

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

Monday, July 25, 2016

I. CALL TO ORDER

The Special Meeting of the Board of Commissioners of the King County Housing Authority was held on Monday, July 25, 2016 at the Nia Apartments (Greenbridge), 9935 8th Avenue SW, Seattle, WA 98106. There being a quorum, the meeting was called to order by Chair Doug Barnes at 8:31 a.m.

II. ROLL CALL

Present: Commissioner Doug Barnes (Chair), Commissioner Michael Brown (Vice-Chair), Commissioner TerryLynn Stewart, Commissioner Susan Palmer (via telephone)

Excused: Commissioner John Welch

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

Guests: Susan Stead, Insurance Broker (Parker, Smith & Feek)

Welcome

Asset Manager, Aaron Williams welcomed board members, staff and guests to the Nia Apartments facility. Mr. Williams provided a brief overview and background on the property pertaining to the development, maintenance and residents.

III. PUBLIC COMMENT

None.

IV. APPROVAL OF MINUTES

On motion by Commissioner Stewart and seconded by Commissioner Brown, the Board approved the minutes from the Board of Commissioners' meeting of June 20, 2016.

V. APPROVAL OF AGENDA

On motion by Commissioner Stewart and seconded by Commissioner Brown, the Board approved the July 25, 2016 Board of Commissioners' meeting agenda.

VI. CONSENT AGENDA

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

<u>May 2016</u>	
GENERAL PROPERTIES	
Bank Wires / ACH Withdrawals	2,435,846.31
<i>Subtotal</i>	<u>2,435,846.31</u>
Accounts Payable Vouchers	
Key Bank Checks #302808-#303357	3,485,847.66
Tenant Accounting Checks #10115- #10138	5,587.46
Commerce Bank Direct Payment	114,539.54
<i>Subtotal</i>	<u>3,605,974.66</u>
Payroll Vouchers	
Checks - #90113 - #90140	27,524.82
Direct Deposit	1,263,827.58
<i>Subtotal</i>	<u>1,291,352.40</u>
Section 8 Program Vouchers	
Checks - #613829-#614127	210,307.26
ACH - #348131-#351088	10,147,217.46
<i>Subtotal</i>	<u>10,357,524.72</u>
Purchase Card / ACH Withdrawal	214,546.74
<i>Subtotal</i>	<u>214,546.74</u>
	<i>GRAND TOTAL</i>
	<u>17,905,244.83</u>
BOND PROPERTIES	
Bond Properties Total (30 different properties)	<u>7,959,991.29</u>

B. Resolution No. 5540: A Resolution of the Housing Authority of the County of King authorizing the transfer of the Arbor Heights Apartments project from KCHA-Cones LP (the Company) to the Housing Authority, including, but not limited to the acquisition of the investor member interest in the Company's obligations, subsequent dissolution of the Company and all related matters,

and;

Resolution No. 5541: A Resolution of the Housing Authority of the County of King authorizing the transfer of the Southwood Square Apartments project from KCHA-Southwood Square LP (the Company) to the Housing Authority, including, but not limited to the acquisition of the investor member interest in the Company's obligations, subsequent dissolution of the Company and all related matters

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

VII. Executive Session (RCW 42.30.110(b) - purchase of real estate)

Chair Barnes called for an Executive Session at 8:46 a.m., 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 meeting of the Board of Commissioners resumed at 9:05 a.m.

VIII. RESOLUTIONS FOR DISCUSSION AND POSSIBLE ACTION

A. Resolution No. 5542: A Resolution authorizing the acquisition for the Highland Village Apartments

Chair Barnes stated that the approval of Resolution No. 5542 is in alignment with the Boards' goals to preserve and expand affordable housing availability in high opportunity neighborhoods and is a potential Transit Oriented Development.

Commissioner Palmer responded in favor of approval and indicated that preserving the Highland Village Apartments housing resource outweighs the risks. Commissioner Stewart concurred.

Chair Barnes asked that the evaluation percentage of 105% be added to Section 2 of Resolution No. 5542 to read as follows:

Section 2: The Board of Commissioners hereby authorizes the Executive Director to acquire the Property by condemnation through exercise of the Housing Authority's power of eminent domain, if it is unsuccessful in acquiring the Property on satisfactory terms through negotiation with and purchase from the owner in lieu of condemnation for a price which shall not exceed **105%** of an independent third party valuation of the Property. The Executive Director is hereby further vested with the authority, and with discretion in the exercise thereof, to give notice to both the current owner of the Property and the holder of the contractual right to purchase the Property, of the Housing Authority's intention to acquire the Property by eminent domain if it is unsuccessful in acquiring the Property on satisfactory terms through negotiation and purchase in lieu of condemnation.

