

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

Tuesday, February 19, 2019

I. CALL TO ORDER

The meeting of the King County Housing Authority Board of Commissioners was held on Tuesday, February 19, 2019 at 700 Andover Park West, Tukwila, WA 98188. There being a quorum, the meeting was called to order by Chair Doug Barnes at 8:35 a.m.

II. ROLL CALL

Present: Commissioner Doug Barnes (Chair), Commissioner Michael Brown, Commissioner Susan Palmer, and Commissioner TerryLynn Stewart (via Telephone)

Excused: John Welch

III. Public Comment

None.

IV. APPROVAL OF MINUTES

A. Board Meeting Minutes –December 17, 2018

On motion by Commissioner Susan Palmer and seconded by Commissioner TerryLynn Stewart, the Board unanimously approved the December 17, 2018 Board of Commissioners' Meeting Minutes.

V. APPROVAL OF AGENDA

On motion by Commissioner TerryLynn Stewart and seconded by Commissioner Susan Palmer, the Board unanimously approved the February 19, 2019 Board of Commissioners' meeting agenda.

VI. CONSENT AGENDA

A. Voucher Certification Reports for November 2018 and December 2018

B. Resolution No. 5618 – Tax Credit Investor Exit – Valley Park East & West

C. Resolution No 5619 – Tax Credit Investor Exit – Egis (Pool of 8 Public Housing Senior Properties)

On motion by Commissioner Susan Palmer and seconded by Commissioner TerryLynn Stewart, the Board unanimously approved the consent agenda.

VII. RESOLUTIONS FOR DISCUSSION & POSSIBLE ACTION

- A. **Resolution No. 5620:** A RESOLUTION authorizing modification of documents pertaining to the Authority's Pooled Housing Revenue and Refunding Revenue Note, 2013; providing for the issuance of additional notes in connection with the Authority's Pooled Housing Revenue and Refunding Revenue Note, 2013; and determining related matters.

Tim Walter, Senior Director of Development and Asset Management, provided an overview of the Resolution which allows KCHA the flexibility to move properties in and out of the pool as needed for financing and project redevelopment purposes. A question of the Commissioners' regarding how many properties could be moved in and out of the pool was answered by Tim Walter. Mr. Walter clarified that there is not a limitation to the number of properties that can be moved in or out, but that KCHA must ensure the amount of financing associated with properties moved into the pool is equal to the amount of financing associated with the properties being removed from the pool.

On motion by Commissioner Palmer and seconded by Commissioner Stewart, the Board unanimously approved Resolution No. 5620.

VIII. BRIEFINGS AND REPORTS

- A. Fourth Quarter Procurement Report
- B. Fourth Quarter 2018 Summary Write Off Report

Craig Violante, Director of Finance, summarized the report.

Bill Cook, Director of Public Housing gave details of the report and how our philosophy is to use partnerships with resident services to prevent residents from eviction. We are in the process of renewing our lease agreement and would like to change the move in process for clarity and education so that residents are aware of charges that may be assessed for damages and cleaning when they vacate a unit.

- C. 2018 Year End Investment Report

Craig Violante reviewed the returns on KCHA's portfolio of invested assets in 2018. In 2018, KCHA earned approximately \$3.9 million on assets of \$201,643,114 with average yield of 1.93%. KCHA's investment portfolio has performed exceptionally well, by historically producing returns exceeding both the Local Government Investment Pool (LGIP) and the 3 month Treasury benchmark. Due to rising interest rates, the current yields are currently lagging behind the LGIP but KCHA's long-term investment strategy implemented in 2009 has resulted in over \$2.5 million in investment income compared to what would have been earned if the funds had been in the LGIP.

Questions of Commissioners' were answered.

D. Capital Report Briefing

Dan Watson, Deputy Executive Director/Chief Development Officer, presented the annual Capital Report Briefing for 2018, as well as the budget for next year. In 2018, KCHA completed 261 projects with construction related capital expenditures totaling \$47.3 million. 91% of budgeted funds were spent, with shortfall due to the permitting delay in the construction of the new building at Highland Village.

Questions of Commissioners' were answered.

