

MINUTES OF THE REGULAR MEETING
OF THE HOUSING AUTHORITY
OF THE CITY OF SEATTLE
NOVEMBER 16, 2020

The Commissioners of the Housing Authority of the City of Seattle (“Seattle Housing Authority” or “SHA”) met in Regular Session on November 16, 2020, via teleconference. Board Chair Paul Purcell called the meeting to order at 5:05 p.m. Kimberly Garrett performed a roll call for Board Commissioners in attendance. Commissioners present and absent were as follows:

Present: Paul Purcell, Chair
Dr. Paula Houston, Vice-chair
Robert Crutchfield
Gerald Smiley
Debbie Thiele

Absent: Michael Diaz
Twyla Minor

Public Comment

Summer Gray, Capitol Park Tenants Union
Natalie Weisenbaum, Puget Sound Tenants Union

Consent Agenda

Commissioner Purcell presented the Consent Agenda, which included approval of minutes for the Regular Board Meeting of October 12, 2020; approval of the minutes for the Regular Board Briefing of November 9, 2020; and, approval of the Expenditure Certification Report (Authorization to Pay Outstanding Obligations of Salaries and Claims for the Period of October 1 to October 31, 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 (4 yes; 0 no).

Regular Agenda

Resolution No. 5198 – New LLC Formation

Commissioner Crutchfield moved for consideration of Resolution No. 5198; Commissioner Thiele seconded the motion. Finance & Asset Management Director Jared Cummer presented Resolution No. 5198 to the Board and recommended adoption of the resolution.

Resolution No. 5198 authorizes the formation of a sole member limited liability company (LLC) to be used for the purposes of forming and exiting tax credit partnerships. Currently, when the Authority forms new limited partnerships for the purposes of entering into a tax credit financings, or when we exit existing tax credit partnerships, the SPACE Foundation is used as the interim limited partner with a 0.01% ownership interest. Under SHA's pending Section 18 action with HUD, the SPACE Foundation will become the fee owner of 228 units from the Scattered Site portfolio. Due to this significant change in the use of the SPACE Foundation and the total assets held by the foundation, our legal counsel advised against using this entity in the formation, or exit of limited partnerships moving forward. As a result, it was advised that we setup a new Limited Liability Company (LLC) with SHA as the sole member, which is a typical structure used by other housing authorities and non-profits that use tax credit financing. It was set up to be consistent as to follow current practice.

Hearing no further discussion, Commissioner Purcell called for a vote. Resolution No. 5198 was approved unanimously among the members of the Board present at the time (4 yes; 0 no).

Resolution No. 5199 – Sawara LLLP Formation

Commissioner Smiley moved for consideration of Resolution No. 5199; Commissioner Thiele seconded the motion. Development Director Terry Galiney presented Resolution No. 5199 to the Board and recommended adoption of the resolution.

Resolution No. 5199 authorizes the formation of the limited liability partnership (LLP) for the development of the Sawara and utilizes the entity that we are creating in the previous resolution as the initial limited partner in the entity.

Hearing no further discussion, Commissioner Purcell called for a vote. Resolution No. 5199 was approved unanimously among the members of the Board present at the time (5 yes; 0 no).

Resolution No. 5200 – Sawara Bond Inducement

Commissioner Smiley moved for consideration of Resolution No. 5200; Commissioner Crutchfield seconded the motion. Development Director Terry Galiney presented Resolution No. 5200 to the Board and recommended adoption of the resolution.

Resolution No. 5200 is a bond inducement resolution which declares the intent of the SHA to sell \$36,500,000 in bonds to provide the financing for the Sawara project. It also allows us to start capturing the cost that we are incurring currently into the project.

Hearing no further discussion, Commissioner Purcell called for a vote. Resolution No. 5200 was approved unanimously among the members of the Board present at the time (5 yes; 0 no).

Resolution No. 5201 – Yesler Disposition Application

Commissioner Houston moved for consideration of Resolution No. 5201; Commissioner Smiley seconded the motion. Development Director Terry Galiney presented Resolution No. 5201 to the Board and recommended adoption of the resolution.

Resolution No. 5201 is regarding the disposition of two sites at Yesler (as a reminder, we had a broad disposition authorized from HUD that requires the occasional update resolutions from SHA; this is requirement of that.) This disposition is related to two sites, approximately 1.78 acres of land at Yesler Terrace; one site is expected to close on December 30, 2020, and the second site is expected to close in March 2021. Commissioner Purcell inquired as to how much property is left to dispose of at Yesler Terrace, to which Mr. Galiney responded that there are two sites, currently not under contract, and two more sites that are currently under contract that are expected to close sometime in 2021.

Hearing no further discussion, Commissioner Purcell called for a vote. Resolution No. 5201 was approved unanimously among the members of the Board present at the time (5 yes; 0 no).

Executive Director Search Process

Commissioner Purcell reminded the Board of a prior discussion of the ED Search process last month, and made a point to congratulate Executive Director Andrew Lofton on his impending retirement, now that public notification had gone out upcoming departure. Mr. Lofton expressed his gratitude for the honor and opportunity of having worked at SHA and will its fine staff and Board of Commissioners. He feels incredibly thankful to have been able work with such a great

group of individuals on his journey at SHA and thanked everyone for their support and efforts to make affordable housing a reality for the people SHA serves.

Mr. Purcell spoke about a possible process for procuring a new director, and one previous discussion was whether or not the Board would do this as a committee of the whole, or as a sub-committee, which would then report to the Board on progress of the search. It appears that the most efficient way to make the process work for both the Board, as well as for the SHA Cabinet would be to have a smaller group of the Board work as a sub-committee. Then, they would report back to the Board with major decisions that need to be made, or to provide information needed to get the sub-committee through the process with the executive recruiting firm. After conferring with the Board members, Commissioner Minor and Commissioner Houston has made a commitment to work with Commissioner Purcell as a three-person sub-committee who will then report to the collective Board. Further conversation was had regarding the executive search process, including the engagement of residents, stakeholders, as well as agency partners.

Legislative Priorities

Intergovernmental Relations Director Lisa Wolters briefed the Board on current legislative priorities, centered on the federal election results, how SHA is preparing for the transition for President, Congress and at HUD, state election results, and a high-level overview of state legislative issues. She showed a map of the presidential election, which showed Biden in the lead at 306 electoral votes, and Trump at 232. There currently are calls for recounts in many of those states, but she reaffirmed that those recounts often net very few votes, and it's not expected to change the election results. All things set aside from the antics that what the current president is doing, Biden/Harris will be formally inaugurated on January 20, 2021 and Mrs. Wolters took a moment to acknowledge the historic moment that this election has presented: we now have the first female, and first woman of color, as Vice President and what a tremendous accomplishment that is.

In relation to the current Senate races, there is some place where it is still unsettled, and where the state is still outstanding is in Georgia. In Georgia, you have to get a certain percentage of the votes, or else it automatically goes to runoff, which happened in both of these Senate cases and that will take place on January 5th, which is two days after Congress is sworn in. So, if the Democrats, and there's great debate about who will get these seats; right now, the Republicans are being favored as getting these seats, thinking that without Trump on

the ticket, Democrats may not be as motivated to come out and vote. But there is lots of money pouring into this state. If there results in a 50/50 tie, meaning the Democrats pick up two seats, it would lead Vice President Harris as the tiebreaker. So, in the House, this was expected to be a Democratic landslide, and that is really not happened. The Democrats retain the majority. There are about 13 seats going to run off, and right now it's expected that the Democrats will continue to lead, but they are expecting it might be closer to 225 seats for the Democrats, with the expectation that Pelosi will remain Speaker. It's expected that you will have a Democrat. President, Vice President, a Democratic House, but you will have a Senate that could perhaps be under Republican control. And, if it is, the best case could be that it would be tied, so it will be hard to get legislation passed yet again.

Mrs. Wolters made mention of some important dates on the horizon. Just last week, Congress reconvened post-election to begin their lame duck session. So, the elections happened, but then there's still this period of time where people who lost their elections are still serving people who want, of course are staying on, and during this time the appropriation bills are still being worked on. The Senate Appropriation Bill was introduced for THUD. Just a reminder that the House version has passed and then a stimulus package is being discussed. It's unclear what will be passed for the stimulus, as the speculation changes daily. If we had to hazard a guess, we would say probably something will pass for the stimulus package, but it will not be to the level of relief that the Democrats would want, and so it's possible that something will be passed, and then something will be picked back up. The continuing resolution ends on December 8th, and it's expected that it will be renewed and there will not be a government shutdown, is what we're hearing. On January 3rd, the 117th Congress is being sworn in and January 20th is the inauguration. Because this is an important time for us between now and the transition, we are in contact with our national associations (CLPHA, NAHRO), as they are in touch with the transition teams and so lifting up now what we want to see this housing policy is looking at. Biden did release a housing plan when he was running, and there are a number of things coming out during this transition team, i.e. they know there will be a new HUD Secretary, although we have not heard anything definite yet. There's also an expectation when a new president comes into office that there is a lot of change that happens in congressional offices, so we have strong contacts with the Senate and the House offices. Often, when new staff come in, they don't come in with any housing experience. But, for us nine times out of ten we are considered an important housing authority, a key contact, and so the exiting staff we are always on the list of one of the first they call to find out about housing policy, and to use as a resource for all things housing. Ms. Wolters will be reaching

out to the offices and making contacts to determine who is staying, and who will be leaving office, and then will be providing briefings to any incoming staff and making those connections. We can't lobby, but we can advocate and educate with the goal in mind that as they're drafting legislation or they're reading an appropriations bill and they want to know the potential impacts, that they will reach out us. And then, conversely, they are responsive when we call them with a concern.

Ms. Wolters shared the results of the Washington State elections. The Democrats retained majority in the House of Representatives, and the Speaker again will be Laurie Jenkins, who we worked with last year and have a good relationship with. The Senate Majority Leader will be Pat Sullivan, and Jay Inslee won this reelection bid for Governor. WA State issues for the 2021 Legislative session include the Housing Trust Fund, an increase to the document recording fee, statewide Good Cause provisions and the preservation of Safety Net programs-Housing and Essential Needs and TANF.

Quarterly KPI Report (3rd Qtr. 2020)

Mr. Lofton introduced Policy & Strategic Initiatives Director Andria Lazaga presented to the Board Key Performance Indicators (KPIs) for the 3rd Quarter of 2020, reporting on accomplishments during the course of the quarter based upon the key indicators that we have laid out based on SHA's Strategic Plan. Despite all that has occurred due to the pandemic, SHA has continued to serve more people each quarter and up to what is believed to be the highest level ever (37,453 individuals, up 154 people from last year, and approximately 80 households). Some areas are particularly hard to measure right now, work orders as can be imagined, and numbers are really skewed right now, move-ins within target times – these are all things affected because our practice is having to be changed. 46% of the folks we serve are living in opportunity areas, and indicators for preserving and promoting high quality housing have improved, with fewer units in abatement and offline economically empowering people. This measure, unfortunately but not surprisingly is down considerable from where we'd like it to be compared to last year for the same quarter. This is one that usually gets better each year, or each quarter. So essentially, what this is telling us is that compared to the beginning of the year, for only 16% of our households have had their wage income go up by at least \$600, so not talking big dollars. Whereas, last year by this time, 25% of our households had reached that indicator. For financial health, these indicators always lag a bit for financials, but expenditures are right on track with budgeted for the timeline that we're looking at in our cash coverage which was looking good then.

As was mentioned before, SHA serves 37,453 people and that's in 18,653 households. After that averages out to about two people per household, but that varies considerable. We've got a real range, as in our households about 82% have incomes below 30% AMI, or extremely low income and the average income is about \$19,000. Our heads of household, more than half are female; and, there are some areas where the numbers don't match up because there are some households for whom we do not have data. Some of that is because some of our recent acquisitions we might not have the data from the outside managed, or some of the households we serve, for example, are through the respite program through the County. We don't ask them to provide that level of data to us. Top ten languages spoken are English, Somali, Vietnamese, Amharic, Oromo, Tigrinya, Spanish, Arabic, Cantonese and Russian. Households with children make up over one-quarter of households, but include more than half of all people served (Household Type categorization hierarchy placement order: HH with Children, Adult Only Elderly, Adult Only Disabled, Adult Only.) Race/ethnicity representation can differ at the household vs. individual level, especially for those who identify as African American/Black or White; SHA serves one-third to half of the City's African American, or Black and Native households with low incomes.

Executive Director Report

Mr. Lofton encouraged the Board to feel free to contact any of the Cabinet members with any questions they may have about the monthly departmental reports and brought to their attention follow up information and actions taken in response to Public Comments given at the September 16 Board Meeting.

Mr. Lofton reported good news and results regarding the lawsuit against HUD versus MTW Agencies. Back in 2017, SHA joined with six other MTW agencies in this lawsuit for breach of our contract and MTW agreement. This came about based upon HUD took an action that they recovered, or took a part of our reserve funds, but as part of an action to offset some appropriations. So they reduced our reserve amounts to accommodate their ability to supplement the funding for that year. In doing that, they did it without really knowing what our reserves were, and they put us in a category of light-size housing authorities, took the average of what those reserves that they could understand were and assign that amount to us to be recaptured. We didn't think that was fair, as well as a number of other agencies. So, in 2017, seven of us joined a lawsuit to recapture those monies and to sue HUD for wrongly using that approach to recapture those funds. Just this past month, we found out that the lawsuit had been settled and we were able to receive some of those dollars back to the agency (the amount they took was approximately

\$2.8M, and we, the agencies, will receive around \$1.3M after attorney fees.) That was as part of the settlement, so these will be non-federal funds that will come back to the organization. We are pleased with the outcome.

Mr. Lofton told the Board that SHA has been working with partners in order to provide residents, in particular our elderly, with free flu shot clinics at some of our properties in hope to help stave off this illness as a preventative measure for our residents. We have been working with Walgreens Pharmacy, United Healthcare, the Kelly Ross Pharmacy and International Community Health to provide these services.

Mr. Lofton invited the Board to attend a workshop to be held in January 2021 titled Undoing Racism; if anyone is interested in attending, please let him know and we will get them registered for the training series.

Commissioner Purcell then asked if there were any further questions or comments from staff, or from his colleagues on the Board. Hearing none, it was moved by Commissioner Crutchfield and seconded by Commissioner Thiele that the November 16, 2020 Regular Session of the Board be adjourned at 6:34 p.m.

Secretary-Treasurer