

## 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 **August 26th**, 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 Carolyn Malanowski

**Absent:**

**Also Present:**

Wendy Pearsall, Legacy Regional Manager  
Tom Drake, Longview Finance Director  
Marie Seymour, Central Operations

2. **MINUTES:** Approval of the July 22<sup>nd</sup>, 2010 regular meeting minutes.

**Chair Wallace called for motion to approve the July 22nd regular meeting minutes. Commissioner Weston/Gruber moved and seconded motion. Chair Wallace called for question. None opposed. Motion carried.**

3. **PUBLIC COMMENT:** None

4. **CHAIRMAN COMMENTS:** Chair explained that next month will be the end of the fiscal year for Pine Garden and The Cove apartments. Kneeland Park's fiscal year ends on December 31<sup>st</sup>. At last month's meeting accounts payable was discussed, and the Chair hopes that Ms. Pearsall and Mr. Drake have gotten together and communicated regarding that. He added that the Commissioners should discuss whether or not the levels of communication are appropriate with Legacy since there hasn't been much. He added that some sort of email update periodically would be beneficial.

Ms. Pearsall arrived 9:06

5. **COMMISSIONER COMMENTS/REPORTS:** None

6. **FINANCIAL:**

- 6.1 **Approval of Claims Certification for July.**

The Cove Apartments - \$24,642.65  
Pine Garden Apartments - \$19,345.53  
Kneeland Park Apartments - \$10,587.75

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

- 6.2 **Income Statement Review-**Mr. Drake commented on the income statement and said that

ten months into the year things are looking good. He mentioned that he has not had a chance to talk to Ms. Pearsall regarding the accounts payables. Most of the revenues are at or above expectations and expenses are at or below expectations. He feels this shows good operations financially from Legacy. He added that the only concern he has is that the operating reserves are nonexistent on several of the properties. He worries that if something happens, the reserves are not sufficient. He advises for those funds to be used very conservatively.

Commissioner Weston inquired as to what was the best way to control the expenses to help.

Mr. Drake responded that it could be done several ways. 1) A way to make money could be thought up to build up the reserve. 2) Each year a tight control could be put on expenses, however, this way would take a good many years to build up sufficient reserves. 3) Or a grant source could be found, but is less likely with the state or county since budgets are so tight right now. Mr. Drake added that the local group was approached in the past regarding the four units in Pine Gardens, and might be something that needs to be tried again next year. He added that raising the rents in those four units could be sufficient enough to help raise additional income that could be added to the operating reserves.

Mr. Drake reported that the balance sheet reflects Pine Garden and Kneeland Park to both have \$1000.00 a piece.

Chair asked for clarification on some of the items on the operational reports and claims certification, and a discussion took place to clear up some questions.

## 7. MANAGEMENT:

### 7.1 **Routine Occupancy and Property Inspection Reports** for The Coves, Kneeland Park, and Pine Garden for the month of July.

**The Cove Apartments-** Ms. Pearsall reported that The Cove apartments are running well. They just started working on sidewalks and completing the 504 capital improvements and will be done by September. The three vacancies will be filled by the 31<sup>st</sup> of August and the two that were evictions were totally trashed. Drywall damage was extensive so it is taking maintenance staff a while to get all of the repairs complete.

Mr. Drake commented that the security deposit was collected, but it is difficult to collect anything in excess of that because the tenants are out of the building and don't usually leave a forwarding address.

Ms. Pearsall explained that they send the tenants to collections in cases like this, and the tenants usually end up making payments in those sort of instances. She added that inspections are done, but even when done biannually, with the rate of speed the violations take place, they are hard to catch sometimes.

**Kneeland Park Apartments-** Ms. Pearsall reported that it had three vacancies, two of which are waiting for final screening verifications on so they can be moved in. This will leave only one vacant. They just had an inspection on Wednesday that went really well, and weren't many findings beyond pressure washing and moss on the roofs. She reported that Kneeland Park has just had new beauty bark installed so the landscaping looks good.

Commissioner Gruber inquired how the new manager Terry Daggett is working out.

Ms. Pearsall explained that she isn't doing badly but lacks confidence within herself and needs extra support. She explained that she isn't sure that Ms. Daggett is going to stay.

**Pine Garden Apartments-** Ms. Pearsall reported that the two market rate units are still offline for the rehab, but are ready and cleaned. The landscape has also been re-beauty barked. Unit 19 tenant walked out in the beginning of August, but the unit is turned and they are screening right now for a new tenant.

Chair Wallace inquired about the playground equipment at The Cove.

Ms. Pearsall responded that per the insurance inspection, it was required that wood chips and borders be applied to the playground area along with accessibility walk area as well.

**8. DEVELOPMENT:** None

**9. UNFINISHED BUSINESS: Pine Garden Renovation-**

Ms. Pearsall reported that she received an email from CW Capital and they are requesting a narrative plan explaining how the work will be done, how the residents will be moved around during the rehab, and how the costs had been calculated. She reports that on August 25<sup>th</sup> she did submit the last item that they requested (calculated costs) and also forwarded the information to Dan Mahoney (contractor) and Bill McTurnal (relocation vendor) so that they can provide the information to CW Capital regarding the first two items.

Chair Wallace commented that there was some concern at the last meeting whether they would be able to work with the vendor Mahoney & Sons. He inquired if things seemed better with the vendor.

Ms. Pearsall explained that when she last spoke with Mr. Mahoney, he explained that he's been very busy so would like a time frame for the work to start.

Ms. Pearsall explained that she has provided HUD with all of the information they have requested, but they keep requesting more. At the moment, she is caught up with their requests, but that they may ask for more information still. She explained that she sent the detailed breakdown to Nancy at HUD on the 19<sup>th</sup> of August.

Commissioner Weston inquired whether or not there was an extension that can be requested.

Chair Wallace responded that they are already past the extension date that was set in March and his understanding is that once they approve it then the work has to be done in a 12-month time frame.

Chair Wallace voiced his concerns about having two units offline without tenants right now and how it will impact their budget since they aren't receiving funds right now for them. The units are being held open in readiness for the relocation during the rehab.

Ms. Pearsall has been watching the budget very closely for any danger signs of that happening. She believes a decision needs to be made regarding the approval from CW Capital and whether or not they should get both or only one unit back on line.

Commissioner Gruber suggested that Ms. Pearsall include in her correspondence a time

line for response from CW Capital to respond.

Chair Wallace suggested that if they don't respond in two weeks, to go ahead and get at least one unit back online.

## 10. NEW BUSINESS:

- 10.1 **Kneeland Park OID #94-32P, Summary of Post Year-15 Monitoring-Board Approval-**  
Mr. Drake reported that coming up is the 15-year compliance period is expiring for the tax credits dealing with the housing finance commission. His recommendation is to get in on the streamline. Mr. Drake hoped that Ms. Pearsall was in favor of that idea as well.

Ms. Pearsal agreed.

Mr. Drake went over the documents in the packet "Exhibit A", Re: Kneeland Park OID #94-32P. Mr. Drake is going to contact Key Bank regarding tax credits to confirm before they distribute the forms.

- 10.2 **Summary of Post Year-15 Monitoring-Board Approval-**

A discussion took place regarding the original owners and how the changes took place throughout the years.

Mr. Drake reported that he knows that they could go back for another allocation of tax credit at 3% tax credit, which would mean going through another 30-year period. The next tax credit cycle could be done in December and would mean January allocation. He added that they would need to spend an additional \$5,000.00 – \$10,000.00 a year on renovation to Kneeland Park properties.

Mr. Drake added that there is a development staff in-house, and he could have them take a look at the financials and the deal and discuss the possibilities next month.

**Chair Wallace called for motion to approve the execution of document OID #94-32P to streamline post year –15 monitoring procedures for Kneeland Park. Commissioner Weston/Gruber moved and seconded motion. Chair Wallace called for question. None opposed. Motion carried.**

Mr. Drake reported that he would be receiving 84 boxes in his garage soon. The original number of boxes was supposed to be 30, but some of the boxes are labeled 'Jefferson County' and it is unsure whether or not it is a labeling issue or not.

Chair Wallace explained that they found boxes scattered over at least three locations that they have no room for so need to be shipped out and stored in a new location. It is understood that everything needs to be purged and stored in Mason County facilities storage.

Ms. Pearsal explained that she has an amendment agreement for all three properties that needs to be signed by the Board.

Chair Wallace asked if there would be time for an opportunity to read the amendment.

Ms. Pearsal explained that she hadn't had a chance to read through it herself having just received it a few days ago.

Chair Wallace responded that they would be glad to add it to the September agenda. He asked if she could email it to the Board so that they could have a chance to review it. He added that it is very frustrating to not be able to communicate with Legacy and hoped that the issues with email and communication would have gotten fixed by now and states that he still has not gotten the information for Pine Garden that was sent out to HUD.

Ms. Pearsal explained that there is nothing she can do on her end, and that everything she tries to send out gets rejected. She added that she has exhausted her avenues as far as asking management to help fix the technical issues of communication.

Chair Wallace added that he would be happy to speak with Ms. Pearsal's boss about the technical issues if she would like so that it may get fixed.

Ms. Pearsal responded that she thought that would be helpful, and that the way she usually gets info to the Chair is by routing things to Mr. Drake to forward on. She added that she could put the information in the mail if all else fails.

Commissioner Weston added that it would be helpful if Legacy give more frequent updates even if the information was that they were waiting for a response from HUD or CW Capital. She added that communication on a weekly basis would be ideal from Legacy regardless of what information, (or lack of) is available.

Chair Wallace reported the contract with Legacy is three years long, but there is a way to terminate early.

Chair Wallace mentioned that there have been no applicants for the open position on the Board and that it would be nice to get someone with a history of real estate management skills.

Marie Seymour will look into getting the position re-posted and advertised appropriately.

Mr. Drake mentioned that the Renter's Association for Thurston County meets tomorrow (August 27<sup>th</sup>) and that there are knowledgeable people that would qualify for the Housing Authority Board that will be there and interested.

**11. FUTURE MEETINGS:** September 23<sup>rd</sup>, 2010.

**12. ADJOURNMENT:**

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

*Marie Seymour* FOR  
Executive Secretary

*[Signature]*  
Chair

SEAL:

