

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

Monday, May 16, 2022

I. CALL TO ORDER

The monthly meeting of the King County Housing Authority Board of Commissioners was held virtually on Monday, May 16, 2022. There being a quorum, the virtual meeting was called to order by Chair Barnes at 8:31 a.m.

II. ROLL CALL

Present: Commissioner Doug Barnes (Chair), Commissioner Susan Palmer (Vice-Chair) (via Zoom), Commissioner John Welch (via Zoom) and Commissioner TerryLynn Stewart (via Zoom).

Absent: Commissioner Regina Elmi

III. PUBLIC COMMENT

No public comment.

IV. APPROVAL OF MINUTES

A. Board Meeting Minutes – April 18, 2022

On motion by Commissioner Susan Palmer, and seconded by Commissioner TerryLynn Stewart, the Board unanimously approved the April 18, 2022 Meeting Minutes.

V. APPROVAL OF AGENDA

On motion by Commissioner TerryLynn Stewart, and seconded by Commissioner John Welch, the Board unanimously approved the April 18, 2022 virtual Board of Commissioners' meeting agenda with revisions of agenda order.

VI. CONSENT AGENDA

A. Voucher Certification Report for February 2022

On motion by Commissioner Susan Palmer, and seconded by Commissioner John Welch, the Board unanimously approved the May 16, 2022 virtual Board of Commissioners' meeting consent agenda.

VII. RESOLUTION FOR DISCUSSION AND POSSIBLE ACTION

A. Resolution No. 5720 – Acquisition of Investor Members' interest in Eastbridge Apartments LLC

Dave Allen, Senior Asset Manager gave an overview for all three partnerships of Eastbridge Apartments LLC, Sixth Place Apartments LLLP and Zephyr Apartments LLLP.

- Sometimes these are structured as limited liability companies, limited liability limited partnerships, you will notice – we will refer to just partnerships.
- Each partnership owns the specific property referenced. The properties are owned by the partnerships through a financing lease with KCHA.
- KCHA forms these tax credit partnerships in order to provide investors with tax credits and tax deductions and in exchange, those investors provide capital to KCHA which we use to rehabilitate and build new affordable housing. Typically the tax credits are taken over an 11 year period and once investors have realized the full benefits of those tax credits, were able to work with them to allow them to exit from those partnerships and transfer their interests to KCHA or sell the properties back to KCHA.

The purpose of the resolutions is to allow KCHA to acquire those tax credit investor interests for Eastbridge, Sixth Place and Zephyr. KCHA would transfer the interest to Northwest Affordable Communities LLC, owned by KCHA. This would allow us to preserve the partnership entities, while also allowing the investors to exit.

On motion by Commissioner John Welch, and seconded by Commissioner TerryLynn Stewart, the Board unanimously approved Resolution 5720.

B. Resolution No. 5721 – Acquisition of Investor Members' interest in Sixth Place Apartments LLLP

On motion by Commissioner Susan Palmer, and seconded by Commissioner John Welch, the Board unanimously approved Resolution 5721.

C. Resolution No. 5722 – Acquisition of Investor Members' interest in Zephyr Apartments LLLP

On motion by Commissioner TerryLynn Stewart, and seconded by Commissioner Susan Palmer, the Board unanimously approved Resolution 5722.

VIII. BRIEFINGS & REPORTS

A. 2022 Property Management Overview & Update

Anneliese Gryta, Deputy Executive Director of Housing Assistance Programs and Bill Cook, Director of Property Management provided a high-level overview of the KCHA Property Management Program.

- HUD Moving to Work (MTW) – provides HA's the opportunity to design and test innovative, local designed strategies. We were one of the first cohorts in 2003.
- 10 - Senior Management Team and 172 – Total Department Staff
- KCHA Property Management
 - Central Applications Center (Kim Sayavong)
 - Unit Upgrade Division (Matt Peterson)
 - North Region (Francisco Flores)
 - Eastside Region (Sela Kennedy)
 - Southeast Region (Penny Bradley)
 - Southwest Region (Al Khalaf)
 - HUD REAC Scores – average 95.6
- Who we Serve
 - Disabled Individuals & Families
 - Low-Income Individuals & Families
- Partnerships w/ KCHA's Resident Services Department
 - Promoting Housing Stability
 - Building Economic Self Sufficiency

Questions of Commissioners were answered.

B. Fourth Quarter 2021 Financial Reports

Windy Epps, Director of Finance gave some of the highlights from the financial results from the unaudited 2021 year.

The new format of the financial report has a focus on net operating cash flow which essentially takes net operating income and reduces it by debt service payment.

Questions of Commissioners were answered.

