
SEATTLE HOUSING AUTHORITY
REGULAR BOARD BRIEFING

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

DATE September 10, 2018 4:30pm-6:00pm

BOARD ATTENDEES Deborah Canavan Thiele, Board Chair
Emily Abbey, Vice-Chair Dr. Paula Houston
Ahmed Abdi Paul Purcell
Robert Crutchfield Gerald Smiley

DISTRIBUTION SHA Board of Commissioners; Cabinet

4:30pm - Commissioner Roll Call

AGENDA

Briefing Items

4:35pm –Resolution No. 5155 - Yesler Disposition

4:45pm – Resolution No. 5156 - West Seattle Rehabilitation Project

4:55pm – 2019 SHA Moving To Work (MTW) Plan Overview

5:05pm – 2019 SHA Budget Roundtable Presentation

5:40pm – Development Costs Overview

6:00pm – SHA Board Bylaws

Commissioner roll call was given at 4:30pm. Commissioner Purcell was absent from the Briefing; Commissioners Abdi and Smiley attended by phone.

MEETING NOTES

Review 9/17/18 Regular Board Meeting Agenda and Updates

Resolution No. 5155 - Yesler Disposition

Development Director Stephanie Van Dyke and Senior Housing Developer George Nemeth presented Resolution No. 5155 to the Board. This resolution authorizes the Executive Director to submit an application to HUD for the disposition of approximately 1.98 acres at Yesler Terrace, designated for the development of market-rate and affordable housing. The land area represents the southern part of Block 5, located east of 10th Avenue South and north of South Main Street. SHA proposed the disposition of this land to finance the development of replacement housing and the addition of new affordable units. Since HUD has a Declaration of Trust on the property, SHA must get HUD approval to sell the land in order to carry out the CNI mixed-income redevelopment program. SHA will submit the disposition application to HUD immediately following Board approval. The land is scheduled to be sold to Lowe Enterprises Real Estate Group on January 8, 2019.

Resolution No. 5156 - West Seattle Rehabilitation Project

Finance & Asset Management Director Jared Cummer presented Resolution No. 5156 to the Board. This resolution authorizes the SHA to issue tax-exempt private activity bonds in the principal amount of not to exceed \$2,500,000 million to finance additional construction costs and authorizes the agency to increase the SHA permanent loan in a principal amount not to exceed \$3,000,000 to finance the West Seattle Affordable Housing LLLP. It also authorizes the Executive Director to enter into and execute the various agreements and amendments associated with the financing on behalf of the Authority and as the General Partner of the West Seattle Affordable Housing LLLP.

This resolution is a follow up to a briefing last month to the Board regarding significant rehabilitation required at three apartments located in West Seattle; Wisteria Court Apartments, Longfellow Creek Apartments and Roxhill Court Apartments. The scope of the rehabilitation included: addressing the building envelopes of Wisteria Court Apartments and Roxhill Court Apartments; significant water intrusion and extensive rot in multiple buildings at Longfellow Creek Apartments; and, significant interior unit upgrades at all three buildings.

SHA 2019 Moving to Work (MTW) Plan

Policy & Strategic Initiatives Coordinator Beka Smith introduced SHA's proposed 2019 MTW Plan, which proposes new MTW activities, provides updates on existing MTW strategies, and provides agency projections for 2019 regarding the number of households served, waiting lists and housing stock. SHA is one of thirty-nine housing authorities across the country

participating in the U.S. Department of Housing and Urban Development (HUD) Moving to Work (MTW) program, which allows the agency to test innovative methods to improve housing services and to better meet local needs. Each year, SHA submits to HUD a plan that describes activities planned for the following year.

SHA is proposing four new MTW activities for 2019. The new activities would allow SHA to (1) disregard student financial aid as income in rent calculation within the Housing Choice Voucher program; (2) provide incentives for positive tenant departures and housing stability; (3) streamline local timelines and processes to improve leasing success; and (4) would allow SHA to own mixed-finance projects.

SHA currently accepting Public Comment on the draft MTW Annual Plan through September 30, 2018 and a Public Hearing will be held on September 24, 2018 at 10:00 am at the Central Office, located at 190 Queen Anne Ave. N. Comments will also be accepted via phone, email and U.S. Mail.

SHA 2019 Budget Roundtable

This year's budget introduction to the Board consisted individual presentations by Cabinet members led by CFO Shelly Yapp on what each department was most excited about in their proposed budget and work plans.