E. New Bank Accounts

F. Q4 2018 Executive Dashboard

Andrew Calkins, Administrative Program Manager, presented the fourth quarter Executive Dashboard and explained that revenue was higher than budgeted in 2018 and that the agency is employing a few strategies to keep the utilization rate for the HCV program at 103% of ACC.

G. Study Session Creating Moves to Opportunity

Jenny Le, LTT Administrative Program Manager/Research Project Manager and Sandeep Rayner, Senior Housing Program Manager, presented the Study Session of Creating Moves to Opportunity (CMTO).

Jenny Le and Sandeep Rayner briefed the Commissioners on the CMTO initiative by explaining that CMTO is an expansion of KCHA's effort to broaden geographic choice for low income families by increasing opportunity area access. KCHA's work in this area goes back to 2012 when the Board passed a resolution to incorporate considerations of neighborhood quality and broadening of geographic choice into its core mission objectives. Since that time KCHA has undertaken a range of initiatives to incorporate this resolution. Examples include preliminary pilot work with the Community Choice Program (CCP), the shift to zip-code based payment standards, targeted efforts with landlord engagement and recruitment, and policy decisions regarding targeted acquisitions in high opportunity areas. KCHA's commitment to broadening geographic choice also led to establishing a stretch goal that by 2020, 30% of our federally subsidized families will reside in high opportunity areas.

CMTO is an extension of all of these efforts to ensure that KCHA remains a leader and an innovator in local and national work on mobility, neighborhood effects, and geographic access. This is an opportunity to use the latest data and methods to define opportunity areas, to work with leading academics and practitioners from across the country to inform what strategies could and should be used to support children in subsidized housing in reaching their best outcomes possible, and also to really be at the table throughout this work so as to use the information for

continuous quality improvement in our day-to-day operations and to ensure that any strategies tested will really, in fact, work in real-world settings.

The CMTO pilot at the Seattle and King County Housing Authorities is motivated by a study conducted by a researcher from Harvard University which shows that neighborhood quality affects children's life outcomes. The study indicates that children who grow up in high opportunity areas have improved life outcomes. They are more likely to attend college, higher lifetime earnings, and less likely to become a single parent. Questions of Commissioners' were answered.

H. Workforce Housing Acquisition Briefing

IX. EXECUTIVE DIRECTOR'S REPORT

Mr. Norman noted KCHA is seeking concessionary financing capital and is trying to engage the corporate sector to loan money at 1% for 30 years. The Authority has thrown out a challenge concept that the region needs to preserve another 10,000 existing affordable housing units. Over the last 10 years, King County has lost an average of 3,600 privately owned affordable housing units per year. KCHA would like to take 10,000 units and lock them up in the housing authority ownership, so it remains affordable in the long term. This would cost an estimated \$3 billion, of which \$1.3 billion would need to be concessionary capital.

Microsoft has made a commitment to providing \$200 million in concessionary capital which would finance approximately 1,100 units if located on the eastside near the Microsoft campus. Microsoft has also enjoined Challenge Seattle in supporting their commitment to develop and preserve affordable workforce housing. Challenge Seattle includes the of CEO's from 17 of the region's largest employers and is headed by former Governor Christine Gregoire. Challenge Seattle has included affordable housing as one of their major initiatives. Although Challenge Seattle has yet to make any financial commitments, the hope is that their corporate members will make a similar commitment of concessionary capital outside the geographical areas that Microsoft is targeting.

X. EXECUTIVE SESSION

A. To review the performance of a public employee (RCW 42.30.110 (1) (g))
Chair Barnes announced the start of the Executive Session at 10:24 a.m.

The meeting of the Board of Commissioners was reconvened at 10:37 a.m. by Chair Barnes.

X. KCHA IN THE NEWS

None.

XI. COMMISSIONER COMMENTS

None.

XII. ADJOURNMENT

On motion to adjourn the meeting by Commissioner Michael Brown and seconded by Commissioner Susan Palmer. Chair Barnes adjourned the meeting at 10:38 a.m.

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

DOUGLAS J. BARNES, Chair
Board of Commissioners

STEPHEN J. NORMAN
Secretary