

MINUTES OF THE REGULAR MEETING
OF THE HOUSING AUTHORITY
OF THE CITY OF SEATTLE
JUNE 20, 2016

The Commissioners of the Housing Authority of the City of Seattle (Seattle Housing Authority) met in regular session on June 20, 2016, at the Seattle Housing Authority's Central Office Building located at 190 Queen Anne Avenue North, Seattle, Washington. Board Chair Debbie Thiele called the meeting to order at 5:04 p.m. Kimberly Garrett called a roll call for Board Commissioners in attendance. Commissioners present and absent were as follows:

Present: Debbie Thiele, Chair
 Emily Abbey
 Dr. Paula Houston
 David Moseley

Absent: Aser Ashkir
 Zachary Pullin
 Jermaine Smiley

Public Comment. None

Consent Agenda. Commissioner Chair Thiele presented the Consent Agenda, which included approval of the minutes of the Regular Board Meeting of May 16, 2016; minutes of the Regular Board Briefing of June 13, 2016; and, the Expenditure Certification Report (Authorization to Pay Outstanding Obligations of Salaries and Claims for the Period May 1 through May 31, 2016). Commissioner Abbey moved to approve the Consent Agenda and the motion was seconded by Commissioner Houston. Hearing no further discussion, Commissioner Thiele called for a vote, and the Consent Agenda was approved unanimously.

Regular Agenda

Resolution No. 5102 – Revolving Real Property Line of Credit (RLOC)

Commissioner Moseley moved for consideration of Resolution No. 5102 and Commissioner Abbey seconded the motion. CFO Shelly Yapp presented Resolution No. 5102 and recommended adoption of the resolution by the Board.

Seattle Housing Authority currently has 3 Lines of Credit, one of which is the \$15M Real Estate Line of Credit. Resolution No. 5102, which replaces SHA's existing Real Estate Line of Credit with Key Bank, authorizes the Executive Director to extend the RLOC Series A and B annually for six years, provided the interest rate does not exceed a specified cap and all other material terms remain substantially the same. SHA has no outstanding balance presently.

After further discussion, the Chair called for a vote. Resolution No. 5102 was approved unanimously.

Resolution No. 5103 - Bellwether Refunding (Cambridge Apartments)

Commissioner Abbey moved for consideration of Resolution No. 5103 and Commissioner Moseley seconded the motion. Asset Management Director Anne-Marie Lindboe presented Resolution No. 5103 and recommended adoption of the resolution by the Board.

Resolution No. 5103 states the intent of Seattle Housing Authority (SHA) to issue up to \$26.5M in private activity bonds to finance the acquisition and rehabilitation of the Cambridge Apartments by the Cambridge LLLP (limited liability limited partnership) Bellwether Housing as the managing general partner. The bonds when issued would be non-recourse to SHA.

The Cambridge Apartments were purchased from SHA in 2001, which were financed with tax-exempt bonds issued by SHA. Due to significant capital repair needs of the building, Bellwether Housing is requesting SHA to issue private activity bonds to provide funding to rehabilitate the building and units.

Hearing no further discussion, the Chair called for a vote. Resolution No. 5103 was approved unanimously.

Resolution No. 5104 - Bellwether Refunding (1511 Dexter Avenue Apartments)

Commissioner Houston moved for consideration of Resolution No. 5104 and Commissioner Abbey seconded the motion. Asset Management Director Anne-Marie Lindboe presented Resolution No. 5104 and recommended adoption of the resolution by the Board.

Resolution No. 5104 states the intent of Seattle Housing Authority (SHA) to issue up to \$13.5M in private activity bonds to finance the site acquisition and construction of 1511 Dexter Avenue Apartments by the 1511 Dexter LP (limited partnership) with Bellwether Housing as the managing general partner. The bonds when issued would be non-recourse to SHA.

With this new construction project, Bellwether plans to develop 71 affordable workforce apartments on this site. The proposed 6-story building will be affordable to households earning 50% and 60% of Seattle's Area Median Income (AMI).

After further discussion, the Chair called for a vote. Resolution No. 5104 was approved unanimously.

Resolution No. 5105 - Bellwether Refunding (Security House)

Commissioner Moseley moved for consideration of Resolution No. 5105 and Commissioner Abbey seconded the motion. Asset Management Director Anne-Marie Lindboe presented Resolution No. 5105 and recommended adoption of the resolution by the Board.

Resolution No. 5105 states the intent of Seattle Housing Authority (SHA) to issue up to \$15M in private activity bonds to finance the acquisition and rehabilitation of the Security House by the Security House LLLP (limited liability limited partnership) with Bellwether Housing as the managing general partner. The bonds when issued would be non-recourse to SHA.

Bellwether purchased Security House in 1999 with tax-exempt private activity bonds issued by SHA to perform rehabilitation on the building.

After further discussion, the Chair called for a vote. Resolution No. 5105 was approved unanimously.

2015 Seattle Housing Authority Audit Report

CFO Shelly Yapp presented the 2015 SHA Audit Report to the Board, which was performed by external auditing firm KPMG LLP. The purpose of the annual audit is to make sure that the agency is in compliance with HUD federal regulations and program requirements. SHA received a 'clean' audit report for 2015, meaning there were no audit findings of significant deficiencies, or any material weaknesses reported of internal controls and financial statements.

Scattered Sites Portfolio Strategy

Executive Director Andrew Lofton introduced Jake LeBlanc (Property Management Administrator, Housing Operations) and Jared Cummer (Asset Management Strategic Advisor) to the Board, who gave an overview of SHA's Scattered Sites Portfolio, which contains 236 multi-family and single-family buildings, totaling 711 units. The homes are scattered around Seattle, providing larger family housing options in higher income neighborhoods which lack diversity. Though beneficial, the large geographic area of the sites also makes it challenging to maintain and manage such unique properties with limited staffing availability and funds.

The Portfolio Repositioning Strategy, which explores possible rehabilitation, redevelopment, disposition and conversion of various properties, is under consideration for keeping the portfolio viable within SHA's housing stock. Staff is working to continually strategize on recommendations for how to best reposition the portfolio and its future financial security.

Environmental Stewardship Report

Housing Operations Director introduced Resource Conservation Supervisor Bobby Coleman, who gave a presentation to the Commissioners regarding SHA's Environmental Stewardship Report, which will be formulated by the Conservation team to document the agency's on-going efforts, planning and measures required to develop and maintain long-term environmentally sound practices. The report will explore what SHA, as a sustainable agency, will look like through resource conservation, waste management and diversion efforts, and emissions mitigations. This will enable SHA to continue to strengthen its commitment to

developing and implementing measures for long-term sustainability strategies for the agency, which in turn would benefit our residents and engage the surrounding communities in its efforts.

Executive Director

Executive Director Lofton brought to the Board's attention the SHA department reports, reporting department monthly news of interest, for perusal. He requested any inquiries that the Board may have regarding SHA activities. Commissioner Abbey congratulated the agency on receiving the 2016 HUD Secretary's Award for Healthy Homes, one of three awarded nationwide, for Yesler Terrace's Breathe Easy Program.

Media Clips

Communications Director Kerry Coughlin spoke briefly of the recent articles trending around Yesler Terrace and its current redevelopment activities.

Commissioner Thiele asked if there were any further questions or comments from staff, or from her colleagues on the Board. Hearing none, the June 20, 2016 regular session of the Board adjourned at 6:28p.m.


Secretary-Treasurer