

MINUTES OF THE SPECIAL MEETING
OF THE HOUSING AUTHORITY
OF THE CITY OF SEATTLE
NOVEMBER 13, 2017

The Commissioners of the Housing Authority of the City of Seattle (“Seattle Housing Authority” or “SHA”) met in regular session on November 13, 2017, at SHA’s Central Office Building located at 190 Queen Anne Avenue North, Seattle, Washington. Board Vice-Chair Emily Abbey called the meeting to order at 4:35p.m. Kimberly Garrett performed a roll call for Board Commissioners in attendance. Commissioners present and absent were as follows:

Present: Emily Abbey, Vice-Chair
Ahmed Abdi (by phone)
Zachary DeWolf (by phone)
Dr. Paula Houston
David Moseley (by phone)

Absent: Debbie Thiele, Chair
Jermaine Smiley

Public Comment

Marguerite Richard
Michael Fuller

Consent Agenda

Commissioner Abbey presented the Consent Agenda, which included approval of minutes for the Regular Board Meeting of October 16, 2017; and, the Expenditure Certification Reports (Authorization to Pay Outstanding Obligations of Salaries and Claims for the Period of October 1 through October 31, 2017).

Commissioner Moseley moved to approve the Consent Agenda and the motion was seconded by Commissioner Dr. Houston. Hearing no questions or comments, Commissioner Abbey called for a vote. The Consent Agenda was approved unanimously by those Board members present (5 yes 0 no).

Regular Agenda

Resolution No. 5143 – Amendment to Board-approved Resolution No. 5136 and Resolution No. 5137 - Issuance of Bonds and Omnibus Resolutions for the West Seattle Rehabilitation Project

Commissioner Moseley moved for consideration of Resolution No. 5143; it was seconded by Commissioner Dr. Houston. Asset Management Program Manager Jared Cummer presented Resolution No. 5143 to the Board and recommended adoption of the resolution.

Resolution No. 5143 amends Resolution No. 5136 and Resolution No. 5137 pertaining to the Issuance of Bonds and Omnibus Resolutions for the West Seattle Rehabilitation Project, respectively. The Resolution increases the bond issuance amount from \$20 million to \$25 million, but does not change the rehabilitation plans of the project or the financial impact on the Authority. As a result of the increase in construction costs and appraised value, SHA will need to increase the bond issuance by \$5 million dollars, from \$20 million to \$25 million. This is a short-term debt to pay for construction costs and meet the requirements of the tax credit program. In addition, the SHA will need to amend the total cost of the project to reflect the increase in construction costs and tax credit equity.

Hearing no further questions or comments, Commissioner Abbey called for a vote. Resolution No. 5143 was approved by majority vote of the Board present (5 yes; 0 no).

Resolution No. 5144 – Amendment to Board-approved Resolution No. 5142 - Authorization of Pooled Refunding Bonds to Refinance Rainier Vista Phase I, NewHolly Phases II and III and Wedgewood Estates

Commissioner Dr. Houston moved for consideration of Resolution No. 5144; it was seconded by Commissioner Moseley. Asset Management Program Manager Jared Cummer presented Resolution No. 5144 to the Board and recommended adoption of the resolution.

Resolution No. 5144 amends Board-approved Resolution No. 5142 and would authorize SHA to use a line of credit to pay-off the existing NewHolly Phase III bonds and potentially the NewHolly Phase II bonds. This action is due to a delay in HUD approval. Then, in less than 60

days, SHA will pay-off the line of credit with the new bonds. Resolution No. 5144 does not change the financial impact of this refunding on the agency.

After no further comments, Commissioner Abbey called for a vote. Resolution No. 5144 was approved by majority vote of the Board present (5 yes; 0 no).

Local Election Results

Intergovernmental Relations Director Lisa Wolters reported to the Board the results of the recent elections locally, as well as statewide. In addition, Ms. Wolters congratulated Commissioner DeWolf on his win to the Seattle Public Schools Board, and acknowledged Commissioner Abdi and a well-run race in his bid for Port Commissioner.

Executive Director Report

Mr. Lofton reported to the Board that SHA had an exit interview with the State Auditor's Office for the accountability audit for 2016, which was clean. The report will be formally brought to the Board after the Audit Committee convenes for 2016.

SHA has entered into litigation regarding MTW funds that were taken from SHA in 2012; that year HUD was trying to reduce expenditures and save dollars. One way to accomplish that was to take reserves from PHAs who had excess in reserves of 4 months. Unfortunately with MTW programs, they couldn't identify those funds specifically, and so they compared these agencies to like-size non-MTW agencies which had excess reserves and calculated amounts that were comparable to them. They then identified that amount and reduced our budget, which came out to be \$2.8M. Since then, there have been a couple different suits against HUD for taking that action, as well as similar actions, and have ultimately been successful. SHA was approached by a firm that identified SHA as one of fourteen MTW agencies that still had losses and were in the position to litigate against HUD to recapture those funds. The firm has offered to litigate on our behalf without any expenditure on our part, just for a contingency fee of the amount that is recaptured. SHA, among nine other PHAs, is joining the class action suit against HUD, that is similar to suits that have been settled by HUD and we hope for the same results. If

not, we walk away without any financial repercussions for the agency. We will keep the Board informed on its progress.

The Region X HUD Administrator has been nominated – Jeffrey McMorris, the previous Chief of Staff for KC Councilmember Kathy Lambert. The process is underway through Congress, so the Board will be kept apprised of the out

Commissioner Abbey asked if there were any further questions or comments from staff, or from her colleagues on the Board. Hearing none, the November 13, 2017 special session of the Board adjourned at 5:12 p.m.

Secretary-Treasurer