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SEATTLE HOUSING AUTHORITY  
REGULAR BOARD BRIEFING

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LOCATION Seattle Housing Authority, 190 Queen Anne Ave N, Seattle, WA  
Jesse Epstein Conference Room, First Floor

DATE March 13, 2017 4:30pm-6:00pm

Deborah Canavan Thiele, Board Chair

BOARD ATTENDEES Emily Abbey, Vice-Chair Dr. Paula Houston  
Ahmed Abdi David Moseley  
Zachary DeWolf Jermaine Smiley

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DISTRIBUTION SHA Board of Commissioners; Cabinet

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4:30pm - Commissioner Roll Call

AGENDA:

Action Items

- 4:35pm - Write-off Delinquent Accounts (Resolution #5122)
- 4:45pm - Home from School Family Access Supplement (Resolution #5123)
- 5:05pm - Red Cedar Omnibus (Resolution #5127)
- 5:10pm - Red Cedar Bond Issuance (Resolution #5128)
- 5:15pm - Longfellow, Wisteria, Roxhill Court Apartments Bond Inducement (Resolution #5124)
- 5:20pm - Longfellow, Wisteria, Roxhill Court LLLP Formation (Resolution #5125)
- 5:25pm - Longfellow, Wisteria, Roxhill Court Disposition (Resolution #5126)
- 5:30pm - SSHP Rent Policy (Resolution #5129)

Informational Briefings

- 5:50pm - Federal Budget Implications Report

Board Vice-Chair Emily Abbey opened the meeting at 4:32 p.m.

Commissioners Houston, Smiley and Thiele were absent from the Briefing.

### MEETING NOTES

Review 3/20/17 Regular Board Meeting Agenda and Updates

#### Resolution No. 5122 - Write-off Delinquent Accounts

Finance & Administration CFO Shelly Yapp presented Resolution No. 5122, which is an annual resolution submitted for Board approval regarding the write-off of tenant and participant accounts of which are determined to be uncollectable. The total amount written off for fiscal year 2016 totals \$612,737 for LIPH/NF housing portfolios, HOPE VI, and HCV/Section 8. Total **dollars for SHA's housing portfolios written off for rent and non-rent** charges in 2016 were \$484,581, which represents a decrease of \$348,544 (41.8%) less from 2015. These write-offs are more in trend of those recorded in 2009-2013. LIPH write-offs including SSHP, decreased by 43.6 percent in 2016, and Non-Federal properties (Special Portfolio – Local Fund) decreased by 33.3 percent. These delinquent payments are written off our accounting records, but they remain open and the obligation of the former tenants/participants to satisfy their past due accounts.

#### Resolution No. 5123 – Home From School Family Access Supplement

HCV/Section 8 Director Cynthia Setel presented Resolution No. 5123 which outlines a supplement to the Home From School (HFS) Project with Bailey Gatzert Elementary School. In partnership with the City of Seattle and Wellspring Family Services, the primary goal of the program is to house and stabilize families with school-age children in order to eradicate high absenteeism and turnover of homeless students at the school, which is located in the Yesler neighborhood. The HFS pilot began in the fall of 2016 and it has been determined that a substantial barrier to success is a shortage of available rental properties that are affordable within our current Voucher Payment Standards (VPS). The Home from School Access Supplement (HFSAS) would help to increase the leasing success of these families, and improved their education and engagement within the Gatzert school community. The pilot project is slated for the 2016-17 school year.

#### Resolution No. 5127 - Red Cedar Omnibus ; Resolution No. 5128 Bond Issuance

Housing Finance & Asset Management Director Ann-Marie Lindboe presented Resolution No. 5127 and 5128, companion resolutions required to proceed with the financial closing for the Red Cedar. Resolution No. 5127 completes the authorizations necessary to allow the Executive Director or his designees to sign documents to complete the financing of the construction of Red Cedar (the fourth new construction project at Yesler Terrace, a 119-unit low income apartment complex addressed as 888 E. Fir.) Resolution No. 5128 authorizes Seattle Housing Authority (SHA) to issue a revenue bond in the principal amount not to exceed \$35,000,000, the proceeds

of which will be used to make a loan to 888 E. Fir LLLP, a Washington limited liability limited partnership of which the Authority is the sole general partner, to provide part of the funds with which to construct Red Cedar. Closing and bond issuance is expected to occur at the end of April 2017 and construction is expected to be complete at the end of 2018.

