# AGENDA
## MEETING OF THE BOARD OF COMMISSIONERS
## HOUSING AUTHORITY OF MASON COUNTY
## January 18, 2023 at 2:30 PM In Mason County Health Department Conference Room on the First Floor of 415 N. 6th Street, Shelton WA 98584

Pursuant to Proclamation by the Governor 20-28.14, in person attendance to Board meetings is **temporarily restricted**. During this time, we will accept public comment and testimony using Zoom. Please click the Zoom meeting link posted on the Mason County Housing Authority homepage and use the "raise hand" feature to be recognized by the Chair to provide your comments and testimony. You can also e-mail masoncountyha2019@gmail.com; or mail in to the Commissioners' Office at 415 N 6th St, Shelton, WA 98584. These options are available only while COVID-19 Open Public Meetings Act (OPMA) meeting restrictions are in place.

1) CALL TO ORDER:
2) PLEDGE OF ALLEGIANCE:
3) ROLL CALL:
4) CORRESPONDENCE: TENANT CORRESPONDENCE
5) OPEN FORUM FOR PUBLIC COMMENT:
6) ADOPTION OF AGENDA:
7) APPROVAL OF MEETING MINUTES: 11/16/22 AND 12/21/22

8) NEW BUSINESS: – FRANK PINTER
   a) Update on SAO audit
   b) Sales Tax Exemption for WA Housing Authorities per WAC 458-20-190 recovery of $27,000 for 2019 not $14,000
   c) Status of Procurement and Personnel Policy
   d) Status on Lack of Subsidy Payments and resultant Cash-flow issues i.e., USDA has approved processing.
   e) Status of Online Payroll Processing via Gusto
   f) 2022 Financials being worked on by TDJ, CPA
9) OLD BUSINESS: – FRANK PINTER
   a) Discuss status of building maintenance and project by project update - Dan
   b) Discuss status of water damage insurance claim - Dan
   c) Discuss status of insurance claim regarding fire damaged units – Dan

10) QUESTIONS
11) EXECUTIVE SESSION Proposed sale of property.
12) Action if any from Executive Session
13) FUTURE MEETING Feb. 15, 2023
14) ADJOURNMENT
15) ATTACHMENTS: Meeting Minutes for 11/16/22 and 12/21/22. Project presentation by Dan Armstrong

If special accommodations are needed, contact the Health Department at ext. 720, Shelton #360-427-9670; Belfair #275-4467, Elma #482-5269.

# MASON COUNTY HOUSING AUTHORITY MINUTES

MINUTES OF THE REGULAR MEETING OF THE BOARD OF COMMISSIONERS OF THE HOUSING AUTHORITY OF MASON COUNTY (MCHA) HELD AT 2:30 P.M. ON **November 16, 2022**, VIA ZOOM

1. **CALL TO ORDER AND ROLL CALL:** Chair George Blush called the meeting to order at 2:34 p.m. Roll call was as follows:

| **Present:** | **Absent:** |
|---|---|
| Commissioner George Blush | Commissioner Allan Emmons |
| Commissioner Kathy Haigh | |
| Commissioner April Pooler | |
| Commissioner Dale Elmlund | |
| Randy Neatherlin, Ex-Officio Board Member | |

**Others Present**:
Dan Armstrong
Debbie Taylor

2. **PUBLIC COMMENT:** None
3. **CHAIRMAN COMMENTS:** None
4. **COMMISSIONER COMMENTS/REPORTS:** None
5. **AGENDA:** April Pooler motioned to approve the agenda and Kathy Haigh seconded it. Vote Unanimous
6. **MINUTES:** 9/21/22 and 10/19/22 Dale Elmlund motion to approve and Kathy Haigh seconded it. Vote Unanimous to approve

**NEW BUSINESS:**

a) Discuss update for State Grant Funds and Mason County ARPA Grant Funding
Documentation for the State Funds from Department of Commerce has been submitted and a contract should be coming in mid to late January 2023, the ARPA funds from the County should be received in late December 2022
b) Discuss proposed Draft Accounting Policy no comment back from TDJ CPA's office (Procurement policy to follow) Asked all commissioners to review and come back with modifications if necessary.
c) Stats of Bank Account setup
Completed at this time.
d) Discuss setting up date for Mediation - $40,000 write off by Cascade of Accounts Receivable in April 2022
Mediation is still on the table, but we will let Cascade push the timing.
e) Discuss possibility of Forensic Audit of Cascade Management prior to Mediation
It was discussed and probably too expensive to pursue.
f) Discuss going to in person Board meetings at the MC Health Department Conference room Start December 21, 2022. Notices placed at the projects for this meeting
g) Discuss status of building maintenance and project by project update – Dan
Reviewed presentation by Dan
h) Discuss status of insurance claim regarding fire damaged units – Dan
Insurance claim asking for $100K to $200K to cover reimbursement for repairs
i) Discuss the salary and promotion of Portfolio Manager to Assistant Director
It was proposed to increase the salary of the Portfolio Manager by $1500 per month. Dale Elmlund motioned to approve, and April Pooler seconded. Vote was Unanimous to approve.

7. **FUTURE MEETINGS:** The next meeting will be on Dec21, 2022, at 2:30 PM at MC Health Dept Conference Room
8. **ADJOURN**: Meeting adjourned by George Blush and seconded by Kathy Haigh at 3:15 p.m.

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# MASON COUNTY HOUSING AUTHORITY MINUTES

MINUTES OF THE REGULAR MEETING OF THE BOARD OF COMMISSIONERS OF THE HOUSING AUTHORITY OF MASON COUNTY (MCHA) HELD AT 2:30 P.M. ON **December 21, 2022**, IN PERSON AT MCPH CONFERENCE ROOM

1. CALL TO ORDER AND ROLL CALL: Frank Pinter called the meeting to order at 2:32 p.m. Roll call was as follows:

   Present:
   Commissioner George Blush
   Commissioner Kathy Haigh
   Commissioner April Pooler (via Zoom)
   Commissioner Dale Elmlund
   Randy Neatherlin, Ex-Officio Board Member

   Others Present: Dan Armstrong, Debbie Taylor, James Burnett, **Brian (did not catch surname**), Mitch Moody, Susan Shew

   2. PUBLIC COMMENT: None

   3. CHAIRMAN COMMENTS: None

   4. COMMISSIONER COMMENTS/REPORTS: None

   5. AGENDA: Kathy Haigh motioned to approve the agenda and George Blush seconded it. Voted Unanimous.

   6. MINUTES: None

   NEW BUSINESS: a) There is a little over $1 million in housing authority bank accounts at this time. ARPA grant funding from the county funded $750,000 and we are expecting approximately $200,000 grant funding from the state. The first $100,000 from the state grant funding is expected in January, and the second half is expected approximately February, March or some time close to these months. We are expecting another insurance check for $36,000 for 3 water damaged units at Kneeland Park Apartments. After an approximate 2.5 year wait from Cascade for the check to do our repairs, the insurance is now sending it to us directly so we can make the repair. Additionally, we have found that we have $115,000 in reserves at Kneeland Park Apartments that we can use for structural components, i.e. roofs, or any other aspect of the complex with necessity. There is also a reserve at the Cove Apartments of $140,000 for the same purpose. As $100,000 doesn't fully cover

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the complexes burn units, there's an estimated $10,000 remediation that insurance does not cover but now we have this reserve fund to use.

b) SAO letter, the state auditor's office has understandably grown impatient as to why Cascade is not supplying requested documents and has said they can give a demand letter and we agreed this to be a good step. In return, SAO has sent a demand letter expecting requests to be fulfilled by the end of this year or the audit will be completed without that information. Correspondence with Julie Fischel, CFO, for Cascade and she stated that they are working on it and will get all documents by December. The cutoff for response is December 31st, 2022. We have received their invoices dating back to 2014, but the state auditor requested information concerning 2017. We seem to be having issues with them getting this documentation from them, but we have provided all that we have on our end. Randy suggested to document every time Cascade cannot fulfill their obligations to the housing authority, and Frank agreed that it was a good idea.

c) Upon inquiry to the Department of Revenue, Frank has gotten response from them concerning sales tax for a Housing Authority. As it turns out, a housing authority is not required to pay sales tax. So, he inquired how to go back and get sales taxes that has already been paid, and was told he can go back up to 4 years to collect. He went back to 2019 to two major purchases, roof repair and deck work, that will bring back around $14,000 worth of sales tax from 2019. Then, he will work his way forward to collect on the other 3 years. So, going forward, of the $750,000, that gives us approximately $50-60,0000 additional dollars. Anything we would have purchased for materials is now tax exempt.

d) Approximately 2 months ago, I put forward an accounting policy that the board had reviewed. I had a few comments for modifications, and I have put in front of the board on our attachments, the final draft of the policy. I am hoping to get approval to accept that as a policy for the housing authority.

