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**SEATTLE HOUSING AUTHORITY  
REGULAR BOARD BRIEFING**

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<b>LOCATION</b>	Via Teleconference Line (206) 257-3799; ID 877 198 629# <a href="#">Click here to join the meeting</a>	
<b>DATE</b>	April 12, 2021 4:30pm - 6:00pm	
<b>BOARD ATTENDEES</b>	Paul Purcell, Board Chair Dr. Paula Houston, Vice-Chair Robert Crutchfield Rita Howard	Twyla Minor Gerald Smiley Debbie Thiele

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<b>DISTRIBUTION</b>	SHA Board of Commissioners; Cabinet
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**Commissioner Roll Call**

**AGENDA:**

**Briefing Items**

- **SHA Executive Director Selection** – Discussion & Vote
- **Resolution No. 5212** – Northgate Refunding Bond
- **Resolution No. 5213** – Yesler Endowment

**Informational Briefings**

- 2020 Q4 Key Performance Indicators
- Moving to Work (MTW) 2020 Annual Report

Commissioner roll call was given at 4:31 p.m. The Briefing was held solely via teleconference. Commissioner Minor was absent from the Briefing. Staff introductions were made for Commissioner Howard before and after the SHA ED Selection presentation.

### **Review 4/19/21 Regular/Annual Board Meeting Agenda and Updates**

#### **SHA ED Selection**

Commissioner Purcell reported that the Board met on April 6 for a Special Board Meeting on the qualifications of the two finalists for the Executive Director position for SHA. During Executive Session, qualifications were discussed, but the Board did not vote or reach any type of decision in that closed session. After providing us with the opportunity to reflect over the weekend prior to this meeting on the qualifications of the two finalists, Mr. Purcell asked if any of the Commissioners would like to make a recommendation for whom, if either, the Board would like to extend a job offer. Mr. Purcell called for a motion concerning either of the applicants; he was then asked by Commissioner Howard as to why one of the applicants was in the meeting currently. Rod Brandon excused himself for the discussion and vote to resume. Mr. Purcell thanked Simone Gans Barefield and Ernest Barefield of Gans, Gans & Associates Executive Search Firm for their assistance and noted that they brought excellent candidates for the Board to choose from for the position. He noted that the two finalists would represent the organization excellently, and he concurred that the best candidate for the position is Rod Brandon. A vote was taken to offer the job to Mr. Brandon; 4 yes, 1 opposed. Mr. Purcell then called for a motion to negotiate and offer a contract to Rod Brandon to be executed and voted on at the April 19 Board Meeting; Commissioner Thiele moved, and Commissioner Houston seconded the motion. The vote was 5 yes, 0 opposed. Rod Brandon rejoined the meeting, where Mr. Purcell congratulated him as being selected at the new SHA Executive Director.

#### **Resolution No. 5212 – Northgate Refunding Bond**

Finance & Asset Management Director James Cummer gave the Board a background on the project resulting in this bond, and the presented this resolution to the Board.

SHA acquired the Northgate Apartment complex in December 2019 for \$65 million, plus acquisition costs, for the purposes of redeveloping the property into a mixed income community) using a taxable line of credit with a rate of 2.77 percent that is fixed until December 1, 2024. The current tax-exempt interest rates provide an opportunity to refund this existing debt and realize significant interest savings. Resolution No. 5212 authorizes the issuance of bonds not to exceed \$70 million for the purposes of refunding the taxable line of credit used to purchase the Northgate Apartments. The proposed refunding is public bond offering that has a five-year term with a two-year call option. Current market rates suggest a public sale will result in a tax-exempt rate of 1.35-1.5 percent (lower than the 1.75 percent offering just a week ago.) This includes \$650,000 in project funds to address some structural and mechanical capital needs and a pre-payment penalty of \$1,050,000 associated with the current line of credit. This proposed refunding would still be financially beneficial up to a rate of 2.05 percent. Mr. Cummer showed the Board a chart of the Northgate Apartments debt comparison (assuming a closing of May 31, 2021).

### **Resolution No. 5213 – Yesler Endowment**

Deputy Director Anne Fiske Zuniga presented the Board with Resolution No. 5213, including background of the grant which makes it possible for endowment.

SHA received a \$30M Choice Neighborhoods Initiative (CNI) grant, which jumpstarted the redevelopment at Yesler Terrace with provisions of 15% of the grant be allocated for services for residents of Yesler. Another aspect of the grant was that HUD would allow grant awardees too create an endowment to ensure continued services into the future, which was always in the back of our minds for consideration. When SHA received the grant, we initially knew that we wanted to set up an endowment almost since its inception. So, the investments that we've made in services at Yesler since the beginning of the redevelopment have been focused on three main areas: education, employment and health. On an annual basis, SHA has spent approximately \$400,000-\$600,000 on those services, so that's the range of cost we would be looking at for continued services in the future. After seeking guidance from HUD or an opinion on the use of Yesler proceeds, we did receive a letter from Dominique Blom, Deputy Secretary of Public and Indian Housing, which informed us that land sale proceeds in excess of the 'as is' value (before development) of Yesler needed to be used at Yesler, and it could include services.

Resolution No. 5213 authorizes up to \$15 million in Yesler land sale proceeds in excess of those required to complete the construction, in accordance with the Yesler Redevelopment Plan, of SHA's replacement and addition of low-income housing units. Under SHA's agreement with HUD, the land sale proceeds can only be used for at Yesler Terrace for its redevelopment of low income housing, or for provision of services to low-income residents of Yesler. Through a Request For Information (RFI) process, staff may identify the appropriate vehicle for accomplishing its goal as well as an appropriately qualified recipient of its available funding, then give criteria for evaluating a range of options for receipt and management of the available funds. These funds will be privately held but managed pursuant to direction from SHA that funds are used in accordance with HUD requirements (funds must be spent on Yesler.) It is estimated that close to 2,000+ individuals who will be eligible for future services at Yesler.

