

MINUTES OF THE REGULAR MEETING
OF THE HOUSING AUTHORITY
OF THE CITY OF SEATTLE
NOVEMBER 16, 2015

The Commissioners of the Housing Authority of the City of Seattle (Seattle Housing Authority) met in regular session on November 16, 2015, at the Seattle Housing Authority's Central Office Building located at 190 Queen Anne Avenue North, Seattle, Washington. Board Chair Nora Gibson called the meeting to order at 5:04 p.m. Kimberly Garrett called a roll call for Commissioners in attendance; Commissioners present and absent were as follows:

Present: Nora Gibson, Chair
 Emily Abbey
 Kollin Min
 Zachary Pullin
 Debbie Thiele, Vice-Chair

Absent: Aser Ashkir
 Jermaine Smiley

Public Comment.

None

Introduction of Meeting Guests

Carolyn Morrison, US Bank

Christine Ok, US Bank

Allison Schwartzman, Foster Pepper LLLC

Consent Agenda. Commissioner Chair Gibson presented the Consent Agenda, which included approval of the minutes of the Special Board Meeting of October 12, 2015; minutes of the Regular Board Briefing of November 9, 2015; the Expenditure Certification Report (Authorization to Pay Outstanding Obligations of Salaries and Claims for the Period October 1 through October 31, 2015). Commissioner Vice-Chair Thiele moved to approve the Consent

Agenda and the motion was seconded by Commissioner Pullin. Hearing no discussion, Commissioner Gibson called for a vote, and the Consent Agenda was approved unanimously.

Regular Agenda

Resolution 5084 – A Resolution relating to SHA Taxable Line of Credit Reauthorization

Commissioner Thiele moved for approval of Resolution No. 5084 and Commissioner Abbey seconded the motion. Resolution No. 5084 reauthorizes the Executive Director to renew SHA's Taxable Real Estate Revolving Line of Credit ("Taxable LOC) in the principal amount of \$7.0 million with Key Bank through December 3, 2021, provided material terms of renewal remain substantially the same and the interest rate projected does not exceed four percent (4.0%). If the interest rate exceeds 4.0%, Board approval will need to be obtained.

Deputy Executive Director Anne Fiske Zuniga presented Resolution 5084 to the Board. The line of credit (LOC) was established with Key Bank in 2004 and has been renewed annually; this renewal is for 5 years. The current outstanding balance is at \$2.08M. SHA uses the Taxable LOC to make property purchases and then repays the LOC with subsequent property sales.

Hearing no further discussion, the Chair called for a vote. Resolution No. 5084 was approved unanimously.

Resolution No. 5085 – A Resolution Regarding Taxable Refunding Revenue Bonds, 2015 (Gamelin House And Genesee Projects)

Commissioner Pullin moved for approval of Resolution No. 5085 and Commissioner Abbey seconded the motion.

Resolution No. 5085 authorizes Seattle Housing Authority (SHA) to issue refunding revenue bonds for the purpose of providing the funds with which to refund the Authority's Revenue Bonds, 2005, Series A (Gamelin House and Genesee Project) and its Taxable Revenue Bond, 2006, Series B (Gamelin House and Genesee Project).

Deputy Executive Director Anne Fiske Zuniga presented Resolution 5085 to the Board. As part of the Rainier Vista redevelopment, SHA partnered with Bellwether Housing and Providence Health Systems to provide 100 replacement housing units. Due to disinterest by the partners to be responsible for commercial space in the buildings, SHA issued bonds to pay for the space, which includes a mix of businesses and services that makes it convenient for local residents and the community. This refunding will be at an advantage due to current lower interest rates.

Hearing no further discussion, the Chair called for a vote. Resolution No. 5085 was approved unanimously.

Resolution No. 5086 – A Resolution Authorizing Hoa Mai (221 10th Ave S.) Project Bond Issuance

Commissioner Pullin moved for consideration of Resolution No. 5086 and Commissioner Min seconded the motion. Resolution No. 5086 authorizes SHA to issue revenue bonds, not to exceed \$25,750,000, to loan to the 221 10th Ave S. LLLP to construct the 111-unit Hoa Mai Gardens building.

