

MINUTES OF THE REGULAR MEETING
OF THE HOUSING AUTHORITY
OF THE CITY OF SEATTLE
NOVEMBER 21, 2016

The Commissioners of the Housing Authority of the City of Seattle ("Seattle Housing Authority" or "SHA") met in regular session on November 21, 2016, at SHA's Central Office Building located at 190 Queen Anne Avenue North, Seattle, Washington. Board Chair Debbie Thiele called the meeting to order at 5:10 p.m. Rebecca Taylor called roll to capture the Board Commissioners' attendance and reflect it in these minutes. Commissioners present and absent were as follows:

Present: Debbie Thiele, Chair
 Emily Abbey, Vice-Chair
 Ahmed Abdi
 Dr. Paula Houston
 Jermaine Smiley (phoned in during Public Comment)

Absent: Zachary DeWolf
 David Moseley

Public Comment

The following residents spoke at this evening's proceedings: Marguerite Richard, Alex Zimmerman, Michael Fuller, Dennis Saxman, and John Yost. Regarding an inquiry from the Board Chair, staff is working with Ms. Richard to mitigate her concerns.

Consent Agenda

Commissioner Thiele presented the Consent Agenda, which included approval of minutes for the regular Board Meetings of October 17 and November 14, 2016, and the Expenditure Certification Report (Authorization to Pay Outstanding Obligations of Salaries and Claims for the period October 1 through October 31, 2016). Commissioner Smiley moved to approve the Consent Agenda and the motion was seconded by Commissioner Abbey. Hearing

no questions or comments, Commissioner Thiele called for a vote. The Consent Agenda was approved unanimously by those Board members present (5 yes, 2 absent).

Regular Agenda

Resolution No. 5118 - Yesler Terrace Disposition Application to the Department of Housing and Urban Development (HUD)

Commissioner Abbey moved to approve Resolution No. 5118; it was seconded by Commissioner Abdi. A staff member was asked to speak to the resolution content and what is being asked of the Board. Director of Housing Finance and Asset Management Ann-Marie Lindboe stated that approval of this resolution would authorize the Executive Director or designee to submit an application to HUD for the disposition of approximately 2.6 acres at Yesler Terrace, consisting of portions of Block 3 and all of Block 4. The land will be acquired by Yesler Investors 3 LLC and Yesler Investors 4 LLC, respectively, under a negotiated sale at fair market value.

Commissioner Abbey requested that resolution cover memos be written in a way that is more easily understood by the general public. As an example, she referred to the first paragraph of the Resolution 5118 cover memo related to “creation of new housing at designated affordability levels.” She did not feel that the average citizen would have knowledge of HUD’s designated affordability levels. Commissioner Abbey also said she would like to see goals that include specific numbers versus percentages when referring to replacement housing.

Executive Director Andrew J. Lofton responded to both comments, stating that this resolution follows-up on the implementation of part of the initial Yesler Terrace Plan, which the Board already agreed to and approved. Regarding Commissioner Abbey’s second comment, Mr. Lofton noted that we have an agreement with the City that clearly outlines expectations for replacement units, and those expectations are in percentages. SHA has its own additional goal to increase the number of replacement units by 100, if possible, once we have met the obligations set forth in the agreement. Mr. Lofton agreed to include more context in the cover memo of future resolutions.

Commissioner Houston asked staff to clearly state in their introductions whether or not a resolution is follow-up to an action already taken by the Board versus a new resolution.

Hearing no further questions or comments, Commissioner Thiele called for a vote. Resolution 5118 was approved unanimously by those Board members present (5 yes, 2 absent).

Reports

Seattle Senior Housing Program (SSHP) Rent Policy

Senior Policy Analyst Matt Helmer presented the SSHP Rent Policy final recommendations which included a brief overview of the policy's history and current structure, and the challenges the current structure presents (resident equity concerns and financial concerns for the sustainability of the program). Mr. Helmer detailed the process followed to garner input from residents, the SSHP Rent Policy Advisory Committee and the SSHP Joint Policy Advisory Committee. Final outcomes of this outreach, soon to be proposed for Board approval, have been previously approved by the SSHP Rent Advisory Committee. They are:

Expand SSHP's Rent Hardship Policy

- Allow transfers to other SHA properties for those paying more than 40 percent of their income in rent
- Prevent residents whose income rises by less than \$100 per month from being placed in a higher rent tier

Update distribution of rents (proposed changes)

- Below 20 percent area median income (AMI) and 20-30 percent AMI - at combined 75 percent versus 79 percent in first quarter 2016
- 30-40 percent AMI at 15 percent versus 12 percent in first quarter 2016
- 40-80 percent AMI (six percent 40-50 AMI; four percent 50-80 AMI) at ten percent versus nine percent in first quarter 2016
- Housing Choice Vouchers at 0 percent versus 0.6 percent in first quarter 2016

Implement a fifth rent tier (would apply to new move-ins only)

- First three rent tiers no change

- Under new proposal, fourth tier would be 40-50 percent AMI or \$25,321-\$31,650 income range (rent in 2016 \$836)

- Under new proposal, fifth tier would be 50-80 percent AMI or \$31,650-\$48,550 income range (rent in 2016 \$1,055 pending additional market analysis)

