

MINUTES OF THE REGULAR MEETING
OF THE HOUSING AUTHORITY
OF THE CITY OF SEATTLE
MAY 18, 2020

The Commissioners of the Housing Authority of the City of Seattle (“Seattle Housing Authority” or “SHA”) met in Regular Session on May 18, 2020, via teleconference. Board Chair Paul Purcell called the meeting to order at 5:04 p.m. Kimberly Garrett performed a roll call for Board Commissioners in attendance. Commissioners present and absent were as follows:

Present: Paul Purcell, Chair
Michael Diaz
Robert Crutchfield
Twyla Minor
Debbie Thiele

Absent: Dr. Paula Houston, Vice-chair
Gerald Smiley

Public Comment

None

Consent Agenda

Commissioner Purcell presented the Consent Agenda, which included approval of minutes for the Regular Board Meeting of April 20, 2020; and, approval of the Expenditure Certification Report (Authorization to Pay Outstanding Obligations of Salaries and Claims for the Period of April 1 to April 30, 2020).

Commissioner Crutchfield moved to approve the Consent Agenda and the motion was then seconded by Commissioner Thiele. Hearing no questions or comments, Commissioner Purcell called for a vote. The Consent Agenda was approved unanimously among the members of the Board present at that time (5 yes; 0 no).

Regular Agenda

Resolution No. 5190 – Hinoki Bond Replacement

Commissioner Diaz moved for consideration of Resolution No. 5190; Commissioner Crutchfield seconded the motion. SHA Development Director Terry Galiney presented Resolution No. 5190 to the Board and recommended adoption of the resolution.

Resolution No. 5190 authorizes SHA to issue loans in the form of bonds to the Yesler Block 5.1 LLLP to finance the construction of Hinoki Apartments, an approximately 136-unit low-income housing complex at Yesler Terrace. It replaces Resolution 5181 and amends Resolution 5182 due to the addition of a short-term bridge loan (a taxable bond) that provides greater liquidity for SHA's **Yesler land sales proceeds**, and to accommodate costs related to project delays. This bond resolution will increase the maximum authorized loan amount by \$7,000,000 for a total authorized amount of \$53,000,000. Changes made were in the regard to design and permitting requirements (which resulted in less equity/lost units), as well as financing. As a result of the pandemic, SHA plans to treat future lands sales more cautiously than in the past.

Hearing no further discussion, Commissioner Purcell called for a vote. Resolution No. 5190 was approved unanimously among the members of the Board present at the time (5 yes; 0 no).

2019 YE Committed Funds Update

CFO Shelly Yapp updated the Board on the final year-end actual balances in the committed uses and the revised total balance of Committed Funds for year-end 2019, which replaces the projected year-end 2019 Committed Balances based on 3rd quarter data that was presented to the Board last December under Resolution No. 5183. Annually, the Resolution requires the Executive Director to bring back to the Board in May of each year a Revised Exhibit 1, reflecting final year-end 2019 balances for all of the uses shown on the Original Exhibit 1.

The Board adopted the original Exhibit 1, which consisted of eighteen projects totaling \$60.63M; the total 2019 YE final Committed Funds amount is \$70.2M. The Revised Exhibit 1 presented to the Board does not require Board action. Revisions were made to the following projects:

- Non MTW program income from weatherization and other conservation and energy related rebates - for capital projects requiring non-MTW funds.
- Section 8 Deferred Revenue for non-MTW vouchers – Per HUD direction, balance (\$2.4 applied to MTW Vouchers expenses for cash management purposes.
- Collateral Reserve for YT Infrastructure available 9.30.19 balance, including projects added in 2018 Committed funds: Active projects (initial Committed Funds) include Main St. Infrastructure (\$3.9M); Demo – Blk 7&8 (\$2.05M); Blk. 6 Access Dr. P-I (\$2.0M); 9th/Alder infrastructure (\$2.4). Nearly all of the funds at the right have been committed to specific projects.
- Development Reserve -- Cash available as of 9.30.19. Of the balance of \$6.75M, only \$2.02M is not already committed to specific projects. Active projects include Hinoki (\$3.5M) and Relocation (\$1.23M). Hinoki will close in early 2020 and funds for the project will move to Restricted at that time.
- Capital Committed for Scattered Site Repositioning -- Rehab (2015 Commitment) – Multi-year program of rehab of SF homes and addition of bedrooms in apartments where feasible.
- FUTURE BUILDING FUND -- FEASIBILITY Funds – The 2019 YE balance represents the \$6.0M balance shown in the original Exhibit 1 minus planning expenditures of \$194,293 during the 4thQ plus early funding of the 2020 Budget addition of \$4.1M. This is seed funding for such work as feasibility studies, concept plans, initial environmental review, condition assessments, surveys, appraisals, and preliminary initial planning for the projects such as: (1) Jefferson Terrace Major Rehab; (2) Holly Court and adjacent properties modernization; (3) Aging in Place investments for newly designated and existing elderly buildings; (4) Jackson Park Village; and, (5) development of a proposed plan, structure, and financing for a Future Building Fund.

- HomeWorks Reserves Addition -- Make a \$3.0 special capital allocation to the HomeWorks LP's replacement reserves for needed security upgrades, interior and exterior painting, interior upgrades, heating and cooling repairs, and modest exterior building repairs. 9/30/19 balance shown.
- Jefferson Terrace Rehab – This represents **early funding of SHA's 2020** Opportunity Investment in the rehab contribution to the major rehab of Jefferson, expected to begin in 2020.

Commissioner Purcell suggested due to the approximately \$10M revision that there be Board action to the revised Exhibit 1; Ms. Yapp stated that the Board was expecting the revised amounts and historically, Board approval was not required.

MTW Report Update

Policy & Strategic Initiatives Director Andria Lazaga briefed the Board on highlights of the 2019 MTW Report updates, which reports on **activities approved by HUD for SHA's** COVID-19 response efforts. **This is SHA's 20th** year participating in the MTW Demonstration, which is fortunate as it allows flexibility in local contexts. HUD has three statutory goals in program participation, which are cost effectiveness, housing choice, and self-sufficiency, so actions that we take as an MTW agency need to have a connection to at least one of these statutory goals.

SHA's MTW Annual Report follows a HUD-prescribed format which works to not have us provide information and data that HUD is already aware of. It includes information on housing stock, wait lists, and sources and uses of funding. It also includes information on how **we are meeting HUD's statutory requirements** and consists of data reflecting how successful our MTW activities are in serving in our community. For each of the MTW activities, we include quantitative metrics. It also focuses on households and units funded through the MTW Block Grant and provides additional information that show the scope of our programming outside of that funding.

SHA served nearly 37,000 individuals in 2019 (1/3 children, 1/3 elderly / disabled, and 1/3 other adults) with 86% living in Seattle; over 80% of households were below 30% AMI with a Median income \$13,116.

Waitlist data shows continued community need for subsidized housing. As of December 31, 2019:

- **Nearly 7,000 households were on waitlists for our public housing/SHA-managed project-based voucher units** (SHA uses MTW to operate these two subsidy types seamlessly in properties we own).
- **Over 2,000 households remained on our tenant-based voucher waitlist**, which has been closed since the 2017 lottery.
- **Over 1,500 households were on waitlists managed by partners for project-based voucher units**. Many of these partners receive referrals through the homeless system's Coordinated Entry for All program rather than maintaining a traditional waitlist.

SHA's MTW-funded housing stock consisted of 15,650 units funded through the MTW Block Grant. Roughly one-third are public housing units and two-thirds are vouchers. SHA also operates over 2,000 units of housing funded by HUD outside the Block Grant, such as Special Purpose Vouchers and Mod Rehab, and over 2,300 other housing units that are not funded by HUD (including tax credit and unsubsidized townhomes in SHA's redeveloped family communities).

In 2019, SHA also engaged in a number of property and security improvements to our housing stock, such as security upgrades, including ACAM systems, in SSHP, routine exterior upgrades such as painting and gutter replacement and interior upgrades such as bathroom repairs were completed portfolio-wide as needed. Scattered Sites units received significant interior upgrades as a part of planned renovation projects to the single-family homes in the portfolio, and major improvements such as elevator upgrades were completed at a number of buildings, as well as HVAC upgrades were also completed in 2019.

Activities that were approved in the 2019 MTW Plan as an additional nuance to an existing MTW Activity, consisted of disregard of student financial aid as income, incentives for positive tenant departures and housing stability, and streamlined local timelines and processes for improved leasing success. SHA has 17 continuously-approved MTW activities with about 120 related strategies, all which continue to provide SHA with flexibility to meet the goals of the MTW demonstration in 2019: cost effectiveness, housing choice and self-sufficiency.

SHA Executive Director Report

Executive Director Andrew Lofton provided the Board actions and activities that have taken place since last briefing them during the COVID-19 pandemic situation, which has been at the forefront for the past two months. Mr. Lofton made mention that on May 4, Governor Inslee signed a new order called Safe Start, which is a phased plan for the gradual re-opening of business, social and recreational activity within Washington State. The recovery plan would consist of four phases, each of them lasting a minimum of 3 weeks driven by current data and metrics surrounding the virus. SHA would be allowed to operate as an essential business, and those guidelines will instruct our recovery planning and timeline, of which we have begun. We are considering resuming LIPH leasing, and are thinking through what would be essential to be able to do so safely.

On May 11, the King County Executive and the Mayor announced that wearing masks is strongly encouraged when in public, particularly in areas where social distancing may be difficult, effective today (May 18). SHA is committed to providing masks for all employees; initially for those who are reporting to the work place now, and ultimately for all employees who return to the work place. We continue to remind employees to practice social distancing and practice good sanitizing and hand washing. We are also exploring ways we might provide masks to all residents, and was fortunate to be part of a group of PHAs to receive a large donation of masks due to a partnership with United Healthcare.

On April 24, Governor announced residential construction could continue under certain guidelines, but new construction at Yesler was largely unaffected. Asset Management has

developed a process for resuming some projects that had been placed on hold that is consistent with the Governor's directive.

Both Housing Operations and HCV have been conducting Wellness Calls to check on the well-being and needs of tenants, and early feedback suggests residents and participants are faring well and have identified small number that need referral services. We are working with our partners to connect those residents to needed services. Residents and participants are appreciative of the effort of SHA has put forth to connect with them.

JobLink's focus has switched to assisting participants who have been laid off to help them navigate the unemployment system to gain benefits. They were also able to arrange for laptops to be donated to 41 students in the program so they can continue to pursue their education and training online.

In partnership with Amazon, SHA was able to provide food delivery to 975 Senior and disabled residents in HOPE VI communities, a program that was extended through May 25. An additional partnership is underway between the agency with United Way, FareStart, and YMCA to provide food deliveries to households with children, with a goal to reach up to 3,000 households.

Commissioner Purcell then asked if there were any further questions or comments from staff, or from his colleagues on the Board. Hearing none, the May 18, 2020 Regular Session of the Board was adjourned at 6:31 p.m.

Secretary-Treasurer