- Policy (presented by IGR Director Lisa Wolters): position the agency to be able to increase resident access to quality affordable health and wellness services by capitalizing on Health Policy and Funding opportunities.
- Human Resources (presented by Deputy ED Anne Fiske Zuniga): advancement of SHA staff skills, knowledge, and sensitivities through diverse new trainings; designing and offering a new Tuition Assistance Program.
- Housing Operations (presented by Director Rod Brandon): enhancement of resident services and engagement via technology training, housing stability, serving more low-income people through “right-sizing” units that are under-housed, and expansion of JobLink services. Also, line staff training and support in trauma informed care and enhanced technical training for Maintenance staff with added focus on completing capital improvements.
- Information Technology (presented by IT Director Steve McDowell): bring free Wi-Fi to Community Rooms in LIPH highrises and SSHP buildings after a 3-building pilot, collaboration with Housing Operations Community Services to provide IT training to residents to enhance their internet usage to access various services.
- Communications (presented by Communications Director Kerry Coughlin): advance SHA tenant communications through a new digital version of a combined Voice and Pathways, work with tenants to increase access and ability to use the internet and establish tools to enhance tenant and stakeholder engagement more digitally overall for more effective and efficient customer service.

- Housing Choice Voucher Program (presented by HCV Director Cynthia Setel): continue to work to increase voucher utilization to 95%, recruitment of more private market landlords into program by offering services responsive to program supports landlords have told us are needed; mitigation funds for unit damages; expedited inspections; and streamlined requirements and processes, so that working with a voucher holder is not more complicated than working with any other tenant.
- Finance & Asset Management (presented by F&AM Director Jared Cummer): with a **50% increase in SHA's Capital Grant Funds**, focus on the repair and upgrading of elevators, security, roofs, exteriors and windows, with a concentrating on SHA high rise properties. Rehabilitation of Cedarvale Village to preserve large family units, and begin initial planning phases of ACAM Phase III upgrades to LIPH high rise buildings.
- Development (presented by Development Director Stephanie Van Dyke): Concentration on housing production, private developer housing construction, park activations, and community development in 2019 for Yesler Terrace redevelopment efforts.
- Finance & Administration (presented by CFO Shelly Yapp): capitalize on Federal funding windfalls to make opportunity **investments that support SHA's strategic** directions to expand housing opportunities and serve more people. This will consist of:
 - \$7.0M to close the gap and replace all of LamBow (this will be presented to the Board in October);
 - \$5.4M 2 year program of SHA Fleet Replacement;
 - \$3.0M to HW replacement reserves for capital needs
 - **\$1.6M for "Buy-up" program for larger bedroom units in other developers' projects.**
 - \$1.0M for early planning of new redevelopment or substantial redevelopment opportunities -- Holly Court/Red Brick Site; Blue Topaz Scattered Site; and Jackson Park Village are candidates
 - \$1.0M as seed money to draw private funds match to advance the long-term objective of creating a Yesler Services Endowment.
 - \$4.1M loan to Yesler Redevelopment Infrastructure for Main St reconstruction and Landscaping S Washington.
 - \$3.5M loan for replacement housing contribution at Hinoki at Yesler.

Development Costs Overview

Senior Development Program Manager Terry Galiney gave a presentation to the Board on Yesler development cost drivers and how Seattle construction costs have increased significantly over the last year. **Seattle's cost index in the last quarter was up 3% compared to the previous quarter and up a full 7.5% in comparison to the same quarter a year ago.** Contributors to high development costs specifically to SHA can be caused by infrastructure, health and safety measures site conditions, commercial wages and compliance costs. Measures to consider to control costs would be to reduce unit square footage, standardize unit layouts, and elimination of laundry facilities in smaller units. We continue to evaluate alternative construction models, as well.

SHA Bylaws

Executive Director **Andrew Lofton** briefed the Board on various updates needed to SHA's bylaws that would need to be addressed and corrected, i.e. quorum for active meetings, and meeting dates/times. A resolution amending the current bylaws will be brought to the Board at the September Board Meeting for action. Future discussion will be with the Board to initiate a process to evaluate and incorporate additional changes and amendments to the bylaws, as needed.

Commissioner Thiele adjourned the meeting at 6:10 p.m.

Secretary-Treasurer