Align timing of cost-of-living adjustment with rent calculation

- Rent increase based on most recent cost-of-living adjustment and consumer price index adjustments available

- Rent adjustment to occur on rotating basis (possibly anniversary of move-in versus all on January 1st)

Phase-out Transfers Without Cause

- Maintain transfers for accommodations, emergencies, domestic violence, rent hardship

- Without cause (other than reasons stated above), residents would be placed on normal waitlist for other SSHP properties

Anticipated outcomes to these changes are:

- Current residents will not experience negative financial impacts
- Stronger safety net for residents experiencing hardship
- More equitable policy
- SHA would serve 39 fewer households below 30 percent AMI; 29 more households between 30 and 40 percent AMI; ten more households between 40 and 80 percent AMI

- Approximately \$360,000 in additional annual revenue and savings (possibly used to address capital needs in SSHP portfolio and/or additional staffing at sites)

Success indicators are:

- Achieving and maintaining distribution of rents within three years
- Minimal use of hardship policy
- High SSHP resident satisfaction levels
- Increased resources for capital backlog and on-site staffing

Commissioners Abbey and Abdi expressed concern about the effects of the proposed

expansion of the hardship policy. The new hardship proposal aims to prevent residents whose income rises by less than \$100 per month (as a result of a new income source) from being placed in a higher rent tier. Both Commissioners felt that the protection offered may not be sufficient to protect residents with small changes in income from paying higher rents. They both suggested that staff consider increasing the \$100 income protection. Commissioner Abdi specifically wanted to know how that dollar amount was determined. Mr. Helmer responded that it is basically the mid-point between two rent tiers and puts SSHP more in alignment with the rest of the Low-Income Public Housing (LIPH) portfolio. Director Lindboe stated that residents can currently be assessed more rent if their income increases by as little as \$10.00 more per month. She said SHA is trying to mitigate the impacts of the current rent structure, and for the reasons stated above by Mr. Helmer, \$100.00 was the agreed upon amount.

Commissioner Thiele questioned whether the combined 75 percent figure for below 20 percent AMI and 20-30 percent AMI is a Board-established percentage, and she asked whether the additional \$360,000 anticipated is over and above the \$482,000 amount currently being put into the program by SHA. In response to the first question, Director Lindboe stated that 75 percent is a Board-established percentage and is the current bottom line. Regarding the second question, the \$482,000 amount used to off-set operating expenses is the annual average over the past four years. Staff plans to continue to use this subsidy from LIPH to address program operating expenses. The \$360,000 number is over and above this amount.

Scattered Sites Portfolio

Given time constraints and the need to address several outstanding items on the agenda, Commissioner Thiele asked her colleagues if the second staff presentation could be postponed to the next meeting of the Board of Commissioners. A motion was made and seconded by Commissioners Smiley and Abbey respectively to table the Scattered Sites Portfolio presentation to the next scheduled Board meeting. The motion was approved unanimously by those Board members present (5 yes, 2 absent).

Executive Director Reports

The Executive Director shared that SHA's Finance department staff is once again being awarded a Certificate of Excellence in financial reporting. The Finance department has garnered

this award for the past 14 or 15 years, and Mr. Lofton expressed how proud SHA is of this accomplishment and staff's continued high performance.

Mr. Lofton also shared that the Gates Foundation has provided SHA and King County Housing Authority with a \$3 million grant (to split between the two housing authorities) to assist in providing voucher families the ability to move into high opportunity areas as another pathway to increased self-sufficiency.

Calendar of Events

Mr. Lofton invited the Commissioners to attend the SHA's Annual 2016 Holiday Brunch, Monday, December 5, 2016, 8:00-11:00 a.m., at the Seattle Center Exhibition Hall (301 Mercer Street).

Please RSVP your attendance to Kimberly.garrett@seattlehousing.org.

In the News

Media Clips

Director of Communications Kerry Coughlin reported that in the wake of the Lam Bow fire, which occurred on September 27th, there has been an outpouring of donations and contributions from the public. In October, coverage shifted from the fire itself to how the community could get involved and help. A fund was set-up and donations and contributions accepted. However, in order to provide Lam Bow families in need with support prior to the holidays, the fund was closed out at \$30,000.

Director Coughlin also announced that on December 19th prior to the Board meeting, a photographer will be on-site from 4:30-5:00 p.m. to take Board photos for the SHA website. She noted that anyone on the Board satisfied with his/her current photo does not have to have another taken with the exception of Commissioner Abbey whose photo resolution is not compatible for use on our website.

Please RSVP to Michele.mosher@seattlehousing.org if you plan to have your photo taken.

Executive Session

At 6:30 p.m., Commissioner Thiele adjourned the group to Executive Session to discuss a personnel matter asking Mr. Lofton to remain for the discussion. At 6:50 p.m., Executive Session was concluded.

Adjournment

At the conclusion of Executive Session, Commissioner Thiele again called the regular session of the Board to order. Upon hearing no further questions or comments from her colleagues, the November 21, 2016 regular session of the SHA Board of Commissioners was adjourned at 6:52 p.m.


Secretary-Treasurer