### **2020 Q4 Key Performance Indicators**

Mr. Lofton introduced Policy & Strategic Initiatives Director Andria Lazaga to present the 2020 4<sup>th</sup> quarter KPIs to the Board and show what progress has been made during this time of pandemic.

The SHA Strategic Plan, which was originally adopted in 2016, was coined the 2016-2020 Strategic Plan, but we're still operating with it as our framework given the COVID-10 took The opportunity for us to do collective planning with you, the board, and with our community. We are hoping that now that a new Executive Director has been selected that we will be able to convene in having conversations again in more variety of formats and start talking about what that next planning opportunity will look like, but in this strategic plan we adopted this set of organizational cornerstones, and then also three strategic directions; expanding housing opportunities, promoting quality communities, and improving quality of life. And, then they each have three strategic objectives. So when we

kicked this off, we had big dreams of data informed, monitoring and evaluation of every one of these. It turns out that many of these, the ability to have that kind of quantitative Measures, where the return on investment of doing those measures was worthwhile, just wasn't necessarily there. So, we went through a series of exercises to try to determine what would be indicators that had some value for discussion and that might be useful to the Board, and that some change might be seen on a quarterly basis. The Key Performance Indicators (KPIs) are numbers we present to the Board and look at on a quarterly basis with the idea that we might be able to see some movement, some indicators that may prompt conversations and discussions.

Ms. Lazaga walked through the KPI report with the Board, touching on the expanding of housing opportunities (served 37,467; up +14 from last quarter), promoting quality communities, and improving quality of life (down from 4Qtr 2019).

### **MTW Annual Report**

Ms. Lazaga introduced Lily Sweeney to the Board as the author of the 2020 MTW Annual Report. She then went on the brief the Board on the findings of this report.

2020 denoted SHA's 21st year in the Moving to Work 'Demonstration'. The Moving to Work (MTW) provides the flexibility to design and test various approaches from across the agency for providing and administering housing assistance while meeting both the statutory goals of MTW and the priorities of our local community. The COVID-19 pandemic, which began in early 2020, exemplifies the necessity of MTW. The context in which we operate changed rapidly, but our values and strategic goals did not. Throughout 2020, as we have done for the last 20 years, SHA continues to leverage MTW to adapt and innovate for the benefit of our residents and our community. In 2020, SHA served nearly 37,500 individuals, with approximately 34,000 participants are in MTW-funded housing, and over 85% of households were below 30% AMI; median household income was \$12,192 (down from 2019).

Waitlist data shows a continued community need for subsidized housing. As of year-end 2020, nearly 7,000 households were on waitlists for SHA public housing/SHA-managed project-based voucher units and 1,230 households remained on our tenant-based voucher waitlist, which has been closed since the 2017 lottery. Over 1,600 households were on waitlists managed by partners for project-based voucher units. SHA's housing stock changed by a net increase of 175 units in 2020. There was a net loss of 124 MTW-funded units due to the final disposition of units at Yesler Terrace which was offset by a net gain of 328 non-MTW units. In 2020, SHA awarded 134 new project-based vouchers to community partners through the Seattle Combined Funder (formerly King County Combined Funder) Allocation.

Housing Operations & Asset Management departments did a great job with Capital investment projects in being able to pivot to still complete a number of planned property and security improvements to SHA's owned and managed housing despite a temporary stoppage on non-urgent unit repairs and increased social distancing and personal protective equipment protocols due to COVID-19.

Updates to MTW strategies consisted of clarification that financial aid is excluded from all income calculations. Two technical amendments submitted for COVID-19 emergency response activities consisted of inspections, income verifications and income certifications. Some of the cost effect impacts of these activities during 2020 consisted of savings of 3,361 hours through local rent policies, nearly \$8.9 million leveraged in service dollars through project-based and special purpose housing partnerships, and nearly \$2.5 million collectively saved in utility costs due to water and electricity conservation policies. In housing choice, 177 high-risk households were able to move into agency units to receive supportive services, 401 individuals received supportive care in the respite program, operated by Harborview Medical Center, through a unique partnership at SHA's Jefferson Terrace. Nine households were newly enrolled in Home from School, resulting in a total of 64 households being able to stay stably housed and their children enrolled in their same school, Bailey Gatzert Elementary, through this program since 2016. In our self-sufficiency efforts, 762 individuals participated in JobLink programs in 2020, despite having to engage in many services remotely. The average household income of households in HOPE VI communities was \$20,142 in 2020 and 60% of those households received their primary source of income from wages. And, six households graduated from housing subsidy in 2020. SHA was also able to use our MTW status to enable a strong COVID-19 response in funds expended (through MTW and CARES ACT) and leveraged funds to increase behavioral health supports for residents, PPE to staff and residents, internet and Wi-Fi access in SHA buildings, and remote working capacity for many SHA staff while still serving operational needs.

Commissioner Purcell reminded the Board of the Annual Board Meeting held on April 19 where there will be an election of officers taking place. He once again invited everyone with him in congratulating Rod Brandon on his new position. Mr. Purcell asked the Board if there were any questions, or comments pertaining to the Briefing. Hearing none, it was moved by Commissioner Crutchfield and seconded by Commissioner Smiley to adjourn; he then adjourned the meeting at 5:44 p.m.

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**Secretary-Treasurer**