

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

Monday, June 20, 2016

I. CALL TO ORDER

The Special Meeting of the Board of Commissioners of the King County Housing Authority was held on Monday, June 20, 2016 at the Renton Housing Authority, 2900 NE 10th Street, Renton, WA 98056. There being a quorum, the meeting was called to order by Chair Doug Barnes at 8:30 a.m.

II. ROLL CALL

Present: Commissioner Doug Barnes (Chair), Commissioner Michael Brown (Vice-Chair) arrived at 8:42 a.m., Commissioner TerryLynn Stewart, Commissioner Susan Palmer (via telephone) and Commissioner John Welch

Staff: Stephen Norman (Secretary), Andrew Calkins, Connie Davis, John Eliason, Dan Landes, Beth Pearson, Mike Reilly, Jessica Olives, Jennifer Ramirez-Robson, Craig Violante, Tim Walter, and Dan Watson

Guests: Mark Santos-Johnson with the City of Renton, Mark Gropper and Kellee Rodriguez with the Renton Housing Authority

III. PUBLIC COMMENT

None.

IV. TOUR OF PROPOSED CHOICE NEIGHBORHOOD INITIATIVE SITE – RENTON

Mark Gropper, Executive Director of the Renton Housing Authority, welcomed board members and KCHA staff to the Renton Housing Authority.

Chair Barnes announced the start of the tour and mentioned the Board will reconvene the meeting upon return.

The meeting was reconvened at 8:50 a.m. Mark Santos-Johnson provided more information regarding the Choice Neighborhood Grant process, project execution plan and funding.

V. APPROVAL OF MINUTES

The Board unanimously approved the minutes from the Board of Commissioners' meeting of May 16, 2016.

V. APPROVAL OF AGENDA

Commissioner Susan Palmer disclosed that she is a Board member of the Renton Technical College that will be discussing the City of Renton's Choice Neighborhoods Application, but stated that there is no conflict of interest pertaining to this matter.

The Board unanimously approved the June 20, 2016 Board of Commissioners' meeting agenda.

VI. CONSENT AGENDA

A. Voucher Certification Report for April 2016 (General and Bond Properties)

<u>April 2016</u>	
GENERAL PROPERTIES	
Bank Wires / ACH Withdrawals	3,351,881.23
	<i>Subtotal</i> <u>3,351,881.23</u>
Accounts Payable Vouchers	
Key Bank Checks #302151-#302807	5,088,967.58
Tenant Accounting Checks #10088- #10114	3,832.38
Commerce Bank Direct Payment	62,090.24
	<i>Subtotal</i> <u>5,154,890.20</u>
Payroll Vouchers	
Checks - #90085 - #90112	33,964.27
Direct Deposit	1,257,181.87
	<i>Subtotal</i> <u>1,291,146.14</u>
Section 8 Program Vouchers	
Checks - #613538-#613828	219,427.26
ACH - #345211-#348130	9,995,610.37
	<i>Subtotal</i> <u>10,175,037.63</u>
Purchase Card / ACH Withdrawal	180,636.73
	<i>Subtotal</i> <u>180,636.73</u>
	GRAND TOTAL <u>20,153,591.93</u>
 BOND PROPERTIES	
Bond Properties Total (30 different properties)	<u>2,051,917.85</u>

On motion by Commissioner Brown seconded by Commissioner Palmer, the Board approved the consent agenda.

VII. RESOLUTIONS FOR DISCUSSION AND POSSIBLE ACTION

A. Resolution No. 5537: Authorizing the submission of a Choice Neighborhoods Implementation Grant Application, in cooperation with the

City of Renton and Renton Housing Authority for the Sunset Neighborhood Area of Renton in King County

Dan Watson, Deputy Executive Director, reiterated that KCHA partnered with the City of Renton and the Renton Housing Authority, in 2015, to submit a Choice Neighborhood Implementation (CNI) grant application. Mr. Watson stated that although selected as a finalist, the application was ultimately unsuccessful, but an announcement by HUD for new funding of 2016 CNI grants prompted the City of Renton and the Renton Housing Authority to approach KCHA again. Mr. Watson provided detail background information, and strategic rationale behind the new proposed joint application.

Mark Santos-Johnson responded to Commissioner Welch's inquiry related to the City's community outreach conducted and ongoing. Mr. Santos-Johnson stated that a Sunset Area Transformation Resource Council was created as part of the initial grant application in 2015. The Council consists of many stakeholders in the community and monitors the success of the plan as well as identifies other resources and opportunities. Mr. Santos Johnson stated that the additional outreach has been conducted and is continuous.

On motion by Commissioner Brown, seconded by Commissioner Welch, the Board unanimously approved Resolution No. 5537.

- B. Resolution No. 5538: A Resolution of the Housing Authority of the County of King declaring its intention to sell bonds in an amount not to exceed \$25,000,000, to provide financing for the Sunset Area Transformation Plan Housing Project within King County, Washington, and determining related matters

Tim Walter, Senior Director of Development & Asset Management presented Resolution No. 5538 and mentioned that the approval would not commit KCHA to issue bonds but shows readiness. Mr. Walter explained that this action is a necessary step required to undertake the obligation.

In response to Chair Barnes' question, Mr. Walter explained that KCHA staff would return to the Board once the Renton Housing Authority is ready to begin the first phase of the project. KCHA staff would present the project details, lender information and terms for board consideration.

On motion by Commissioner Brown, seconded by Commissioner Welch, the Board unanimously approved Resolution No. 5538.

C. Resolution No. 5539: Authorizing the sale and disposition of Greenbridge West Bulk Parcels to Conner Homes

John Eliason, HOPE VI Development Director briefed the Board on Resolution No. 5539. Mr. Eliason provided background information and the disposition process and the company. Mr. Eliason explained the terms of the transaction as well as associated risks.

In response to Commissioner Welch question, Mr. Eliason stated that the sales price per unit is estimated to be between \$435,000 -\$485,000.

On motion by Commissioner Stewart, seconded by Commissioner Brown, the Board unanimously approved Resolution No. 5538.

VIII. BRIEFINGS & REPORT

A. Greenbridge Homeownership Buildout – Continued

Mr. Eliason continued this presentation from the April 2016 board meeting and provided an overview of Greenbridge parcels. Mr. Eliason gave an update on BDR progress, sales and revenue to KCHA.

B. First Quarter FY 2016 Financial Report

Craig Violante, Director of Finance, gave a briefing on the financials for the first quarter FY 2016. Mr. Violante discussed the inflation adjustment for the Housing Choice Voucher Program which resulted in an increase in funding for KCHA in 2016. Mr. Violante mentioned that the new payment standards were implemented and should result in a significant impact to the Housing Assistance Payments costs which will be reflected in the second quarter. Mr. Violante also provided an update on cash and investments.

C. Fourth Quarter FY 2015 Summary Write-offs

Mr. Violante presented the fourth quarter FY 2015 Summary Write-offs report.

Connie Davis, Deputy Executive Director, provided an update on the collateralization of MTW funds and discussions with HUD pertaining to issues with cash management rules that restrict the Authority's ability to hold HCV block grant cash in its own accounts. Ms. Davis explained that approximately \$ 12 Million combined is being held in trust accounts related to loans for the redevelopment of Green River Homes and an FHLB loan for Moving King County Residents Forward properties. Both trust accounts are considered restricted assets. Ms. Davis noted that HUD was made aware that if KCHA were required to return these funds it would create an incidence of default. Ms. Davis stated that staff provided HUD with additional information and is continuing the discussions but is generally optimistic that HUD would recognize these restrictions.

Chair Barnes asked staff to provide an update concerning this issue at the next Commissioners' meeting. Mr. Barnes stated that he is particularly interested in the impact on KCHA's budget for 2016 and 2017.

- D. First Quarter FY 2016 Summary Write-offs
Craig Violante provided an update on the Summary Write-offs for the first quarter of FY 2016.
- E. First Quarter FY 2016 Executive Dashboard Report
Andrew Calkins, Administrative Program Manager, gave a briefing on the Executive Dashboard report for the first quarter in 2016.

XI. EXECUTIVE DIRECTOR'S REPORT

Stephen Norman, Executive Director, provided an overview of the MTW contract extension with HUD. Mr. Norman mentioned that although HUD has agreed to extend the contract, this unilateral amendment should be confirmed and countersigned by KCHA through a formal approval process. Mr. Norman stated that stakeholder outreach and local input is being solicited and a Board-approved letter of agreement back to HUD is expected to be sent the fall.

Mr. Norman also discussed the partnership with King County whereby the County's credit rating will be lent to some of the Authority's debt via credit enhancement. The details of this agreement are currently being negotiated.

Mr. Norman announced that he attended the second Annual Housing and Education Summit in Washington, DC. Mr. Norman stated that the event creates partnerships between public housing authorities and public schools. Mr. Norman mentioned that through these partnerships, local initiatives are being discussed and best practices are being noted, in addition to bringing awareness to public school advocacy groups on the collaboration between the two entities.

Mr. Norman asked staff to provide an update on the Highland Village Apartments located in Bellevue. Dan Watson stated that the Bellevue school district approached KCHA with concerns about the complex located next to Eastside Terrace. The property is being sold and the buildings are scheduled for demolition to be replaced by high-end condominiums/townhomes. Mr. Watson mentioned that the school district's concerns pertain to the 85 school age children and their moderate-income families who would be displaced should the development proceed. Mr. Watson stated that staff will explore if there are any other options than demolition and relocation.

XII. KCHA IN THE NEWS

None.

XIII. COMMISSIONER COMMENTS


Commissioner Stewart and Chair Barnes provided feedback on the trip to Washington, DC to meet with State representatives to discuss Public Housing Authority updates and issues.

Stephen Norman thanked Commissioners Stewart and Barnes for accompanying staff on the legislative trip.


XIV. ADJOURNMENT

On motion by Commissioner Stewart, seconded by Commissioner Brown, the Board adjourned the meeting at 10:40 a.m.

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



DOUGLAS BARNES, Chair
Board of Commissioners



STEPHEN J. NORMAN
Secretary