

## MEETING NOTES

### Resolution No. 005 – S.P.A.C.E. Foundation

Finance & Asset Management Director Jared Cummer reviewed the background of the Special Projects and Creative Energies (S.P.A.C.E.) Foundation and introduced to the Board Resolution No. 005, S.P.A.C.E. Foundation which authorizes changes to the bylaws as outlined in the Amended and Restated Bylaws of the S.P.A.C.E. Foundation.

In addition, the resolution ratifies and confirms prior resolutions passed by the S.P.A.C.E. Foundation and also preserves the S.P.A.C.E. Foundation for future use by the agency with the agency's Board of Commissioners remaining as the S.P.A.C.E. board.

### Resolution No. 5173 – Hinoki Bond

### Resolution No. 5174 – Hinoki Omnibus

Senior Development Program Manager Terry Galiney presented Resolution No. 5173 to the Board for Bond financing of Hinoki, which authorizes SHA to issue bonds in the principal amount not to exceed \$46,000,000. The bond proceeds will be used to make a loan to the Yesler Block 5.1 LLLP partnership, for the purposes of building the Hinoki Apartments.

Resolution No. 5174 is an Omnibus Financing Resolution and a companion to Resolution No. 5173, authorizing the Seattle Housing Authority (SHA) to execute a lease with Yesler Block 5.1 LLLP, make loans to Yesler Block 5.1 LLLP and approve the execution and delivery of documents relating to the financing of SHA's Hinoki Apartments low-income housing development project.

Hinoki is the fifth new construction project at Yesler Terrace and contains 139 units, of which 82 are replacement housing units. SHA will provide project-based vouchers for the 82 replacement housing units and target households with incomes at or below 30 percent of area median income (AMI). Of the remaining tax credit units, 47 will be affordable to households at or below 60 percent AMI and 10 for households at or below 80 percent AMI. The 10 units at or below 80 percent AMI are intended to allow flexibility for Yesler returning residents whose incomes exceed 60 percent AMI but want to return to the property. The composition of the units in the building will be 43 one-bedroom, 74 two-bedroom, 20 three-bedroom, and two four-bedroom apartments.

Staff expects the bonds will be issued in mid-November 2019, with financial closing occurring the following week. Construction is expected to begin by December 2019 and be completed in August 2021.

### 2020 SHA Budget – 1<sup>st</sup> Reading

Chief Financial Officer Shelly Yapp introduced the 2020 Proposed Budget Summary to the Board and gave an overview of the budget and initial briefing of Resolution No. 5176. This resolution would adopt the Combined Operating and Capital budget, which is proposed at \$322.9M and has been developed consistent with SHA's 2016-2020 Strategic Plan and our MTW Agreement, as extended. This resolution adopts a \$101.3M program operations and administrative budget; a budget of \$1.9M for Service Grants; Housing

Assistance Payments of \$124.0 million; Capital Preservation projects and non-routine expenditures of \$20.2M; Opportunity Investments of \$15.1; and, \$60.3M budget for redevelopment activities. The Proposed Budget includes 609.9 Full-time Equivalent Positions (FTEs), which is a net increase of 15.7 FTEs over 2019 and includes both ongoing and term-limited project positions with tenures of one to three years. The Budget's highest priority continues to be maintaining and updating housing stock and serving more people in need of affordable housing.

Ms. Yapp presented and discussed the charts: Base Discretionary Budget Authority – 2020 Fiscal Cliff; Bipartisan Budget Act of 2019; 2020 Fiscal Cliff Redux; SHA Budget Comparisons-2018, 2019 and Proposed 2020 Expenses and the results of the online 2020 Budget Survey.

This year's budget introduction to the Board consisted of brief presentations by Cabinet members. Ms. Yapp will come back to the Board with additional briefings for Resolution No. 5176 at the September 16, 2019 Board Meeting.

- **Housing Operations** (presented by Director Rod Brandon)  
Housing Operations appreciates the status quo budget and is excited for the continuation of initiatives:
  - keeping residents in stable housing;
  - “right-sizing” families into units;
  - advancing to next step in operations procedures with more formal training and tools for line staff: trauma informed care, mental health preparedness, and evaluation training;
  - expanding the LEAN process improvements to other departments;
  - expanding Community Services and JobLink programs: Section 3 hiring, Youth Focus at garden communities;
  - REAC Inspection program adding an additional inspector.

Both Resolution No. 5175 & Resolution No. 5176 will be formally introduced to the Board at the September 16, 2019 Board Meeting, but action in regard to both resolutions will take place at the October 14, 2019 Board Meeting.

#### 2020 SHA Annual MTW Plan: Introduction

Policy & Strategic Initiatives Director Andria Lazaga introduced SHA's proposed 2020 MTW Plan, which proposes new MTW activities, provides updates on existing MTW strategies, and provides agency projections for 2020 regarding the number of households served, waiting lists and housing stock. SHA is one of thirty-nine housing authorities across the country participating in the U.S. Department of Housing and Urban Development (HUD) Moving to Work (MTW) program, which allows the agency to test innovative methods to improve housing services and to better meet local needs. Each year, SHA submits to HUD a plan that describes activities planned for the following year.

SHA is not proposing any new MTW activities for 2020.

For 2020, SHA is proposing to make one update to existing activities, which are described in Section III of the Annual MTW Plan.

Disregard of student financial aid as income: In 2019, SHA added a new strategy to its Local Rent Policy Activity (10.H.15), which allows SHA to omit student financial aid as a source of income when calculating rent in the Housing Choice Voucher program (HUD rules already allow for this in Public Housing). For 2020, SHA is proposing to update this same strategy to clarify that the omission of student financial aid as a source of income is not restricted to rent calculation.

SHA is currently accepting Public Comment on the 2020 Proposed Budget and 2020 MTW Annual Plan through September 30, 2019 and a Public Hearing will be held on September 16, 2019 at 3:00 pm at the Central Office, located at 190 Queen Anne Ave. N. Comments will also be accepted via phone, email and U.S. Mail.

Commissioner Thiele adjourned the meeting at 5:55 p.m.

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Secretary-Treasurer