

MINUTES OF THE REGULAR MEETING
OF THE HOUSING AUTHORITY
OF THE CITY OF SEATTLE
JULY 15, 2019

The Commissioners of the Housing Authority of the City of Seattle (“Seattle Housing Authority” or “SHA”) met in Regular Session on July 15, 2019, 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 5:07 p.m. Kimberly Garrett performed a roll call for Board Commissioners in attendance. Commissioners present and absent were as follows:

Present: Debbie Thiele, Chair
 Dr. Paula Houston, Vice-chair
 Emily Abbey
 Paul Purcell

Absent: Ahmed Abdi
 Robert Crutchfield
 Gerald Smiley

Public Comment

Jiro Ramji
Marguerite Richard
Susan Hill

Consent Agenda

Commissioner Thiele presented the Consent Agenda, which included approval of minutes for the Regular Board Meeting of June 17, 2019; and, approval of the Expenditure Certification Report (Authorization to Pay Outstanding Obligations of Salaries and Claims for the Period of June 1 through June 30, 2019).

Commissioner Purcell moved to approve the Consent Agenda and the motion was then seconded by Commissioner Houston. Hearing no questions or comments, Commissioner Thiele called for a vote. The Consent Agenda was approved by majority vote of those Board members present at that time (4 yes; 0 no).

Regular Agenda

Scattered Sites Conversion & Preservation

- Resolution No. 5171 – 2019 MTW Plan Amendment

Policy Director Andria Lazaga introduced Resolution No. 5171, which proposes an **amendment to SHA's 2019 MTW Annual Plan**. The proposed amendment would allow SHA to consider an opportunity to convert units in its Scattered Site portfolio from public housing to the Housing Choice Voucher program. It would serve **to communicate SHA's interest in a possible** conversion, but it does not commit the agency to moving forward. SHA held a public hearing on June 24, 2019 and accepted public comments from June 8 through July 9, 2018.

Board Chair Thiele called for a motion on the table for further discussion to decide action towards this resolution vote. Commissioner Purcell moved and the motion was then seconded by Commissioner Abbey. After further discussion, Commissioner Thiele called for a vote. Resolution No. 5171 was approved by majority vote of those Board members present at that time (4 yes; 0 no).

- Conversion & Preservation Opportunity Briefing

Finance & Asset Management Director Jared Cummer gave the board a brief refresher on **the composition of SHA's Scattered Sites portfolio (which is comprised of 711 low income public housing units located within 236 buildings, scattered throughout Seattle)**. There are difficult challenges to maintaining these properties scattered throughout the city, which results in a backlog of capital needs and less revenue generated from the properties. SHA is considering an opportunity to preserve low-income units over the long term and increase funds available to preserve units, which would provide SHA with more stable funding. This would be through Section 18 conversion.

Section 18 of 1937 Housing Act governs the disposition and sale of public housing units owned by PHAs and allows them to dispose of eligible units into a wholly owned 501c3 entity. HUD issues tenant protection vouchers for the units, and residents would still pay 30% of adjusted income.

There are 257 eligible units for the Section 18 conversion program and SHA is applying to HUD to convert funding for those Scattered Site units from low-income public housing funding to project based vouchers that will be permanently attached to those homes in the Scattered Site portfolio. This would require no change for the residents who currently live in these units. Families would not have to move, nor would their rent change, as a result of the funding conversion. Next steps would include complete assessment of eligible properties (July through to September) working with the Office of Housing, return to the Board with resident and public feedback, as well as an overview of property assessment (September), a resolution for HUD application (October) to be submitted to in November. The goal is to have HUD approval by January-February, 2020.