C. Construction Market Challenges

Patrick Kaapana, Capital Construction Program Manager reviewed the on-going challenges in the construction market that are affecting both prices and project schedules.

To mitigate the negative impact that we have been experiencing with the supply chain issues, capital construction has had to modify our normal procedures for contracts.

- Bidding earlier than we normally do for offset some of the long lead items
- Use of the Limited Notices to Proceed, this allows us to order materials while the contract is being negotiated.

- Prepaying for materials, storage and additional handling - this helps lock in costs and materials being brought in sooner than normal.

D. Office of EDI Update

Scarleth Lever Ortiz, Senior Director of Equity, Diversity and Inclusion and Jo Soo Kim, EDI Program Manager, gave an update for what has been happening from the Office of EDI.

The office of EDI gave the May 2022 Highlights.

- Mother's Day
- AANHPI Asian American, Native Hawaiian & Pacific Islander Heritage Month
- Mental Health Awareness Month: "Together for Mental Health"
- Development Data Dashboard is moving forward
- Retreat/Training later this summer/early fall for Commissioners

E. First Quarter 2022 Write-offs

Craig Violante, Interim Deputy Executive Director/Chief Administrative Office and Bill Cook, Director of Property Management gave an overview of the report.

Write-offs are the amounts that we write off when people leave tenancy. These are unrelated to the large past due amounts/balances from the pandemic. These are normal Write-offs.

IX. EXECUTIVE DIRECTOR REPORT

Interim Executive Director Dan Watson echoed the comments that were made, this is truly a team effort.

We have been operating our meetings like today, under waivers granted by the Governor for the Open Public Meetings Act. Those waivers will expire on June 1, 2022, which allowed us to have remote meetings without a physical place for the meeting.

When the waiver is rescinded, there is an option to continue remote meetings, two things have to have happened. 1) There has to be a declaration of an emergency, but also 2) We would have to make a finding or determination that we cannot hold our meetings safely.

Regardless, whether we have a truly remote, we have an in-person or some sort of hybrid meeting, there's been changes in state law as well that there has to be an opportunity for the public to listen to the meeting either through streaming, telephone or television and they have to have the opportunity to listen to the meeting in real time. That's the first requirement.

Secondly, another significant change to the Open Public Meetings Act, requires Public Agency's to provide an opportunity for public Comment at every regular meeting that there are actions being taken except for emergencies. You are supposed to make provisions for those to speak in real time for those that can't do it any other way.

We will have to figure out how we are going to do this. It's easy if we are all in the same room together, but to the extent if any of the Commissioners want to be remote and others are in place, then it becomes hybrid and then the technology challenges start.

Legislature considered this year to make a requirement that there was audio and video recordings of all meetings and they would be available on the website. We would have to have the capacity to record the entire session and video and then post it to the website. We will be figuring this out of what is the best way to comply with the provisions.

The inflation factor is based on rents and how much they are going up. This year we budgeted the inflation factor at 5% and now we know it will be 6.48%. The concept is that we should be able to house the same number of people each year. We also do survey's on our own. Rents have gone up a lot more than 6.48%.

Pro-rate is what is appropriated by Congress. We estimated a 99% prorate and we are actually getting 100%. Good news that we are above of where we thought we would be.

Third, we are getting ready to recruit for a new Deputy Executive Director for Administration. Craig is retiring at the end of this year so we are moving forward on this process.

One change we are making is we are no longer going to embed Human Resources in Administrative Services. It will now become a separate department reporting directly to the Executive Director and giving HR some of the independence that it needs to have to function completely independent of any single department. We are making the changes in the job description and now that Tonya is a member of the Executive Team, it make sense organizationally.

We are still making good progress with our Emergency Housing Vouchers. This is our most important housing initiative and priority. We are now up to 375 which makes us 5th in the country for utilization. Very pleased with the work that is being done.

We applied for 50 mainstream vouchers. These would be non-elderly disabled.

Last year, we were disappointed when we were shut out from applying for more VASH vouchers, regarding metrics that surprised us to the utilization rate that was calculated by HUD. We had high level conversations and last week Senator Murray spoke with Secretary Fudge with the metrics to make sure that we don't get shut out again.

There is a Social Housing Initiative in Seattle. We have been doing this since 1989, we called it mixed-income workforce housing and we have 8000 units. This has been somewhat invisible to the folks in Seattle. We have been asked to comment on this. It has no direct impact on KCHA or the county, but we have a tremendous amount of experience on this.

X. KCHA IN THE NEWS

None.

XI. COMMISSIONER COMMENTS

None.

XII. ADJOURNMENT

Vice-Chair Palmer adjourned the meeting at 10:14 a.m.

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



DOUGLAS J. BARNES, Chair
Board of Commissioners



DANIEL WATSON
Secretary