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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 November 11, 2019 4:30pm - 6:00pm

Deborah Canavan Thiele, Board Chair  
BOARD ATTENDEES Dr. Paula Houston ,Vice-Chair Twyla Minor  
Robert Crutchfield Paul Purcell  
Michael Diaz Gerald Smiley

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DISTRIBUTION SHA Board of Commissioners; Cabinet

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Commissioner Roll Call

AGENDA:

Briefing Items

- Resolution No. 5177 - SHA Line of Credit
- Blanchet Townhomes Briefing
- Section 18 Conversion Update

\*\*\*\*\*Executive Session – Potential Litigation\*\*\*\*\*

Commissioner roll call was given at 4:39 p.m. Commissioners Crutchfield, Smiley and Dr. Houston were absent from the Briefing, with Commissioner Thiele attending by phone. Commissioner Purcell chaired the Briefing meeting.

## Review 11/18/19 Regular Board Meeting Agenda and Updates

### Resolution No. 5177 - SHA Consolidated Replacement Revolving Line of Credit

CFO Shelly Yapp presented Resolution No. 5177 to the Board, which gives approval to replace, **consolidate, and update the amount of SHA's two remaining lines of credit** – the Real Estate Line (\$15M) and the Operating Line (\$6M) – into a new single \$30M Line of Credit that would provide \$30M in tax-exempt capacity and \$30M in taxable capacity, provided the total outstanding borrowing does not exceed \$30M at any point in time. The previous LOC has not been updated in the past ten years. When enquiring about potential replacements for our current lines, the three objectives were to: 1) obtain a line with a lower rate of interest; 2) consolidate the two lines into one and gain the capacity, if possible, to have flexible use for either taxable or tax exempt purposes; and, 3) gain a longer term for the LOC of 3 years rather, than a one year renewal.

### Blanchet Townhomes Briefing

Asset Management Director Jared Cummer and Sr. Budget Analyst James Mayton initially introduced Blanchet Townhomes at the Board Briefing in October as a potential property acquisition for SHA's **Acquisition and Preservation** Program. Subsequently, after further property inspection, lack of price negotiation, as well as potential rehab costs requiring an estimated \$3M in short-term rehab with substantial construction risk estimates, the decision was made to recommend not pursuing acquisition of Blanchet Townhomes any further at this time.

### Section 18 Conversion Update

Asset Management Director Jared Cummer gave the Board a brief background of Section 18 of the 1937 Housing Act (an act which governs the funding and operation of public housing) which outlines the process for housing authorities to remove public housing units from their inventory. When applying to HUD for approval, if approved, HUD would require the agency to put a 30-year low-income restriction on the property upon transfer to the 501c3 entity. In addition, HUD would issue tenant protection vouchers, and the agency would project base these vouchers to the units submitted for disposition. After review of the Scattered Site portfolio, 228 units have been identified as eligible for conversion under Section 18. Based on the analysis presented to the Board in July, the conversion would result in the agency receiving between \$800,000 and \$980,000 in additional subsidy per year. As a part of this process, letters were sent to residents, and resident meetings were held to notify them of this proposal. In addition to the resident meetings, staff has worked with a consultant to determine if SHA can apply Move to Work (MTW) flexibilities to the converted units. In December, the next step would be to present a resolution to the Board authorizing the application to HUD and any follow-up items resulting from the November briefing.

Commissioner Thiele suspended the Regular meeting of the Board and opened up for an Executive Session at 5:15 p.m.

\*\*\*\*\*Executive Session – Potential Litigation\*\*\*\*\*

Commissioner Thiele adjourned the Executive Session of the Board; after reopening the Regular meeting of the Board, she adjourned the meeting at 5:50 p.m.

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Secretary-Treasurer