On motion by Commissioner Brown, seconded by Commissioner Stewart, and abstention by Chair Barnes, the Board approved Resolution No. 5542.

- B. Resolution No. 5543: A Resolution providing for the issuance of revenue bonds of the Authority in the aggregate principal amount of not to exceed \$7,000,000, the proceeds of which will be used to make a loan to Corinthian TOD LLLP, a Washington limited liability limited partnership of which the Authority is the sole general partner; and determining related matters

Tim Walter, Senior Director of Acquisition and Asset Management presented Resolution No. 5543. Mr. Walter explained that in May 2016 the credit enhancement application to King County for a loan guarantee for the permanent finance of the Corinthian Apartments in SeaTac has been approved. Mr. Walter stated that approval of this Resolution would allow for the issuance of \$7,000,000 in tax-exempt bonds to provide permanent financing for a majority of the acquisition financing.

On motion by Commissioner Brown, seconded by Commissioner Stewart, the Board unanimously approved Resolution No. 5543.

- C. Resolution No. 5544: A Resolution authorizing the acquisition of the Abbey Ridge Apartments

Mr. Walter also presented Resolution No. 5544 and mentioned that Board approval would authorize the Executive Director to negotiate and enter into a purchase agreement for the Abbey Ridge Apartments. Mr. Walter provided background information on the property and stated that staff has identified Abbey Ridge as a potential Transit Oriented Development acquisition opportunity. The property is located .4 miles from the Angle Lake light rail station in SeaTac.

Mr. Walter further explained that the property was not for sale on the open market, but KCHA identified and reached out to the property owner. Mr. Walter stated that staff has entered into direct negotiations to purchase the property.

In response to Chair Barnes' question, Mr. Walter explained that the initial process for funding the transaction would be similar to the Highland Village Apartments and staff would attempt to secure Transit Oriented Development (TOD) funding.

Chair Barnes asked staff to clarify if there would be a funding issue since the Housing Authority is looking to conduct multiple projects requesting TOD funds.

Executive Director, Stephen Norman, explained the proposed permanent financing as it pertains to King County's hospitality tax revenue and funding availability for TOD housing.

Chair Barnes disclosed that although it has been at least 10 years since he has had any contractual relationships with the current owner of the property (Goodman Real Estate), there is no financial gain or other conflict of interest that would require him to abstain from voting.

On motion by Commissioner Stewart, seconded by Commissioner Brown, the Board unanimously approved Resolution No. 5544.

IX. BRIEFINGS & REPORT

A. Risk Management & Insurance Programs Update

Mark Abernathy, Risk Manager introduced his team members, Trinh Ngyugen and Craig Bartlett along with Susan Stead, Insurance Broker from Parker Smith & Feek. Mr. Abernathy presented KCHA's 2016 Risk and Insurance Program annual review. Mr. Abernathy outlined KCHA's Risk Mitigation strategies, completed projects, future initiatives and history of claims as well as insurance costs.

B. Second Quarter 2016 Procurement Report

Connie Davis, Deputy Executive Director, presented the procurement activities for the Second Quarter in Calendar Year 2016 and discussed the most notable activity. Ms. Davis reminded the Board that the report represents the activity involved in the award of contracts over the amount of \$100,000 and change orders that cumulatively exceed 10% of the original contract amount.

C. Budget Forecast CY 2016

Craig Violante, Director of Finance presented the Midyear financial forecast for KCHA and provided an overview of changes to the Authority's adopted FY 2016 budget.

D. Second Quarter 2016 Summary Write-offs

Craig Violante also provided an update on the Summary Write-offs for the second quarter of FY 2016.

X. EXECUTIVE DIRECTOR'S REPORT

Stephen Norman provided a briefing on the status of current home sales at Greenbridge and Seola Gardens, as a follow up to the Chairs' previous request.

XI. KCHA IN THE NEWS

None.

XII. COMMISSIONER COMMENTS

None.


XIII. ADJOURNMENT

On motion by Commissioner Stewart, seconded by Commissioner Brown, the Board adjourned the meeting at 10:13 a.m.

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



DOUGLAS BARNES, Chair
Board of Commissioners



STEPHEN J. NORMAN
Secretary