SEATTLE HOUSING AUTHORITY
REGULAR BOARD BRIEFING

LOCATION	**Via Teleconference Line** **Microsoft Teams** **(206) 257-3799; Conference ID 992 347 779#** Click here to join the meeting	
DATE	**July 11, 2022, 4:30pm - 6:00pm**	
BOARD ATTENDEES	**Paul Purcell, Board Chair** **Gerald Smiley, Vice-Chair** **Sally Clark** **Robert Crutchfield**	**Dr. Paula Houston** **Rita Howard** **Twyla Minor**
DISTRIBUTION	SHA Board of Commissioners; Cabinet	

Commissioner Roll Call

REVISED AGENDA:

Briefing Items

- **Resolution No. 5247 –** Write-Offs of Delinquent Accounts (20 min)
- **Resolution No. 5246 –** 2022-2024 OPEIU Collective Bargaining Agreement (10 min)
- **Resolution No. 5244 –** Jefferson Terrace Bond Issuance (15 min)
- **Resolution No. 5245 –** Jefferson Terrace Omnibus Financing (15 min)

Commissioners roll call was given at 4:33 p.m. The Briefing was held via teleconference. Commissioners Dr. Houston, Minor and Smiley were absent from the Briefing.

Review 07/18/22 Regular Board Meeting Agenda and Updates

Resolution No. 5247 – Write-Offs of Delinquent Accounts

Executive Director Rod Brandon introduced CFO Shelly Yapp and Accounting Supervisor Chris Chatburn to present Resolution No. 5247 to the Board.

SHA policy provides for the write-off of delinquent tenant accounts receivable for tenants who no longer live in SHA housing. These write-offs occur on a quarterly basis, after exhausting all reasonable collection efforts and following 90 days of account inactivity. The total uncollectible amount is written off against a bad debt, or collection allowance account to ensure proper financial reporting. Individual account records, however, are kept in SHA's system of records to facilitate future collection and recovery and are filed, as is required by HUD, into the national electronic income verification system. These delinquencies that are outstanding must be repaid before a person can ever receive another subsidy. This is an effective system in terms of obtaining a repayment if a person wants to return to public housing or the Section 8 Program. Section 8 write-offs are different than the residential write-offs because they are misreporting their income. In this case, what is being written off is the amount the tenant owes for rent that should have been paid in lieu of subsidies.

Total write-offs for the 2021 fiscal year equal $250,800, which is made up of write-offs in four different programs: SHA Low Income Public Housing (LIPH) housing portfolios, Yesler Redevelopment, HOPE VI, and Housing Choice Vouchers (HCV)/Section 8. Resolution No. 5247 authorizes approval for the write-off of former tenant and participant accounts deemed uncollectible. Again, these delinquent payments are written off SHA accounting records but will remain open and the obligation of the former tenants/participants to satisfy their past due accounts remains.

CY 2020 vs. 2021 Write-Offs for Former Tenants, All SHA Properties + Section 8 Vouchers

Account Write-Off Elements	CY 2020 $	CY 2021 $	$ Change	% Change
Rent Roll All SHA Properties	$33,754,737	$34,318,622	$563,885	1.7%
Tenant Write-Offs – All SHA Properties				
LIPH + Non-Federal Local Housing	146,436	190,344	43,908	30.0%
Yesler Redevelopment	29,895	4,474	(25,421)	(85.0)%
HOPE VI	21,323	45,628	24,305	114.0%
Sub-Total SHA Properties	197,655	240,446	42,791	21.6%
Former Voucher Tenants Write-Offs	110,236	10,354	(99,882)	(91.8)%
TOTAL FORMER TENANT WRITE-OFFS	$ 307,890	$ 250,800	$(57,090)	(18.8)%

Resolution No. 5246 – 2022-2024 OPEIU Collective Bargaining Agreement
Mr. Brandon introduced Labor Relations Negotiator Amy Heller to the present Resolution No. 5246 to the Board.

Resolution No. 5246 authorizes the SHA Executive Director to execute the negotiated three-year Collective Bargaining Agreement, with the OPEIU Local 8 effective January 1, 2022 – December 31, 2024. The previous OPEIU contract, which expired at the end of last year (December 31, 2021), represents 157 employees in 65 different administrative and clerical job classifications. SHA began meeting with the Union in November 2022 and were able to come to a tentative agreement for this contract on May 9, 2022, with the members ratifying it on June 17, 2022.

This three-year contract contains: (1) amended contract language with gender neutrality language, deletes outdated language, standardizes terms, i.e., "calendar day" throughout the contract, and restructures the CBA so it will be easier to use; (2) includes a new transfer program, (3) extends the period for temporary employment (from 4 mo. to 6 mo.), (4) includes new telecommute language for times of inclement weather, (5) Increases the period allowed for bereavement leave, (6) creates a pilot annual leave cash out program for up to 24 hours at the end of the year. Employees will receive a 6.5% wage adjustment for 2022 (retroactive); and a base wage increase for 2023 and 2024 equal to the CPI-W, with a minimum wage increase of 2% and a maximum of 5%.

Resolution No. 5244 – Jefferson Terrace Bond Issuance
Resolution No. 5245 – Jefferson Terrace Omnibus Financing
Mr. Brandon introduced Asset Management Director Jared Cummer to present Resolution Nos. 5244 & 5245 to the Board.

Jefferson Terrace, built in 1965, is a 17-floor high-rise located right across the street from the Harbor Medical Medical Center and or the hospital. The main entrance is on the 6th floor. And then there's a first-floor entrance that comes up on the backside of the building which is from the parking lot area. There's currently 299 public housing units listed in the system, but only 274 of those are currently residential units (261 studios; 13-1-bedroom units.) The remaining 21 units are location on the 7th floor, which is the University of Washington Respite program through a partnership with UW to run on the 7th floor and then the remaining four were office spaces that were partially used by Full Life Care, who vacated the space back in March of 2021. The vast majority of the population at Jefferson Terrace are extremely low-income households, typically singles with the average household size is 1.13 people (there is only one person under the age of 18 that lives with the building.) The average age is 61. The tenant population there has been aging in place and very few of the residents have any income from wages. As a result, there are many tenants are on disability or retirement support; 43% are 65 and older and then a 60% of the total are disabled and those numbers overlap. As stated before, the households are primary made up of single person households, non-white, with males making up 60 percent of the residents, 40% of those female residents.

The 6th floor, which is the main entry into the building right across the street from the UW Hospital is where we are focusing a lot of efforts. It's not only the area where we will be bringing on additional residential units, but there's also a focus on a better experience for residents when they enter the building. Focus is also on improving the amenities and access to the amenities. Currently the community room is quite separated and off to the side. It's not well integrated with the building. The computer room is down on the 1st floor and floor, as is the laundry room, which is not a very appealing space, and both are very small. So, by moving that up to the 6th floor, we're creating more of like a resident services area and community area. Also on this floor, there's now space for case managers and for nurses that are also on site. Now that they have some dedicated space for residents, as a lot of the residents have chore workers or home health aides that help them out day-to-day. Another challenge at the building has been security, so repositioning the front desk and repositioning the entrance so that it's less of a secluded entrance and more open with more sight lines towards the entrance is in hopes of just having more eyes on the front of the building so that we can increase the security level at least at a minimum. The 7th floor access will remain its own separate entrance. Clients on the 7th floor are typically housed anywhere from a month to six months, many being homeless with drug or substance abuse issues getting assistance through the UW program as they are going through the treatment program; it's more transitional housing and then they're moved on to something permanent following this period at the facility.

Critical building systems including the roof, building envelope, plumbing and ventilation systems require substantial repair and replacement as well as additional improvements are necessary to improve energy efficiency, security, access within the building, resident units and community spaces at Jefferson Terrace and the resolutions support financing towards this rehabilitation effort. Closing is set for August 2022 with construction to begin shortly thereafter. Permitting has been completed with a three-phase construction and relocation efforts to take place during the two-year construction term.

Resolution No. 5244 authorizes the agency to issue one or more series of revenue bonds of a total principal amount not to exceed $45,000,000. The agency will then use these proceeds to makes a loan to the Jefferson Terrace LLLP, for the purpose of financing the rehabilitation of the Jefferson Terrace Apartments. SHA is the sole general partner and management agent. The total principal amount not to exceed $45,000,000 is comprised of approximately $16 million in long-term tax-exempt bonds which will mature 17 years after closing and be repaid by cash-flow from the property; approximately $29 million in short-term tax-exempt bonds that will mature 3 years after closing and be repaid from tax credit equity. The total amounts may fluctuate as interest rates in the bond market adjust, however the total issuance will not exceed $45 million. In addition, SHA will also provide bridge financing to not exceed $8.4 million for the construction.

Resolution No. 5245 is an Omnibus Financing Resolution authorizing the Seattle Housing Authority (SHA) to execute a lease with the Jefferson Terrace LLLP, make loans to the Jefferson Terrace LLLP and approve the execution and delivery of documents relating to the financing of SHA's Jefferson Terrace project. This resolution authorizes the agency to make a loan of MTW funds in an amount not to exceed $21,700,000. Of this total amount, approximately $13.3 million will be a permanent loan used to finance the rehabilitation and approximately $8.4 million can be a short-term loan to bridge the construction financing and would be repaid from tax credit equity. The determination to either issue a taxable bond to fund a portion of the short-term construction debt or use SHA funds to bridge the loan will be made in the coming month based on changes in the borrowing rates. This resolution and Resolution 5244 authorize the Executive Director to make this determination prior to closing.

Mr. Purcell then asked the Board if there were any comments pertaining to the Briefing. He asked a motion to adjourn; Commissioner Clark motioned, and Commissioner Howard seconded the motion. After a unanimous vote of Commissioners present, the July 11, 2022 Regular Board Briefing was adjourned at 5:47 p.m.

Secretary-Treasurer