Authority to provide a revolving loan to the Manufactured Housing Community Preservationists in an amount not to exceed \$300,000 at any one time outstanding for the purpose of financing the acquisition and installation of mobile or manufactured homes to be located at the Wonderland mobile home park, directing appropriate officers of the Authority to execute such documents as are useful or necessary to the purposes of this resolution, and determining related matters.

WHEREAS, the Housing Authority of the County of King (the "Authority") seeks to encourage the provision of long-term housing for low-income persons residing within King County, Washington; and

WHEREAS, RCW 35.82.020 defines "housing project" to include, among other things, "any work or undertaking . . . to provide decent, safe and sanitary urban or rural dwellings, apartments, mobile home parks or other living accommodations for persons of low income"; and

WHEREAS, RCW 35.82.070(1) provides that a housing authority may, among other things, "make and execute contracts and other instruments . . ."; and

WHEREAS, RCW 35.82.070(18) provides that a housing authority may, among other things and if certain conditions are met, "make . . . loans for the . . . acquisition, construction . . . rehabilitation, improvement . . . or refinancing of land, buildings, or developments for housing for persons of low income"; and

WHEREAS, the Authority owns fee title to a mobile home park consisting of 109 mobile/manufactured home lots commonly known as Wonderland Estates (the "Park") which has been leased to South King County Affordable Community Group, a Washington nonprofit

corporation ("SKCACG") for a term of 99 years pursuant to a Lease dated November 18, 2011, between the Authority and SKCACG; and

WHEREAS, the Park currently has approximately 40 vacant spaces for mobile/manufactured homes; and

WHEREAS, in order to increase occupancy rates at the Park, the Manufactured Housing Community Preservationists ("MHCP") has agreed to acquire and install mobile or manufactured homes at the Park, and to sell those homes to low-income persons for use as their primary residences, with financial assistance from the Authority; and

WHEREAS, the Authority deems it necessary and desirable and in the best interests of the Authority provide a revolving loan to MHCP in an amount not to exceed \$300,000 at any one time outstanding, to finance the acquisition and installation of manufactured or mobile homes at the Park for sale to persons of low-income,

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE HOUSING AUTHORITY OF THE COUNTY OF KING as follows:

Section 1. Authorization of Loan and the Negotiation and Execution of Documents. The Board approves the provision of a revolving loan to MHCP in a principal amount not to exceed \$300,000 at any one time outstanding, for the purpose of financing the acquisition and installation of mobile or manufactured homes at the Park, which homes are to be sold to low-income persons for use as their primary residences. The Executive Director of the Authority is authorized to negotiate the terms of the loan with MHCP, subject to the following terms: the loan shall mature on the date that is one year from the date of issue, with two one-year optional extensions; it shall be a revolving loan, in an amount not to exceed \$300,000 at any one time outstanding; amounts drawn on the loan may, at the election of the Authority, bear interest;

advances shall be subject to the approval of the Authority; and the loan shall be payable from the net proceeds of sales of the mobile or manufactured homes (for this purpose, "net proceeds" means the sale proceeds less MHCP's administrative fee (currently anticipated to be \$1,200 per home installed) and all third party, out-of-pocket expenses incurred by MHCP in the process of acquiring, installing and selling the homes) and such other expenses as may be agreed to by the Authority. At maturity of the loan, any outstanding amount on the loan shall be forgiven, and any unsold homes shall be conveyed to the Authority. The Executive Director of the Authority is further authorized to negotiate the terms of, and execute and deliver, an agreement with MHCP regarding the line of credit, incorporating the terms of the loan and other terms, including but not limited to indemnification of the Authority and other affected parties for costs resulting from MHCP activities at the Park and the mobile or manufactured homes installed thereon, and the approval of homes to be installed by the Authority. The Board authorizes and directs the Executive Director of the Authority to do everything necessary for the execution and delivery, on behalf of the Authority, of such documents as may be useful or necessary to the purposes of this Section 1, as determined by the Executive Director.

Section 2. Authorization of Future Acts. The Board further authorizes and directs the Executive Director, and all other proper officers, agents, attorneys and employees of the Authority to carry out, or cause to be carried out, all obligations of the Authority under the documents authorized by this resolution, and to perform or cause to be performed such other acts as they shall consider necessary or advisable in connection with making a loan to MHCP by the Authority and the application of such proceeds to accomplish the acquisition and installation of manufactured and mobile homes at the Park, or in order to give effect to this resolution and the transactions contemplated herein.

Section 3. Acting Officers Authorized. Any action required by this resolution to be taken by the Executive Director of the Authority may in the absence of such person be taken by a Deputy Executive Director of the Authority.

Section 4. Ratification and Confirmation. Any actions of the Authority or its officers prior to the date hereof and consistent with the terms of this resolution are ratified and confirmed.

Section 5. Effective Date. This resolution shall be in full force and effect from and after its adoption and approval.

ADOPTED by the Board of Commissioners of the Housing Authority of the County of King at an open public meeting this 21st dy of October 2013.

HOUSING AUTHORITY OF THE COUNTY OF
KING

By: _____
Douglas J. Barnes, Chair

ATTEST:

Stephen Norman, Secretary

CERTIFICATE

I, the undersigned, the duly chosen, qualified and acting Executive Director of the Housing Authority of the County of King (the "Authority") and keeper of the records of the Authority, CERTIFY:

1. That the attached Resolution No. 5448 (the "Resolution") is a true and correct copy of the resolution of the Board of Commissioners (the "Board") of the Authority, as adopted at a meeting of the Authority held on October 21, 2013, and duly recorded in the minute books of the Authority.

2. That such meeting was duly convened and held in all respects in accordance with law, and, to the extent required by law, due and proper notice of such meeting was given; that a quorum was present throughout the meeting and a majority of the members of the Board of Commissioners of the Authority present at the meeting voted in the proper manner for the adoption of the Resolution; that all other requirements and proceedings incident to the proper adoption of the Resolution have been duly fulfilled, carried out and otherwise observed, and that I am authorized to execute this Certificate.

IN WITNESS WHEREOF, I have hereunto set my hand this 21st day of October 2013.

Executive Director of the Authority

CERTIFICATE

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KING COUNTY HOUSING AUTHORITY

TO: Board of Commissioners
FROM: Craig Violante
DATE: October 7, 2013
RE: **New Bank Accounts**

Since the last Board meeting KCHA has opened the following bank accounts:

New Account #1, “King County Housing Authority Collateral Security Safekeeping Account”

Bank: Bank of New York/Federal Home Loan Bank – Seattle (FHLB)

This new safekeeping account will be used to hold investments that were pledged as collateral for the \$18 million loan KCHA received from the FHLB and subsequently loaned to Moving King County Residents Forward. Transactions will include the purchase, sale, maturity and call of investments. There will also be transfers to and from the Demand Deposit account at the FHLB.

New Account #2, “King County Housing Authority General Investment Securities Safekeeping Account”

Bank: Bank of New York/Federal Home Loan Bank - Seattle

This new safekeeping account will be used to hold unrestricted investments at the Federal Home Loan Bank. As a new collateral safekeeping account was required under the terms of the \$18 million loan from the FHLB, it did not make sense to have safekeeping accounts at two separate financial institutions. Consequently, all bond investments previously held by US Bank were transferred to this new account. Transactions will include the purchase, sale, maturity and call of investments. There will also be transfers to and from the Demand Deposit account at the FHLB.

New Account #3, “King County Housing Authority, Demand Deposit Account”

Bank: Bank of New York/Federal Home Loan Bank – Seattle

This new commercial checking account will be used to move cash to and from the Collateral Security Safekeeping account and the General Investment Securities Safekeeping account when bonds are purchased, sold, matured or called. It will also receive interest payments from all investments held by the FHLB and will be drawn upon to pay various fees and the monthly debt payment for the \$18 million

FHLB loan. This account is a required companion to the two safekeeping accounts.

New Account #4, "Fairwind Apartments LLLP Security Deposit Account"

Bank: US Bank

This new commercial savings account will be used to hold tenant security deposits for the new Fairwind Apartments, managed by KCHA. Transactions will include transfers in and out from the Fairwind Operating account. Fairwind is the last Hope VI development at Seola Gardens.

New Account #5, "King County Housing Authority, Seola Endowment Account"

Bank: US Bank

This new commercial checking account will be used to hold the annual operating portion of the Seola Endowment Funds. Transactions will include a yearly transfer in from Certificates of Deposit and quarterly transfers to the KCHA Master Fund Account for reimbursement of allowable expenses. This new account was required in the Seola Endowment Agreement between KCHA and HUD.

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KING COUNTY HOUSING AUTHORITY

TO: Board of Commissioners

FROM: Tim Baker

DATE: October 4, 2013

RE: **Third Quarter CY 2013 Procurement Report**

In order to update the Board concerning KCHA's procurement activities, staff is presenting its Quarterly Procurement Report. This report covers all procurement activities from July through September 2013 that involved the award of contracts valued over \$100,000 and change orders that have cumulatively exceeded ten percent (10%) of initial contract value.

In the awarded contracts section, the Report lists the issuing department, contract type, company awarded the contract, the award and estimate/budgeted amounts, procurement process involved, the number of bids received and notes about the procurement. In the third quarter, there were 19 contracts valued at more than \$100,000 representing 95% of the contracts executed in the quarter. The largest contract was a multiyear unit price contract awarded to Arrow Insulation with a potential value of up to \$2,000,000 depending on the number and size of weatherization jobs assigned to the contractor. The largest fixed price construction contract was awarded to CDK Construction for \$1,920,363 for work on the Shoreham and Victorian Woods building envelope project.

KCHA's internal procedures require heightened oversight and review once a contract has incurred change orders valued at more than 10% of the original contract amount. The change order section of the Report includes the issuing department, contract type, company awarded the contract, the original award amount, number of change orders and the amounts of the total change orders to date expressed both in dollars and percentages above the original contract value, and notes about the procurement. At the Board's request, this section was divided between change orders issued in response to unforeseen field conditions or expanded project scopes, and change orders which were foreseen at the time the initial contract was let (primarily through contract extensions on multi-year contracts). The not-to-exceed total for the "foreseen" change order section is the projected total amount of the contract once all the foreseen change orders are completed.

There were 42 total "field condition" or "scope change" orders on contracts whose total value had exceeded 10% of the initial contract amount in the third quarter:

1. Fifteen involved the Spiritwood Manor and Hidden Village community buildings project. These were mostly owner and site condition driven change orders for a wide variety of improvements such as upgraded playground equipment and asphalt and electrical changes.
2. The largest percentage change order was with West Coast Contracting for the Vista Heights building envelope project to paint the old, existing siding to better match the paint on the newly installed siding on 30 buildings.

There was one anticipated change order with Bellevue Community College involving a contract extension as allowed in the original contract.