Deputy Executive Director Anne Fiske Zuniga presented Resolution 5086 to the Board. Chase Bank will purchase the bonds and issue the construction and permanent loan to the project. The loan will provide part of the construction financings, with the closing and bond issuance is anticipated to occur in mid-December; construction completion is anticipated for mid-2017.

Of the 111 units, 70 will be replacement units, 40 will be low income tax credit units, and one will be a common area unit for an on-site staff person.

Hearing no further discussion, the Chair called for a vote. Resolution No. 5086 was approved unanimously.

Resolution No. 5087 – Hoa Mai (221 10th Ave S.) Omnibus Financing

Commissioner Thiele moved for consideration of Resolution No. 5087 and

Commissioner Abbey seconded the motion. Resolution No. 5087 authorizes a lease with 221 10th Ave S LLLP, loans to 221 10th Ave S LLLP, and approves the execution and delivery of documents relating to the SHA's 221 10th Ave South development project.

Deputy Executive Director Anne Fiske Zuniga presented Resolution 5087 to the Board. Resolution No 5087 is a companion piece to Resolution No. 5086, as it completes the authorization necessary for the Executive Director of SHA to sign documents to complete the financing of the Hoa Mai Gardens Project. It admits Union Bank as the new Limited Partner, leases the land and buildings to the LLLP, loans Choice Neighborhood grant funds and the Yesler land sale proceeds to the LLLP and executes the bond loan documents in favor of Chase Bank.

Hearing no further discussion, the Chair called for a vote. Resolution No. 5087 was approved unanimously

Executive Director Report

Executive Director Lofton brought to the Board's attention the SHA department reports and requested any inquiries that the Board may have regarding SHA activities.

Mr. Lofton presented an MTW contract negotiation update to the Board, reporting on a recent meeting with HUD, where the discussion focused on a particular component of the new MTW contract, which will determine a compliance threshold of how many families the agency serves. The statute requires that we serve Substantially the Same (StS) number of families as we would if we didn't combine all of the funds into a block grant. HUD had a methodology for that which has been less than rigorous, so negotiation continues on a new methodology. The new methodology could impact the funding levels we receive and determine the amount of flexibility the agency would have available. It is a critical piece of the new contract. As a result, a technical workgroup of MTW agencies' staff has been formed in order to work with HUD on the proposal and work through the analysis to determine a workable formula for the MTW agencies.

Outstanding issues remain regarding cash management, an important factor to all of the MTW agencies. The new contract reverts to regulation/rule that non-MTW agencies have been under, and tries to shift MTW agencies into that same rule. In doing so, it would substantially change how we do business as it would restrict agency flexibility within the program. In addition, the agencies are still not in agreement with HUD regarding rigorous evaluation of MTW programs. The agencies have agreed that an impact analysis/assessment around four major areas that impact residents--rent reform, self-sufficiency, mobility and time limits. There is still uncertainty and disagreement on specific data and performance metrics to be included in the Agreement. Mr. Lofton reported that there was good news within this process, that the language included in the Senate Transportation, Housing and Urban Development Committee appropriations bill that directed existing MTW Agreements be extended under the same terms and conditions, is still alive. There is optimism that it will be included in the final budget bill.

Commissioner Abbey congratulated Mr. Lofton and SHA for being awarded an award for excellence in financial reporting. Commissioner Thiele also congratulated Mr. Lofton on his leadership involvement with the MTW contract negotiations.

Media

Communications Director Kerry Coughlin presented various key highlights of media clips and responded to any inquiries of news stories that were presented to the Board.

Commissioner Gibson asked if there were any further questions or comments from staff, or from her colleagues on the Board. Hearing none, the November 16, 2015 regular session of the Board adjourned at 5:42 p.m.


Secretary-Treasurer