

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 9:00 A.M. ON **June 24th**, AT THE MASON COUNTY COMMISSIONER CHAMBERS, 411 NORTH FIFTH STREET, SHELTON, WA 98584

1. **CALL TO ORDER AND ROLL CALL:** Chair Wallace called the meeting to order at 9:02 a.m. Roll call was as follows:

Present:

Chair Merrill Wallace
Commissioner Gayle Weston
Commissioner Jeannie Gruber
Commissioner Michael Neher

Absent:

Commissioner Carolyn Malanowski

Also Present:

Hannelore Stuart, Mason-Thurston Community Land Trust (Guest)
Tom Drake, Longview Finance Director
Wendy Pearsall, Legacy Regional Manager
Marie Seymour, Mason County Central Operations

2. **MINUTES:** Approval of the May 27th, 2010 regular meeting minutes.

Chair Wallace called for motion to approve the May 27th, 2010 regular meeting minutes. Commissioner Gruber/Weston moved and seconded motion. Chair Wallace called for question. None opposed. Motion carried.

Commissioner Neher arrived at 9:04.

3. **PUBLIC COMMENT:** Hannalore Stuart (of Mason-Thurston Community Land Trust) made a comment about low income housing pricing and that our region is much higher than others. She would like to gain support from the County Commissioners. Her goal is to contact banks with foreclosed properties and possibly use the houses for low-income renters. She explained that she is trying to educate homeowners in finances so that they may create more revenue for themselves. She reported that her organization is helping low-income homeowners with funding in home repairs and renovations. She explained that they have created a partnership with a ministry that provides free labor to homeowners. An agreement will be signed on July 12th. She is hoping that the County Commissioners will entertain the idea of advocating a needs assessment, and she has several ideas how she can accomplish that inexpensively.
4. **CHAIRMAN COMMENTS:** 1) Chair noted that everyone receiving an email from a person who thought they'd been lost on the waiting list. He reviewed the whole case that was provided through the County. It appears that this person had an application dated June 16th of 2008. VHA is now serving 2004 and early 2005, so the issue is that they're not lost, it's just that their name has not come up yet to be housed.

2) Chair Wallace reported that it appears that HUD decided that CW Capital (which holds Pine Garden financing) are the people who should be reviewing whether or not the replacement reserves should be used for the relocation. They appear to be very cautious to use the funds for this matter. Their comments seem to lean toward the fact that they didn't feel like people should be moving out to make the renovations. They also felt like the rent increase is linked with the dishwashers.

3) Chair Wallace reported on the MCHA files at PHA. There are 31 banker boxes for Pine Garden that need to be moved that are located in several different locations. The files need to be sorted and moved to appropriate areas.

Mr. Drake noted that he has a home on Arcadia that has a garage that can be used for temporary storage. The files go back to 1970, and some need to be disposed of and/or gone through. He noted that the permanent records for the corporate office could be stored in Longview.

Commissioner Gruber stated that she has a van if it needs to be used to move boxes.

Chair Wallace added that the boxes are located in several locations.

4) Chair Wallace mentioned an email he received regarding the community area at Fairmont Cove.

Ms. Pearsall explained that she spoke with Elaine, who had mentioned during a site visit that she thought it would be nice for the community to have a community area, but it was a very brief conversation.

Mr. Drake explained that they were thinking of going after USDA Community Center money that would be a loan. The plan was to create a Community Center that would house a rental office and possibly a police station. He explained that the plan came apart because the USDA program was a loan and they would have had to pay it back, but couldn't figure out where the income would come from.

Chair Wallace explained that the idea dates back to 2005. Since he's been on the board though, the idea has not been brought back up.

5) Chair Wallace spoke of comments that Dan Mahony made at the last meeting regarding the \$1,000.00 per site add-on in the bid. He feels that the language in the contract is too loose and that the bank wouldn't like it.

6) Chair Wallace commented that there is a new address for the section 8 office. He gave the new office address as 221 W Railroad Ave (Bldg. #3), the old 1912 Building on the corner. The office is operational on Wednesdays from 9:00 AM to 3:30 PM. The office rotates with different housing specialists.

5. COMMISSIONER COMMENTS/REPORTS: None

6. FINANCIAL:

6.1 Approval of Claims Certification for May, 2010

The Cove Apartments - \$20,037.29
Pine Garden Apartments - \$18,413.49
Kneeland Park Apartments - \$13,747.52

Chair Wallace called for motion to approve the Claims Certification for May 2010. Commissioner Weston/Gruber moved and seconded motion. Chair Wallace called for question. None opposed. Motion carried.

6.2 Income Statement Review-Mr. Drake reported all projects exceeding on net income from the budget. He noted a couple items, Pine Garden audit has shown up \$4,500.00. He went on to explain that he sent an allocation plan to Legacy after receiving an invoice from

the State Auditor's office. The Plan will be split up between all 4 programs, and everyone will see that next month.

Mr. Drake reported that the Maintenance/Repair contract is way over budget right now.

Ms. Pearsall explained that they put in a request for \$24,000.00 that they finally got payment on around three weeks ago that will help offset the budget.

Mr. Drake reported that the balance sheet showed large amounts of payable balances and no cash. He explained that accounts payable in 'miscellaneous' is \$43,000.00 in Pine Garden and \$11,696.00 in Kneeland Park. He would like more clarification about those dollar amounts from Ms. Pearsall.

Ms. Pearsall explained that she has contacted Paul's Electric to break down the billing statements.

Mr. Drake stated that with that exception, they are staying very well within budget.

Ms. Pearsall explained that Pine Garden paid out a lot of money with the check they received with all the outstanding payables. She added that she will double check and provide more documentation. Ms. Pearsall added that the renovations that have been done are for non-critical repairs.

6.3 **2011 Budget Assumptions for The Cove Apartments**

Ms. Pearsall reported that the major change is that maintenance repair and payroll is going up \$5,000.00. She reported that they are doing fine on a 3% vacancy loss. She also stated that the insurance is going up as well as the \$25.00 a month rent increase.

Ms. Pearsall explained that the carbon monoxide detectors need to be upgraded by 2013. For a multi-family dwelling structure they plan on getting a dual instead of trading out the fire alarm and it should be completed by the regulated time frame in 2013.

Mr. Drake commented that the Board needs to approve the rent increase at this meeting since it needs to be submitted by the end of this month.

Commissioner Weston made a motion to approve the 2011 budget for The Cove Apartments, Commissioner Neher seconded the motion. None opposed. Motion carried.

7. MANAGEMENT:

7.1 **Routine Occupancy and Property Inspection Reports** for The Cove Apartments, Kneeland Park, and Pine Garden for the month of May.

The Cove Apartments-Ms. Pearsall reported that The Cove is running well and that the residents will be partaking in an event called 'The National Night Out'. It consists of local fire department authorities visiting and sharing information on how to keep the community safe. She added that they have started gathering bids for 504 concerns for the parking lots. Becky Southworth has committed to come back and measure the grades to verify that the lot is in compliance regarding percentage of slopes.

Kneeland Park-Ms. Pearsall reported that Kneeland Park is doing OK, and that there is a new property manager named Terry Daggioth for both Kneeland Park and Pine Garden. Ms. Pearsall added that the new manager is experienced in managing properties.

Pine Gardens-Ms. Pearsall reported that they still have the one unit off line. Pine Garden is running fairly well right now and they are working on getting the renovations completed.

There was some discussion about the annual budget of Pine Gardens. Ms. Pearsall is going to verify the figures with the finance manager and will report again when that is done.

8. DEVELOPMENT: None

9. UNFINISHED BUSINESS:

- 9.1 **Pine Garden Renovation Status-** Ms. Pearsall reported that per her conversation with HUD & CW Capital there were new numbers from the contractor. She stated that they received his amended proposal and after taking out the dishwashers, they will save around \$10,000.00.

Chair Wallace explained that CW Capital wanted to have two bids, one having dishwashers and relocation and one without. He went on to explain that the wording was as such that it sounded like they weren't going to allow use of the replacement reserves for relocation. Their reasoning was because they thought the replacement reserves may be saved for future needs that may arise. They also had an issue with the \$1,000.00 per unit.

Ms. Pearsall explained that they need to pull out some units for the 85%, which is basically 4 units. She proposed that they pull out the 4-bedrooms, which there are two of and maybe some 3- and 2-bedrooms.

Chair Wallace inquired whether or not the cabinets would need to be replaced if they didn't put in new dishwashers.

Ms. Pearsall responded that yes, 85% of the kitchen cabinets and counter tops will need to be replaced. She stated she would send a breakdown of repair-type lists for all the units with costs per unit and with a total cost for the number of units for 1, 2, 3 and 4-bedrooms.

Ms. Pearsall stated that the next step will be to get the list that Genevieve has put together of the units with the most need, then determine what 85% of the units will be renovated. She then will have a meeting with CW Capital to determine whether or not they will allow funds to be used for relocation. She reiterated that she didn't see how it was possible to do the repairs without the relocation if the bank were to deny the request. She pointed out that she has been unable to find a contractor that is willing to do the renovation while people are living in the apartment.

Chair Wallace inquired whether or not the money set aside for landscaping will be held up due to the delay in the renovations.

Ms. Pearsall responded that she is going to talk to CW Capital and inquire about transferring the landscape funding to the interior repairs since that is the priority. She added that they have mostly completed the non-critical repair list. Ms. Pearsall explained that HUD is requiring a formal request for the extension and a determination of how long the

renovation might take to complete.

Ms. Pearsall reported that Mahoney & Son's proposal was for \$472,770.06 that includes all units.

Ms. Pearsall inquired whether or not it would work to pull out some of the refrigerators from the budget, so that expense would go down, since some of the refrigerators are newer anyway and don't need replacing.

Ms. Pearsall explained that she asked Mr. Mahoney if it were possible to complete each renovation in less than five weeks and he said he could probably comply and possibly commit to a shorter time line for each.

Commissioner Neher requested that the Housing Authority entertain the idea of having two meetings a month during the time that the renovations are taking place so that the Board can keep better communications of what's going on.

Chair Wallace stated that the contract they end up agreeing on needs to be signed off by the Board and that it could be done via conference call. He asked Ms. Pearsall to revise the contract and get it manageable so that they can sign.

Ms. Pearsall said that she can revise the contract today and report back to the Board when it's done.

- 9.2 **Needs Assessment Update-** Commissioner Gruber explained that she talked to Mason Matters, who wrote the grant in 2003 to conduct a needs assessment. She stated that they received \$25,000.00, and hired Common Ground to conduct the assessment. The Director Kim Klint didn't feel like another needs assessment would be helpful considering how much the cost would be to do that.

Commissioner Gruber explained that United Way had a meeting the same week and the topic was housing. She explained that there was an informal conversation about what the needs are and they all agreed that there is a huge need for transitional housing. The Housing Coalition also agreed to talk about that in further detail as well regarding the fact that they could maybe do their own assessment without hiring a formal contractor to conduct one. She added that rents are too high for the income levels in Mason County, and getting worse.

Chair Wallace added that the demographics of the waiting list (such as family size) would be helpful in the needs assessment.

Commissioner Gruber explained that they had a panel of six people that all presented their waiting lists, and each of them had a matter of years of wait. There were also providers attending the meeting waiting to hear of opportunities for their clients, and to discuss what their client's needs are. She stated that she would consider writing a grant to conduct a needs assessment through the Housing Authority. She explained that the waiting list is five years out and they have put it on hold, which means they are not taking any more applicants at this time. They also do a purge once a year.

Mr. Drake explained that the Supportive Housing Institute's main mission is building capacity in areas like Mason County. He stated that his agency participated in that two years ago and out of that they generated two new projects and it was very successful. He

will provide contact information if need be.

Commissioner Wallace explained that in the email report that he received from Bremerton they were serving people that have been on the waiting list since late 2004.

Mr. Drake explained that there is a program called the NSP that is governmental funding to buy complexes and vacant homes so they can be rehabilitated and put back onto the market.

10. NEW BUSINESS: None

11. FUTURE MEETINGS: A possible special meeting to be announced. Next meeting July 22nd, 2010

12. ADJOURNMENT:

There being no further business, Chair Wallace called for motion to adjourn meeting at 10:35 a.m. Commissioner Weston/Neher moved and seconded to approve motion. Chair Wallace called for question. None opposed. Motion carried.

Wain Kemm FOR

Executive Secretary

Chair

SEAL:

