
SEATTLE HOUSING AUTHORITY
REGULAR BOARD BRIEFING

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

DATE October 9, 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

DISTRIBUTION SHA Board of Commissioners; Cabinet

4:30pm - Commissioner Roll Call

AGENDA:

Action Items

4:30pm – Resolution No. 5138 – 2018 Proposed Annual Budget – 2nd Reading

4:50pm – Resolution No. 5139 – 2018 Annual Proposed MTW Plan – Public Comment Summary

5:00pm – Resolution No. 5140 – Risk Control Policy Statement

5:05pm – Resolution No. 5141 – Acquisition of Escallonia and Desdemona Partnerships

5:10pm – Resolution No. 5142 – Pooled Refunding Revenue Bond

Informational Briefings

5:15pm – 2017 HCV Waitlist Findings & VPS Increase Update

5:50pm – Quarterly Litigation Report

Commissioners Abdi & Smiley were absent from the Briefing. (Commissioner DeWolf attended the meeting by phone.) Vice Chair Abbey opened the meeting, and Chair Thiele arrived shortly thereafter.

MEETING NOTES

Review 10/16/17 Regular Board Meeting Agenda and Updates

Resolution No. 5138 – 2018 Proposed Annual Budget – 2nd Reading

Resolution No. 5138 was first introduced to the Board for first reading at the September 11, 2017 Board Briefing and will come for 2nd reading and adoption, as it may be modified, at the Board meeting held on October 16, 2017. A public hearing on both the proposed budget and proposed MTW Plan was on September 13, 2017, 2:30-3:30p.m. at the Jesse Epstein Conference Room of the Central Office Building. SHA received written public comments on the 2018 MTW Plan and the 2018 Proposed Budget Summary through September 30, 2017. A review of the public comments will be presented to the Board at the October meeting.

CFO Shelly Yapp reported to the Board on highlights of the Proposed Annual Budget for 2018, intended to **advance SHA's three main goals in the 2016-2020 SHA Strategic Plan**. The key action items of these goals are to expand housing opportunities, promote quality communities, and improve quality of life for our residents and the surrounding communities. A few highlights mentioned were:

- Construction is underway of Red Cedar affordable apartments (119 units) in the Yesler community, with completion expected in early 2019.
- Implementation, planning and design for the next (5th) replacement housing building to be located on East Yesler Way and 10th Avenue South, with construction scheduled to start in 2019.
- Completion of substantial upgrade work on 24 single-family homes and conversions to create 20-25 large-family units in the Scattered Sites Portfolio.
- Close on the King County Records site acquisition in the fourth quarter of 2018.
- Increase our overall voucher utilization to 92.9%. This increase combined with additional voucher authority will allow the agency to serve nearly 400 additional households on average compared to 2016.

Resolution No. 5139 – 2018 Annual MTW Plan

Policy & Strategic Initiatives Coordinator Beka Smith gave a summary of the results of the public comment period. Ms. Smith reported that a majority of the comments were geared toward building security concerns and upgrades, which will be addressed this year. Elevator upgrades were mentioned in several comments, as well. Ms. Smith reiterated the one new proposed MTW activity for 2018: local blended subsidy. This new financing model would allow Seattle Housing Authority to **leverage MTW Block Grant funds to invest into the agency's aging public housing**

stock. With local blended subsidy, SHA would combine public housing and voucher funding as well as revenue generated through tenant rents to support loans and subsequent debt repayment for renovations to existing public housing buildings, which would not otherwise be allowed under regulations for public housing funding alone.

Resolution No. 5140 – Risk Control Policy Statement

CFO Shelly Yapp presented Resolution No. 5140 to the Board. This resolution adopts revisions to the current Risk Control Policy Statement in order to refine and clarify the intent of the message. The resolution communicates the various methods SHA uses in our risk control program and it reminds staff that safety is the responsibility for each employee daily.

Resolution No. 5141 – Acquisition of Escallonia and Desdemona Partnerships

Housing and Asset Management Director Ann-Marie Lindboe presented Resolution No. 5141 to the Board. This resolution allows the agency to reacquire full ownership of Escallonia and Desdemona and then dissolve the two limited partnerships. The Financial Policy Oversight committee approved acquisition of Boston Financial's **(Limited Partner) interest in Escallonia** in June for \$600,000 and the assumption of existing debt. At the end of June 2017, SHA acquired 99.99 percent of the Escallonia Limited Partnership and the SPACE Foundation acquired 0.01 percent limited partner interest. In October, the Financial Policy Oversight committee approved the acquisition of **Wells Fargo's interest in the Desdemona project for the payment of exit tax liability**, estimated at \$550,000, and the assumption of existing debt. By negotiating these exits, the agency will reacquire sole ownership of these properties and significantly reduce future costs to the agency by limiting exit tax liability.

Resolution No. 5142 – Pooled Refunding Revenue Bond

Housing and Asset Management Director Ann-Marie Lindboe presented Resolution No. 5142 to the Board. Resolution No. 5142 is a Bond Resolution authorizing the issuance of bonds to refinance Rainier Vista Phase I also known as Escallonia, NewHolly Phase II also known as Othello, NewHolly Phase III also known as Desdemona, and Wedgewood Estates, which will lower interest costs significantly. The agency estimates that the new rates on the Bonds once sold will be around 3.75 percent to four percent (4%). In addition, this refinancing will extract just over \$8 million in equity to enable the agency to make capital improvements at the four properties, as well as, other properties owned by SHA.

2017 HCV Waitlist Findings & VPS Increase Update

Chris Klaeyen (Sr. Policy Analyst) and Kelly Zelenka (HCV Program Manager) gave a presentation to the Board regarding 2017 Waitlist findings, which opened on February 6, 2017 with a lottery for 3,500 spots. A total of 21,280 households registered for the waitlist lottery. 38% of the waitlist was comprised of families, which is a decrease from past waitlists. 54% of the waitlist identified as homeless, up 15% points since the last lottery held. Nearly 30% of the waitlist applied from outside of King County.

Quarterly Litigation Report

General Counsel James Fearn presented to the Board information on pending litigation, claims and SOCR findings involving SHA.

Commissioner Thiele adjourned the meeting at 6:01 p.m.

Secretary-Treasurer

Commissioner Thiele adjourned the meeting at 6:01p.m.

Secretary-Treasurer