KING COUNTY HOUSING AUTHORITY
QUARTERLY PROCUREMENT REPORT

July-Sep 2013

Third Quarter

Awarded contracts over \$100,000

NTE = not to exceed

NTE = not to exceed								
Issuing dept	Contract type	Contract awarded to	Estimate/budget amount	Original Contract amount	not to exceed with extensions	Procurement Process	# of bids	notes
Asset Management	Overlake building C roof replacement	Bates Roofing	\$272,215	\$272,655	\$272,655	sealed bid	6	contractor has performed many successful jobs with KCHA
Capital Construction	Norhiak House site improvements	Accord Contractors	\$110,623	\$116,000	\$116,000	sealed bid	3	contractor has performed many successful jobs with KCHA
Capital Construction	600 Building tenant improvements	Regency NW	\$136,283	\$118,490	\$118,490	sealed bid	3	contractor has performed many successful jobs with KCHA
Capital Construction	Norbridge common area ventilation	CDK Construction	\$184,303	\$225,883	\$225,883	sealed bid	3	Estimate underestimated general contractor's subcontracted costs
Capital Construction	Pickering Court decks	Big Rock	\$371,565	\$323,840	\$323,840	sealed bid	3	new contractor for KCHA
Capital Construction	Norbridge roofing	Mike Werlich Construction	\$896,226	\$756,975	\$756,975	sealed bid	3	Self performance of ancillary work lowered bid from estimate
Capital Construction	Campus Court building envelope	Express Const	\$817,125	\$740,534	\$740,534	sealed bid	3	contractor has performed many successful jobs with KCHA
Capital Construction	Vallik Kee offices, storage bldg & common area upgrades	Mike Werlich Construction	\$780,056	\$801,439	\$801,439	sealed bid	5	Working with contractor to VE scope. Contractor already working on Vallik-Kee waste line repair
Capital Construction	Vallik Kee building envelope	CDK Construction	\$1,662,937	\$1,699,864	\$1,699,864	sealed bid	4	contractor has performed many successful jobs with KCHA
Capital Construction	Springwood Manor/Victorian Woods building envelope	CDK Construction	\$1,920,363	\$1,956,890	\$1,956,890	sealed bid	4	contractor has performed many successful jobs with KCHA
Homeless Housing	rapid rehousing demonstration	Neighborhood House	\$250,000	\$250,000	\$250,000	RFQ	3	new initiative in conjunction with Highline SD aimed at preventing homelessness
HOPE VI	title insurance services	Chicago	\$100,000	\$100,000	\$100,000	RFP	2	used Chicago for many Greenbridge title needs
HOPE VI	title insurance services	First American	\$120,000	\$100,000	\$100,000	RFP	2	new contractor for KCHA
HOPE VI	Seola Gardens punchlist work	Walsh	\$148,517	\$148,517	\$148,517	sole source	n/a	original contract included this work, but was amended and closed due to retainage issues
Resident Services	resident counseling	Mike Werlich Construction	\$502,242	\$439,434	\$439,434	sealed bid	4	contractor has performed many successful jobs with KCHA
Resident Services	weatherization services	An Uncluttered Mind	\$60,000	\$60,000	\$60,000	RFP	1	new contract to perform these services after original sole source one was completed in Aug '13
Weatherization	weatherization services	RCC, Inc.	\$900,000	\$900,000	\$900,000	RFP	4	NTE contract, experienced contractor
Weatherization	weatherization services	Richart Family, Inc.	\$1,000,000	\$1,000,000	\$1,000,000	RFP	4	NTE contract, experienced contractor
Weatherization	weatherization services	Energy Saver	\$2,000,000	\$2,000,000	\$2,000,000	RFP	4	NTE contract, experienced contractor; minority owned
Weatherization	weatherization services	Arrow				RFP	4	NTE contract, experienced contractor
Total			\$12,852,755	\$12,611,421				
Contracts exceeding 10% cumulative change order-Condition Changes								
Issuing dept	Contract type	Contract awarded to	Original contract amount/NTE	change order amount & no. this quarter	total contract value to date	% change from original	notes regarding current quarter change orders	
Administrative Services	janitorial services	Oedar Building Services	\$760,092	\$45,000 (1)	\$825,092	6%	request by Housing Mgmt to add capital cleaning to public housing units	
Asset Management	Capital replacement	Bates Roofing	\$65,800	\$9,675 (1)	\$75,475	15%	replaced deteriorated plywood discovered in roof tear off process	
Asset Management	Somersel Gardens roof replacement	Bates Roofing	\$272,655	\$46,124 (1)	\$318,779	17%	replaced deteriorated plywood discovered in roof tear off process	
Capital Construction	Park Royal water intrusion	Wyncoast Contracting	\$44,000	\$27,261 (1-3)	\$96,391	70%	Foundation drain deeper than anticipated requiring replacement of undermined retaining wall	
Capital Construction	Vista Heights building envelope	Lawhead	\$44,000	\$27,261 (1-3)	\$974,400	121%	Paint on new siding did not match wall with old siding. Change to paint old siding for 30 buildings	
Capital Construction	A&E Services	ORB	\$500,000	\$500,000 (1)	\$1,000,000	100%	Task order A&E contract - \$75k max per task. Number of tasks/projects greater than anticipated	
Capital Construction	A&E Services	ORB	\$500,000	\$500,000 (1)	\$1,000,000	100%	Task order A&E contract - \$75k max per task. Number of tasks/projects greater than anticipated	
Capital Construction	A&E Services	Schemata	\$500,000	\$500,000 (1)	\$1,000,000	100%	Task order A&E contract - \$75k max per task. Number of tasks/projects greater than anticipated	
Capital Construction	Eastside Terrace building envelope upgrades	Express Construction	\$1,588,007	\$174,662 (31-33)	\$2,218,193	40%	address dry rot in structure, line extension of contract	
Capital Construction	Spiritwood Manor/Hidden Village community bldgs	Slez Construction	\$2,004,052	\$61,739 (70-85)	\$2,488,680	24%	upgraded playground equip, picnic tables, benches, elec work, asphalt, misc minor changes	
Resident Services	resident organization consulting	An Uncluttered Mind	\$10,000	\$4,500 (2)	\$14,500	45%	high volume of housing inspections in the summer revealed more residents needing this service	
Resident Services	transportation services	Kent School District	\$10,000	\$8,500 (1)	\$18,500	85%	additional transportation costs billed by the School District	
Contracts with contract extensions or other foreseen change orders								
Issuing dept	Contract type	Contract awarded to	Original contract amount	change order amount this quarter (tot. no. of CO's)	current contract value	% of NTE	notes regarding current quarter change orders	
Resident Services	resident opportunity pgm services	BelleVue Community College	\$380,572	\$52,592 (1)	\$327,980	86%	extension of the current contract for 6 months.	