S.P.A.C.E. Foundation Briefing

The S.P.A.C.E. Foundation is a 5013c entity that SHA fully owns and was established in the 1986, since (under state Housing Authority law) housing authorities were not allowed to participate in affordable housing finance and development. Then, some years later, the Attorney General decided that we were unable to own this entity. So, it was proposed **with the AG's Office** and the State Auditor to change the structure of the S.P.A.C.E. Foundation board going forward to create board membership that consisted of one SHA staff member, one SHA Commissioner and two outside individuals. Those articles of incorporation, as well as bylaws, were created, but never formally filed with the State of Washington. So, the changes that were proposed via **S.P.A.C.E. were never implemented. The result was SHA's Board of Commissioners is the board** of the S.P.A.C.E. Foundation, as well as being the Board of Commissioner for SHA. The recommendation is to keep this as is, but the bylaws would need to be amended to reflect the current structure of the board, and would be to bring the resolutions previously passed by the S.P.A.C.E. Foundation to the Board (going back seven years, which is the statute of limitations period) to have the Board ratify those prior actions.

Capital Program Update

Finance & Asset Management Director Jared Cummer updated the Board on the capital program, which consists of 4 primary funding sources; MTW Block Grant funds (capital grant, HCV supplement), replacement reserves, non-federal revenues, and refinancing (tax exempt bond) proceeds. These funds will fluctuate year-to-year. The 711 properties maintained by these funds contains a total of 1028 buildings consisting of 8486 units. 3251 units are funded by MTW, 4690 are funded by reserves, with the remaining 545 are funded by non-federal funds. The Capital Budget process is as follows:

October – November

- Asset Management begins review of Capital Needs Assessments, internal reports and work order history

December - January

- Review unfunded projects from prior years
- Develop priority projects for Housing Operations consideration
- Develop Capital Budget Planning timeline and project schedule

February

- Housing Operations submits Capital Project request

March - April

- Asset Management Staff meet with Housing Operations to discuss Capital Priorities
- Present Capital Priorities to JPAC and get resident feedback

May - June

- Present Capital Priorities to Asset Management Team
- Receive final feedback from Housing Operations
- Present proposed budget to the Central Budget Office

Capital Projects are selected based on the priority system below;

Priority	Category Description
1-A	Required by Code, contract or other regulatory or contractual agreement
1-B	Safety or health of staff or residents
1-C	Needs to be addressed now to avoid greater damage and higher cost in the future
2-A	Project will improve the asset by extending its life

2-B	Project will demonstrably improve the asset by improving curb appeal, improving functionality, and/or increasing ability to generate revenue
2-C	Green Initiative - Energy Conservation
3	Project will improve work environment for staff or residents

Approximately 70% to 80% of the annual capital budget are for priority 1-A through 2-A items and the remaining budget is used for discretionary projects that improve the building based on property management and resident feedback. Mr. Cummer touched on unplanned and emergency capital work items, as well as the current capital backlog (long-range capital needs planning based on Capital Needs Assessments) of projects and a projected forecast.

SHA Executive Director Report

Executive Director Lofton invited the Board to attend concerts in the park at Yesler Terrace, sponsored by the Seattle Symphony.

SHA Voucher Utilization has continued to increase, and our MTW vouchers are at 98% utilization, with clients currently shopping for housing. We are carefully monitoring how this activity will unfold over time.

Mr. Lofton spoke to the issue of mixed income families in public housing, and the (Presidential) Administration has published a proposed rule that would change the way how individuals who are non-citizenship in our housing are treated, which we feel would have damaging consequences for some of our residents. SHA has been pushing back in this endeavor, as this condition seems to reverberate around the country, and has submitted comments along with others protesting this rule.

SHA has been selected to receive the Skyline Award for the Yesler Terrace Redevelopment Project from Seattle Business Magazine at an event to be held on August 22. The Commissioners were invited to take part to celebrate SHA's achievement.

Commissioner Thiele asked if there were any further questions or comments from staff, or from her colleagues on the Board. Hearing none, the July 15, 2019 Regular Session of the Board adjourned at 6:31 p.m.

Secretary-Treasurer