Upon review, Kathy Haigh made the motion to accept, seconded by Dale Elmlund. Voted unanimously.

e) Procurement policy we are working on – cash management policy. We are having great difficulty with getting subsidy payments, because of the transition and our inability to process documentation for HUD and USDA to have them make subsidy payments to self-managed housing authority. We have not been receiving subsidies, which is curtailing cash flow significantly. What USDA and HUD are having difficulty with is that no one on the board has any experience managing compliance for housing authority. We can take the time to learn how to do that, which we are, but given the cash flow issue, we may not have enough time to do what we need to to get us where we need to manage the housing authority in a timely manner.

There are a few options to navigate this. We have gone to a company like Cascade, who is more than happy to come on board, and it would cost us the same as what Cascade charges us. Another option is to approach a local property management company to see if they would come aboard and be in compliance, that company being Richard Beckman realty. There was a meeting on Monday to

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discuss what his proposal or what his process may be, and in that conversation, he was not much more knowledgeable than Dan nor I on the subject. Since then, Dan spoke with USDA this morning and it sounds like they are on the precipice to give us the authority to do USDA, we need to submit a management plan to them. We have submitted the management agreement they have asked for; our difficulty is that they are expecting us to have a decade of experience. As we get into that conversation, I will fight to get those subsidy payments going back to October, we will see where that falls.

Kathy asked if there has been searching done for an individual with the training who may have left in the past, to which Frank replied with his process of connections. He stated I have tried searching and have spoken to directors from Clark County and Jill Stanton from Bremerton, the difficulty is our mix of USDA, HUD and tax credit, and when I spoke with WCRA, who does a lot of financing for housing authorities their comment was you are probably the only housing authority in Washington state that has all 3, making it much more complex. With USDA, it sounds like they are getting ready to give us authority by allowing us to use their MINC software. I just received a letter today from HUD, doing the same thing with their access software which is WASS and they are asking us to contact them to get connection access so we can upload our subsidy request to them as well.
I told Richard Beckman I will get back to him and I'm going to after this meeting tell him that we discussed it and for now give us a couple of weeks. If we take Richard and start that conversation, he is already 2 months behind us in learning the process and we may end up holding a special meeting late January to see what our necessary next step might be if we don't get access for subsidy requests.

Concerning Walker Dunlop, I sent letter back to them saying sorry, yes, the payment it is late here is the reason why - we are having difficulty getting cashflow from subsidies. In fact, Walker Dunlop is helping us with this as they have a division for HUD subsidy and HUD management. They sent us a list of what to do for us to submit on our behalf to get subsidy payments.

f) Payroll processing, we are finally able to do this through gusto last month, this payroll we've set it up so you can go online instead of handing in timesheets you will put in daily hours and assign them to projects and that process will continue to move forward. I'm going to put a proposal to put a medical program together for staff, even if it is heavily supported by employee dollars. It gives employees opportunities to get insurance.

g) We've received an e-mail from Jeff Nitton regarding the garbage accumulation at Pine Garden Apartments, and he also asked when we are going to take the blue tarp down. As he asked when we are going to take care of the garbage, my answer was well the garbage is too expensive in the city, how can you help us out with the issue? Can you help us out? His answer was not "no"… So what I've told him is I will go in front of my board and ask if they want to submit a letter to council to ask for a reduction in sewer rates or an exemption from having to use mason county garbage within city limits. It turns out you cannot be a city resident and not use mason county garbage, not even to bring your own to the transfer station. They have every opportunity to change their statute to say "except for the housing authority." So, if the board directs me, I will draft a letter for the council to reduce sewer and garbage rates for housing authority. As far as garbage is concerned, we

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would buy 15-yard trailers that we would use as garbage cans and then haul them off to the dump when they are full. It is 20% of the cost. I may have to go in front of the council to explain why. Randy told Frank to be prepared for the concern of how long the trailers will sit there, and Frank said we can dump them once a week and assess and dump when needed as to not have trash sitting there for too long. Dale said he wanted to make sure we have a good handle of the disposal area as to not create any health issues, and to keep the area under camera surveillance. Kathy also stated that we will have to have an accessible setup for those who cannot lift trash high enough to dispose in a trailer. With this acknowledgment, the board voted all in favor of the motion. Accepted.

Old Business: a) Status of bank account setup - Frank was able to do bank reconciliation for the end of October and end of November, and that's what will be used for journal entries of financials.

b) Next item, Dan has a presentation he wants to put forward and continue for progress and tracking of roof and electrical repairs, water, and fire damage in units. This new progress log will be a resource of updates on what's happening and where we stand on status for maintenance, water, and fire repairs.

Dan updated that concerning USDA and insurance for fire damage, one of the biggest things we did is invested and bought all our own restoration equipment - commercial dehumidifiers, fans, inspection cameras, everything we need to do our own water mediation. An example of these resources in action is at Kneeland where a faucet shutoff valve broke, we went in with Shop-Vacs, cut carpet out, dried, dehumidified and mediated within a couple of days, a large improvement from the prior time span this would take. One of the biggest problems I've seen with Kneeland water damage from last year is the time of restoration was about 3 weeks with water just sitting there that whole time versus now with our own equipment it has taken 3 days of getting it done. I will be doing these repairs until I get that done, I got the go ahead from insurance to start doing fire damage jobs ourselves for the most part, some we will still have to contract out, same with the water damage, right now we're trying to get our turns available done and then get on to our larger projects. Cascade has not had inspections inside apartments for years, we will be bringing that issue up to the surface.

Monthly property inspections proposed by Dan, due Jan 31, 2023, prospective date of march 1, 2023 to have all that done.

**7. FUTURE MEETINGS: The next meeting will be on xxx xx, 2023, at 2:30 PM via xxxx.**

ADJOURN: Meeting adjourned by George Blush and seconded by April Pooler at 3:35 p.m.

Executive session opened at 3:42 pm.

Acknowledgement that no action to be taken per the executive session.

Motion to adjourn, seconded by April at 3:55 pm.

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MASON COUNTY
HOUSING AUTHORITY

# Pine Garden Apartments

## Emergency Plan

# Pine Garden Apartments

The overall condition of the complex is very poor. Years of neglect and unaddressed issues have left the property in a critical situation.

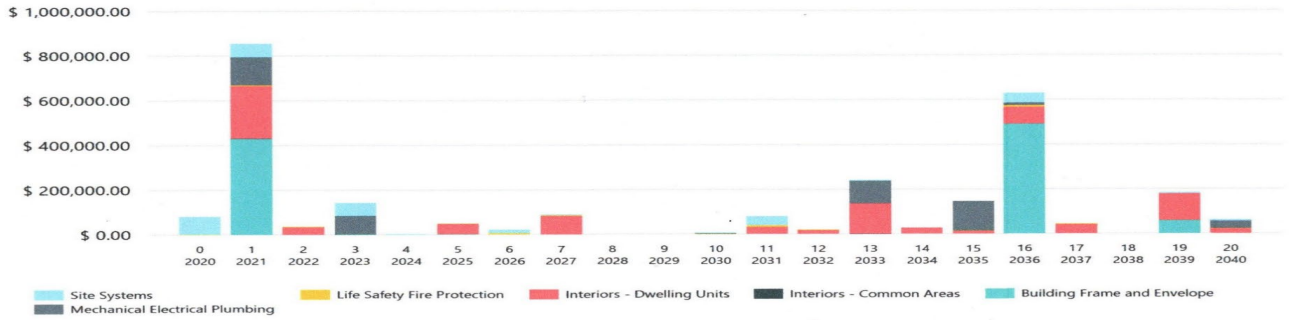
The Capitol needs Assessment Preformed by U.S. Housing on 1/14/2020

Documented that within the first two years we needed to invest over 1 million dollars to bring the overall property up to minimal standards.

**Capital Needs Assessment**
Pine Gardens

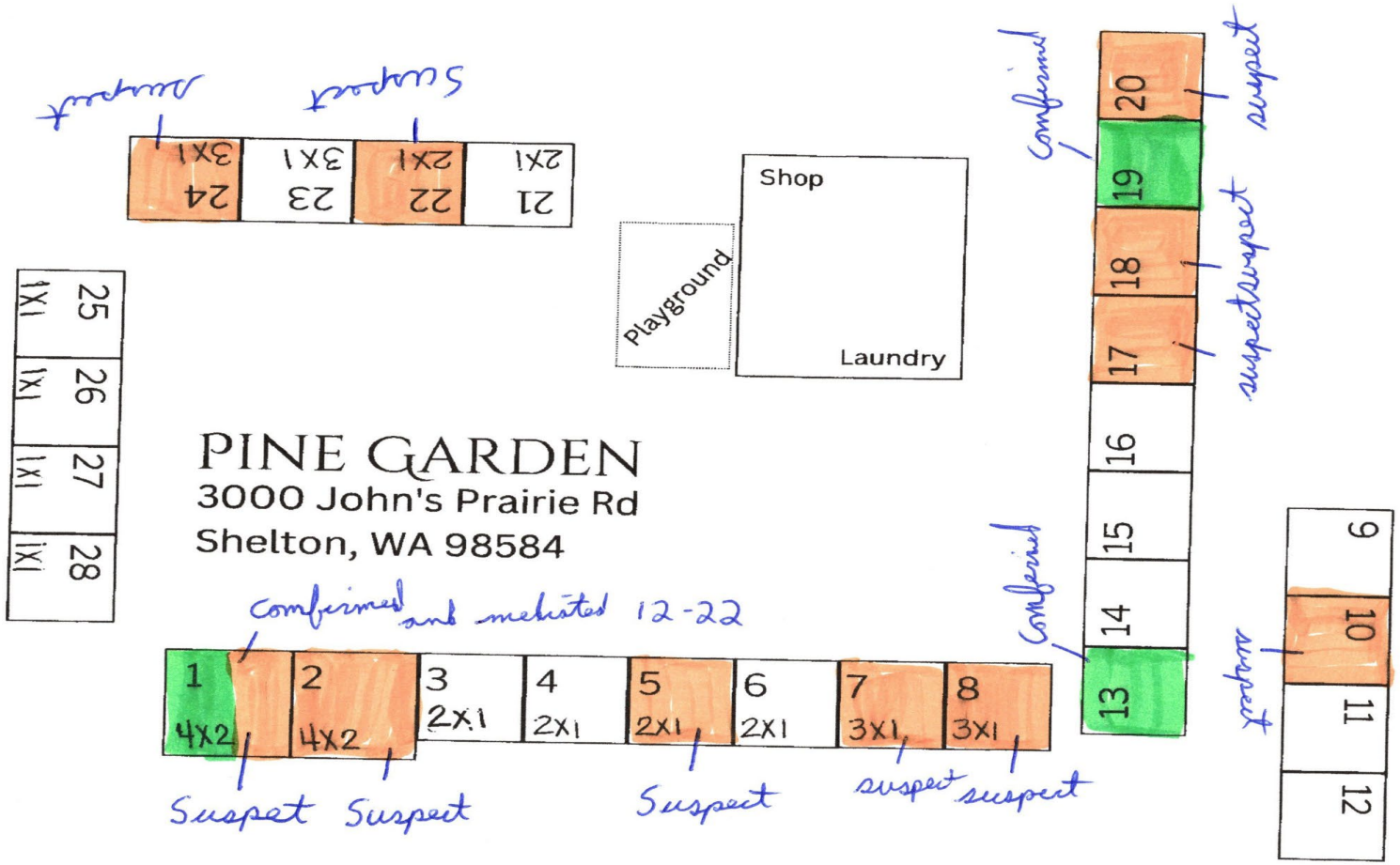
US Housing CONSULTANTS

**Capital Needs Analysis Over 20 Year Period**



# Damage and after effect of long term neglect of the facility

A. Improper venting of bathroom fans and plumbing vents even though the cause was fixed the effect was not, this has left a microbial growth problem thru out the complex.
B. Prolonged plumbing leaks due to maintenance issues not being addresses.
C. Improper ventilation, inadequate fresh air intake and outdated exhaust fans.
D. The absence of regular resident inspections of the units to address housekeeping and moisture problems


PINE GARDEN
3000 John's Prairie Rd
Shelton, WA 98584
Shop
Laundry
Playground
1 4X2
2 4X2
3 2X1
4 2X1
5 2X1
6 2X1
7 3X1
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23 3X1
24 3X1
25 1X1
26 1X1
27 1X1
28 1X1
Confirmed and mehated 12-22
Suspect
Suspect
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suspect
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Confirmed
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suspect

# List of Suspect and confirmed Units of Mold Contamination

- Units
- 1 Mediated in 12-22 ..Suspected
- 2 Suspect
- 3
- 4
- 5 Suspect
- 6 Suspect
- 7 Suspect
- 8 Suspect
- 9
- 10 Suspect
- 11
- 12
- 13 Confirmed

14
15
16
17 Suspect
18 Suspect
19 Confirmed
20 Suspect
21
22
23
24 Suspect

# Average Cost for mediation and repair Per unit

Testing $350.00

Mediation $3k-$10k

Repair $5-$10k

Average Of $10k per unit

Mediated current know units that have confirmed stachybotrys microbial growth. Place on the market for sale and remove Pine Garden from our portfolio.

# Option B

Evaluate every unit thru a mold testing company.

Once evaluated, mediate all units that test positive address those units. This would be a long process with losses in revenue. Also still leaves us with overall repairs needed in excess of 1 million dollars to bring the property to minimal standards.

# Option C

Default on the loan, turn the property back over to the lender.