#### Resolution No. 5124 - Longfellow, Wisteria, Roxhill Court Apartments Bond Inducement

Housing Finance & Asset Management Director Ann-Marie Lindboe presented Resolution No. 5124, which is a bond inducement resolution stating intent of SHA to issue tax exempt bonds and loan the proceeds to a yet to be formed limited liability limited partnership (with SHA as the sole general partner) to finance the acquisition and rehabilitation of three SHA-owned properties in West Seattle: Longfellow Creek, an 84-unit apartment building in West Seattle at 5941 Delridge Way SW comprised of seven, twelve-unit buildings; Wisteria Court, a 96-unit complex comprised of 12, eight-unit buildings on 24th Ave. SW; and, Roxhill Court, a property comprised of six, four-unit buildings across the street from Westwood Heights, a public housing high rise building. If the project does go forward, SHA may be reimbursed for money spent on predevelopment activities from the bond proceeds and it also allows SHA to apply to the State Department of Commerce for an allocation of private activity bonds.

#### Resolution No. 5125 - Longfellow, Wisteria, Roxhill Court Apartments LLLP Formation

Housing Finance & Asset Management Director Ann-Marie Lindboe presented Resolution No. 5125, which authorizes Seattle Housing Authority (SHA) to form a limited liability limited partnership (LLLLP) for the acquisition and rehabilitation Longfellow Creek, Wisteria Court and Roxhill Court, which were properties acquired by SHA from 2002 to 2004. The properties are in significant need of updating and rehabilitation. SHA proposes to lease the properties to the newly formed LLLL and issue tax exempt private activity bonds to qualify for low income housing tax credits, then sell the tax credits to an investor who will be admitted to the LLLL as the new limited partner. The resolution would also authorize the Executive Director to submit financing applications necessary to rehabilitate the low income housing units.

#### Resolution No. 5126 - Longfellow, Wisteria, Roxhill Court Apartments Disposition

Housing Finance & Asset Management Director Ann-Marie Lindboe presented Resolution No. 5126, which authorizes Seattle Housing Authority (SHA) to submit an application to the U.S. Department of Housing and Urban Development (HUD) for the disposition of the public housing units contained in Longfellow Creek, Wisteria Court, and Roxhill Court to the tax credit LLLL.

#### Resolution No. 5129 – SSHP Rent Policy

Senior Policy Analyst Matt Helmer presented Resolution No. 5129, which would amend the rent policy of the Seattle Senior Housing Program (SSHP). Over the past year, SHA has explored many different rent policy options, has done multiple analyses, as well as engaged a variety of different stakeholder groups to create a new proposed rent policy for the program. The proposal was initially sparked by resident concerns regarding perception of fairness of the SHA current

rent policy. In collaboration with the SSHP Rent Advisory Committee, SHA developed a **proposal to amend the rent policy based on feedback from SSHP's Resident Advisory Committee**, resident input from numerous building meetings, and through a public comment period from January 3, 2017 to February 1, 2017. The resolution outlines a new rent policy proposal which has five components: it would authorize SHA to expand the hardship policy offered to SSHP residents, to create a fifth rent tier for individuals earning between 50 and 80 percent of AMI, to set new goals for the distribution of rents within SSHP, to have the flexibility to **change the timing of residents' annual rent adjustment, and eliminate the Transfer Without Cause policy**. Current SSHP residents will not experience rent increases due to this proposal.

After questions and comments from the Commissioners, and in **response to the Board's** willingness to explore this proposed resolution and prior options explored further, the resolution will be presented to the Board next month for further discussion.

#### Federal Budget Implications Report

Intergovernmental Relations Director Lisa Wolters and CFO Shelly Yapp presented a federal budget background report that was submitted to the Board prior, to serve as an introduction for reference throughout discussions that staff will have with the Board remainder of the year. The **document gave reference to a glossary of terms, a projected schedule for Federal action, SHA's budgeting schedule (for comparison), as well as what we, the agency, knows of prognoses for the 2017 Budget completion, the 2018 Budget prospects, and key concerns and strategies of low income housing advocate organizations.**

Board Vice-Chair Abbey adjourned the meeting at 5:38 p.m.

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Secretary-Treasurer