

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 **October 28**, 2010 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:

Tom Drake, Longview Finance Director
Wendy Pearsall, Legacy Regional Manager
Marie Seymour, Central Operations
Christina Pegg, Executive Director, Longview Housing Authority
Jan Notten, Community Action Council
Brian Sanda, Community Action Council
Robert Schraeger, Legacy Management

2. **MINUTES:** Approval of the September 30, 2010 regular meeting minutes.

Chair Wallace called for motion to approve the September 30, 2010 regular meeting minutes. Commissioner Weston/Malanowski moved and seconded motion. Chair Wallace called for question. None opposed. Motion carried.

3. **PUBLIC COMMENT:** None

4. **CHAIRMAN COMMENTS:** None

5. **COMMISSIONER COMMENTS/REPORTS**

Commissioner Gruber commented that there was a proposal made for the Housing Authority for funding to the Housing Coalition that was one of three in that particular category. Some of the discussion was tabled for a meeting in mid-November, but it looked good for the Housing Authority to get the whole amount of the funding requested.

6. **FINANCIAL:**

- 6.1 **Approval of Claims Certification for September 2010.**

The Cove Apartments - \$45,820.71
Pine Garden Apartments - \$18,443.29
Kneeland Park Apartments - \$9,583.43

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

- 6.2 **Income Statement Review-** Mr. Drake went over the Income Statement for The Coves and Pine Garden. The Coves budgeted for a loss but, at the end of the year came out with a

positive \$3,900.00. Pine Gardens was budgeted for a \$75,000.00 loss, but only had a \$71,000.00 loss. Those losses include depreciation. Kneeland Park did not do as well as anticipated this year. He is waiting for a call back from Anchor Bank to discuss debt service coverage for Kneeland Park. Properties are proving to be doing better than last year. Pine Gardens and Kneeland park don't have any substantial reserves, so he is concerned that if there was a major disruption in funds he would be worried about the continued operation of the two properties. Pine Gardens has \$378,000.00 set aside for the Capital Improvements that is still in the bank. The Coves has around \$100,000.00 in cash between reserves and operations.

Mr. Drake reported that Bloom/Loveridge would be sending the final audit report of Pine Gardens soon.

Mr. Drake discussed the Kneeland Park 15-Year Tax Credit that expires next year in 2011.

7. MANAGEMENT:

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

The Coves: Wendy Pearsall reported that the capital improvements have been getting done and the handicap areas are being addressed.

Kneeland Park: Ms. Pearsall gave an update on vacancies, there being one unit on vacant reserve with a move in date of November 1st that has a section 8 voucher. She stated that a new site manager had been hired on the 13th of October that will be living on site.

Pine Garden: Ms. Pearsall reported that unit 25 has a move in date of October 29th, unit 19 moved in on October 27th, and unit 13 and 17 have move in dates of October 29th and unit 28 is on notice to vacate.

8. DEVELOPMENT: None

9. UNFINISHED BUSINESS:

- 9.1 **Pine Garden Renovation Status-**Ms. Pearsall reported no change. They are still waiting for HUD to sign off for the relocation funds to be used.

- 9.2 **MCHA 2011 Budget Approval-Resolution 2011-01 (Exhibit B)-**Mr. Drake went over the 2011 budget in detail.

Ms. Pearsall explained reserve funds.

- 9.3 **MCHA Real Properties-potential disposition-**Discussion.

- 9.4 **Discussion on Possible Transfer of Properties-**

Mr. Drake commented that he received a call from Community Action Council expressing their interest in acquiring the properties.

Jan Notten, Community Action Council explained that they have long been interested in establishing housing projects with Mason County, and they also have a working relationship with Legacy.

Mr. Drake commented that the Board is only interested in making a transfer of properties, not making a sale and purchase transaction.

Robert Schraeger, Legacy Management, commented that Legacy does not own any properties, but manages around 150 properties currently that are all affordable housing except two. Their mission is to manage affordable housing and they have an extremely close relationship with the Community Action Council organization. He reported that after managing the properties for over a year now there have been big improvements on the properties.

Chair Wallace commented that the curb appeal has improved, but believes there are still issues such as the tax credit and not making debt service coverage. He added that they always seem behind as far as accounts payable, spending a lot on administration of the properties. He added that they had similar financial problems when they had their former management agent. He hopes to improve both the sites and the management.

