

The Annual Meeting of the Board of Commissioners was convened at 12:06 pm on Wednesday, May 18, 2005 at the Housing Authority of Snohomish County.

Present: Commissioner Anderson
Commissioner Boyle
Commissioner Goulet
Commissioner Komnick
Commissioner Vander Lugt

Excused: Commissioner Lewis

Staff: Bob Davis, Executive Director
Ann Schroeder-Osterberg, Director of Development, Construction and Maintenance
Duane Leonard, Finance Director
Manu Morgan, Tenant Based Assistance Director
Rickie Bates, Director of Administrative Services
Steve Kehler, Director of Asset Management
Pete Grodt, Policy and Programs Special Assistant
Gail Faulkner, Tenant Based Assistance Manager
Debbi Tesch, Tenant Based Assistance Manager
Jenisa Story, Administrative Assistant

Counsel: Stacey Crawshaw-Lewis, Preston, Gates & Ellis

Guest: Patty Snyder

ELECTION OF OFFICERS

Commissioner Boyle moved and Commissioner Goulet seconded to move the Election of Officers to the top of the agenda. This motion passed unanimously.

Commissioner Boyle nominated Commissioner Anderson for Chair. Commissioner Goulet seconded and the motion passed unanimously.

Commissioner Boyle nominated Commissioner Vander Lugt for Vice Chair. Commissioner Goulet seconded and the motion passed unanimously.

CONSENT ITEMS

Commissioner Vander Lugt moved for approval of consent items. Commissioner Goulet seconded and the motion passed unanimously to adopt the following:

Item B. – Approve Agenda for the May 18, 2005 Annual Meeting

Item C. – Action on Minutes of the April 20, 2005 Regular Meeting

Item D. – Resolution No. 1551 Authorizing Payment of April 2005 Expenditures

Manu Morgan introduced the two Tenant Based Assistance Managers, Gail Faulkner and Debbi Tesch. Debbi comes from Bremerton Housing Authority where she was a manager. Gail has worked in private management companies with rural and tax credit properties. The Board welcomed Gail and Debbi to the meeting.

INFORMATION ITEMS

Item E. – Development and Construction Progress Report

Ann Schroeder-Osterberg reported that on April 18th staff submitted a letter of intent to purchase Autumn Chase. This development is located in Bothell, an area where the Housing Authority does not own affordable housing property. The sales agreement is currently being negotiated with the current owner. Staff recently completed an intrusive investigation of the property to determine building condition. An evaluation will be made to determine whether the repairs needed will be cost prohibitive.

Staff is waiting to learn if the Housing Authority will receive funding for the East Terrace and Fairview new unit construction. Determinations from the State and Federal governments should come in June and the Gates Foundation will make decisions in July. No information has yet been received regarding the First Steps III program funding.

HomeSight has almost completed sales at Kokanee Creek. Construction of additional units at Thomas Place has been put on hold. The County and State SnoHome Purchase Assistance Loan portfolios were transferred to HomeSight on March 31st. Staff hopes to hear from the City of Everett regarding their loans in the next couple months. The Single-family Rehabilitation Loan Program will not reach its goal of 40 loans this year.

Work is underway at Autumn Leaf. Various projects at the Public Housing complexes are also in progress such as playground replacement, landscape improvements, and closet door replacement. The Capital Facilities department is currently planning for construction work in 2006.

Item F. – Financial Report

Duane Leonard explained the Quarterly Budget Report. The rules are changing frequently for Section 8 and it makes it hard to estimate future subsidy level. This fiscal year, the Housing Authority received more income than expected. Last year, HUD set the subsidy level at a set dollar amount per voucher. As of January 2005, HUD determined funding at a set dollar amount for the total subsidy and has allowed Housing Authorities to determine the funding level for each voucher. Currently, the number of vouchers in use is less than the allowed vouchers in order to keep costs within the set funding amount.

The Public Housing program received a higher subsidy amount than anticipated. The program is performing well financially. Revenues for the Rural Development program are on target, but the dwelling income is low. The Housing Authority received a PUD grant of approximately \$50,000 for energy improvements at the Rural Development properties. The dwelling income is on target for Craigmont. High audit charges have negatively affected the professional service budget for the complex. There is nothing of note to report regarding Soap Suds Row. Fairview is still struggling in large part due to lower rental income and evictions. The average tenant at Fairview earns half of what a tenant in Public Housing earns. This disparity accounts for the lower rental income. Woodlake Manor III is improving.

The Local Fund has lower revenue than expected. Next month, developer fees from Whispering Pines will be deposited into the Local Fund. Employee wages are well under budget.

Centerhouse remains hard to lease up and, therefore, the dwelling income is low. Professional services are over budget due to eviction proceedings and bond trustee fees. The dwelling income at Raintree Village is under budget because projected rent increases have not been put into affect. Operating expenses are close to target and appliance replacements are complete. Valley Commons has lower dwelling income and increased expenses in professional services and extraordinary maintenance. The Housing Authority has hired Coast Management to manage Thomas Place. Increased administrative expenses at the property are because of staff time spent on tenant education and window replacement. Millwood Estates is doing well. The property has received insurance money from a flood and two fires that have happened over the past year. Edmonds Highlands is starting to struggle. There has been a change in management personnel. Rehabilitation work at Ebey Arms has caused a decrease in dwelling income since it took longer to fill empty units. Aurora House and Headstart have no significant variances.

Indirect costs are over budget. Legal expenses were high due to the leasehold excise tax issue with the Department of Revenue. There were also \$20,000 in miscellaneous bank charges. Advertising costs exceeded estimates as the Housing Authority has advertised numerous job openings this year.

Item G. – Tenant Based Assistance Report

Manu Morgan reported that interim re-examinations have gone up from last month. Port move-ins have gone down. This could be due to the HAP caps of many other housing authorities.

Item H. – Asset Management Report

Steve Kehler explained the vacancy comparison report. The latest data from Dupre' + Scott shows that the rental market has improved. There is no longer much need for rent concessions. Whispering Pines in particular has made a significant turn around and is much improved.

Item I. – Administrative Services Report

Rickie Bates reported that there will be personnel manual changes at the next meeting. Elizabeth Berry will be retiring at the end of June. On June 27th, staff will be having a retirement party for Elizabeth at the Monte Cristo Hotel.

Item J. – Legal Counsel Report

Stacey Crawshaw-Lewis explained that legal representation has been needed this past month for evictions, the purchase agreement for Autumn Chase, and an offer to provide conduit financing for Housing Hope's Avondale project.

Executive Director Report

The Housing Authority is currently monitoring events in Washington, D.C. for legal changes to housing programs. New rules for Public Housing have required changes in reporting and managing the program. The Housing Authority has requested to opt-out of the public housing program. A written reply from HUD should be coming soon.

There have been a variety of problems at other housing authorities across the state. In Pasco, the city wants to remove itself from the housing authority. The Bremerton Housing Authority and the Kitsap County Housing Authority are currently in a highly volatile and public debate. The King County Housing Authority recently closed its Section 8 waiting list and only kept the top 1,000 people on the list. Approximately 4,000 families were told that their names were removed from the waiting list.

ACTION ITEMS

L. Resolution No. 1552 Adopting an Accident Prevention Program

Rickie explained that the Housing Authority does not currently have an Accident Prevention Program and one is needed. Staff anticipates that changes will be made to the program in the future.

Commissioner Boyle moved to approve the resolution. Commissioner Vander Lugt seconded and the motion was unanimously approved.

M. Resolution No. 1553 Authorizing the Executive Director to Enter Into a Housing Assistance Payments Contract for Project Based Vouchers

The following two resolutions are regarding Sound Families projects. The Gates Foundation donated \$40 million to the Sound Families Initiative to support Pierce, King and Snohomish Counties. In order to receive funding, agencies must agree to make partnership commitments. This resolution provides for project based vouchers at the Low Income Housing Institute's newly purchased Meadowdale Apartments.

Commissioner Vander Lugt moved to approve the resolution. Commissioner Boyle seconded and the motion was unanimously approved.

N. Resolution No. 1554 Authorizing the Executive Director to Amend a Housing Assistance Payments Contract for Project Based Vouchers

This resolution would provide four additional project based vouchers at Vision House in Renton.

Commissioner Goulet moved to approve the resolution. Commissioner Komnick seconded and the motion was unanimously approved.

EXECUTIVE SESSION

Commissioner Goulet moved to end the meeting and go into a fifteen minute Executive Session. Commissioner Komnick seconded and the motion passed unanimously. The meeting moved into Executive Session at 1:30 pm.

Elsie Anderson, Chairperson

SEAL

ATTEST:

Secretary