Mr. Schraeger responded that they will have to do much more exploring of the idea and get more people from Legacy involved to look at the different options.

Mr. Drake commented that any transfer with USDA would take a year. He stated that he didn't know of any restriction if an owner was either for or non-profit. He added that the regulatory agreements would stay in place.

Chair Wallace stated his concern regarding the real estate tax exemption that might not be available any longer.

Mr. Drake responded that there is the option of doing the annual application for affordable housing for the State. It requires a certain percentage of the residents as affordable tenants.

Mr. Drake stated that his evaluation is that the projects are all doing better than they were, but are chronically short of cash and they have no reserves. He added that the Housing Authority Board lacks members with broader experience and onsite personnel. He feels that either of the groups interested in the transfer will be equipped to solve some of those problems and bring in additional cash and instant onsite management to make decisions and each have background experience in all three of the regulatory environments. It would free up the Housing Authority Board to further its mission. He added that whichever way the Board decides to go, would take six months to a year to accomplish, even with a transfer.

Commissioner Gruber asked Community Action Council how they would make a transfer of properties work financially.

Jan Notten, Community Action Council, explained that overhead is extremely low, so they don't have overhead issues that the Housing Authority does. They have been able to work with Legacy to bring in extra funding, and that they also require an onsite manager (that run through Legacy). She feels that this will help retain tenants. They also have their own general contractor.

Brian Sanda, Community Action Council, commented that with being their own general contractor, they have several weatherization contracts. Affordable housing gets funding from a variety of different sources including grants.

Chris Pegg, Longview Housing Authority, gave a history of Pacific County and how they have managed their properties. The Pacific County Housing Authority is a joint Housing Authority consisting of 2 Board members from Pacific County, City of Raymond, City of Long Beach and the City of Ilwaco, with Longview Housing Authority being the staff for the

organization. She reported on all of the projects that have taken place recently in Pacific County and how well they are doing. She suggested that the Board would consider contracting out with other entities to do the type of work needed, and that hiring for-profit developers could do development. She offered to share any of the Pacific County Board member's names and contact information with the Board.

Chair Wallace gave a history of how the Housing Authority came to be the owners of the properties.

Chair Wallace inquired whether or not Longview Housing Authority is interested in owning properties outside of their service area.

Ms. Pegg responded that she would have to make sure that it would work with Longview first before they made a decision.

Chair Wallace asked if the Longview Housing Authority would assume the administrative duties of the Mason County Housing Authority.

Ms. Pegg responded that they are very open to whatever would work for both organizations.

Mr. Drake commented that as long as the Housing Authority mission is being met, it's not important to own the properties.

Mr. Drake commented that with the guests present the next step in the process is to have Community Action Council submit a letter of interest and make a proposal.

Chair Wallace called for motion to approve and adopt resolution 2011-01 (Exhibit B) Mason County Housing Authority Budget for fiscal year 2011 for The Cove Apartments and Pine Garden Apartments. Commissioner Malanowski/Gruber moved and seconded motion. Chair Wallace called for question. None opposed. Motion carried.

10. NEW BUSINESS:

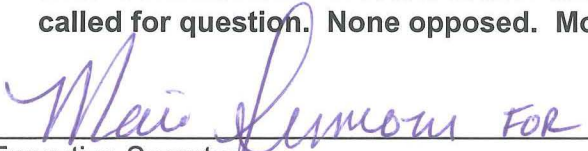
- 10.1 **Community Land Trust request for Rental Project assistance from the Housing Authority**-Chair Wallace explained the Land Trust for Mason County is suffering from lack of Board members. They have requested the Housing Authorities participation by means of administrative assistance for writing proposals and similar duties.

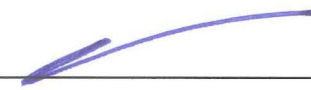
Commissioner Malanowski commented that the project seemed to still be in the beginning stages of planning and hopes for it to become more developed and concrete as time goes on.

11. FUTURE MEETINGS: Wednesday, December 1, 2010 @ 9:00am.

12. ADJOURNMENT:

There being no further business, Chair Wallace called for motion to adjourn meeting at 10:22 a.m. Commissioner Weston/Gruber moved and seconded to approve motion. Chair Wallace called for question. None opposed. Motion carried.


Executive Secretary


Chair

SEAL:

