

## 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 May 26, 2011 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 9:00 a.m. Roll call was as follows:

**Present:**

Chair Merrill Wallace  
Commissioner Jeannie Gruber  
Commissioner Carolyn Malanowski

**Absent:** Commissioner Gayle Weston  
Commissioner Karen Monroe

**Also Present:**

Tom Drake, Longview Finance Director  
Hannelore Stuart, Community Land Trust  
Britta Creed, Clerk of the Board

2. **MINUTES:** Approval of the April 28, 2011 regular meeting minutes.

**Chair Wallace called for motion to approve the April 28, 2011 regular meeting minutes. Commissioner Gruber/Malanowski moved and seconded motion. Chair Wallace called for question. None opposed. Motion carried.**

3. **PUBLIC COMMENT:** Ms. Stuart, Mason-Thurston Community Land Trust. Ms. Stuart talked about the 523 Self Help Housing Program. Apparently there is a contract with Kitsap County and the Housing Authority. She requested the contract be canceled so her group can implement the program in Mason County and receive assistance from the Rural Housing Association in Olympia.

Chair Wallace believes the agreement is not with the Housing Authority. He recommended moving this item to Item 10, New Business, on the agenda to discuss further.

4. **CHAIRMAN COMMENTS:** Chair Wallace presented Karen Monroe as an official a Housing Authority Commissioner. She isn't present today but will be for future meetings.

5. **COMMISSIONER COMMENTS/REPORTS:** Land Trust Self-Help Program.

Cmmr. Gruber was curious why Habitat For Humanity doesn't get involved in the self-help program.

Mr. Drake and Chair Wallace discussed the self-help program

6. **FINANCIAL:**

- 6.1 **Approval of Claims Certification for April**  
The Cove Apartments - \$28,344.47  
Pine Garden Apartments - \$20,994.64  
Kneeland Park Apartments - \$12,778.65

**Chair Wallace called for motion to approve the Claims Certification for April. Commissioners Gruber/Malanowski moved and seconded motion. Chair Wallace**

**called for question. None opposed. Motion carried.**

**6.2 Income Statement Review**

Mr. Drake reported that Kneeland Park is doing reasonably well with the exception of more vacancies, damage/cleaning fees, bad debt write-offs, which is higher anticipated.

Mr. Drake also reported that Goldsborough Cove pays sewer utilities. Only thing out of line is bad debt tenant rents.

Mr. Drake noted that Pine Gardens appliances and floor coverings are \$8,000 over budget which is part of the renovation process and should be reimbursed.

The balance sheets for Pine Gardens and Kneeland Park are low in cash. He mentioned the liabilities section for Kneeland Park accounts payable is \$39,000 tenant security deposits and prepaid rents. Claims report has nothing unusual.

**7. MANAGEMENT:**

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

**The Coves** – Chair Wallace stated that out of 60 apartments, 4 units out there and 1 to vacate. They have had 11 vacate notices and 12 ten-day notices. Renting properties for RD inspections in July.

**Kneeland Park** – Chair Wallace stated that there is 100% occupancy and good wait lists for all apartments.

**Pine Gardens** – Chair Wallace reported 100% occupancy for all 28 units.

**8. DEVELOPMENT: None**

**9. UNFINISHED BUSINESS:**

**9.1 City of Shelton Request for Access to Fairmont Property Sewer Project** – Chair Wallace mentioned that the city is going to replace and run liners in all sewer lines over a 14-month time frame. It is already under way. Chair Wallace will have a conversation with Wendy Pearsall will sign paperwork to go forward and take pictures of the property ahead of time.

**9.2 HUD response from audit of Pine Gardens** – Mr. Drake stated that HUD took a very narrow approach on the audit. Will need to repay Pine Gardens \$3,150 which will come out of the local fund. A solution is to make Mr. Drake an employee for the same amount and he will become an employee of the project. Longview would pay the taxes and invoice the properties for the gross payroll. Properties will contract through Mr. Drake.

**Chair Wallace called for motion to approve Tom Drake to be an employee of Pine Gardens, Cove Apartments and Kneeland Park effective October 1, 2010. Commissioners Gruber/Malanowski moved and seconded motion. Chair Wallace called for question. None opposed. Motion carried.**

**9.3 Kneeland Park tax credit partnership update**

Mr. Drake said that he hired Mark Kantor, Attorney with Kantor Taylor, to prepare an agreement with KeyBank to dissolve the KeyBank partnership interest. Mr. Kantor is preparing a letter to sell the partnership interest for \$1.00 to the Housing Authority. To avoid \$26,000 in excise taxes, Mr. Kantor is suggesting is to buy out the limited partnership for \$1.00 and become the sole partner in the partnership. Once that is complete, dissolve the partnership and the Housing Authority becomes owner of the property. The Housing Authority will need to pay off existing debt of which he discussed in detail. There will be a bill coming for about \$3,000 in the future.

## 10. NEW BUSINESS:

### 10.1 **Request from Hannelore Stuart, Mason Thurston Community Land Trust - Self Help Program Mason County.**

Chair Wallace stated this is in reference with the agreement contract with KCCHA (Kitsap Housing) which was signed the 29<sup>th</sup> of September, 1998 and it's a developmental service agreement which allowed the two housing authorities to develop projects in Mason County. These were services that had nothing to do with the self-help program. There may be another MOU to allow Kitsap Housing to help clients in the self-help program in Mason County. When he did some checking with Rural Development, they said the state office controls the appointments.

Mr. Wallace stated that the self-help program pre-dated in that particular agreement. Kistap was doing self-help before the agreement in Mason County.

Ms. Stuart asked about getting the community land trust designated geographically.

Chair Wallace doesn't think it has anything to do with the Housing Authority. If there is an agreement with Rural Development, they aren't involved with it. Rural Development sets up what areas can be served by the vehicles.

Ms. Stuart stated that she started with Rural Development in Olympia. They said that Kitsap Consolidated Housing people are designated.

Chair Wallace mentioned that state office designated them.

Ms. Stuart said that they didn't.

Mr. Drake said way back when, Kitsap did go to USDA and ask for a grant. That is where the funding came from. He's not sure if Kitsap is even doing self-help anymore.

Chair Wallace stated that they are. They have branched out and selling single family homes for under \$200,000 under the self-help program.

Ms. Stuart said that she was told that she cannot get help to initiate a program if she doesn't have any cancellation/evidence that Mason County is "up for grabs".

Chair Wallace said they have never paid anything for self-help.

Mr. Drake suggested that she needs a letter from Kitsap Housing saying that they no longer operate such a program in Mason County.

Ms. Stuart would like the support of the Housing Authority Commissioners as a local program.

Chair Wallace suggested inviting Kitsap Housing at a meeting to update on what they are doing with mutual self-help. He also said he can work with them to see exactly what needs to be cancelled.

Ms. Stuart said that she will check with Rural Development to get supporting documents for the contract/agreement in which she is trying cancel.

**11. FUTURE MEETINGS:** June 23, 2011

**12. ADJOURNMENT:**

There being no further business, Chair Wallace called for motion to adjourn meeting at 10:04 a.m. Commissioner Gruber/Malonowski moved and seconded to approve motion. Chair Wallace called for question. None opposed. Motion carried.

\_\_\_\_\_  
Executive Secretary

\_\_\_\_\_  
Chair

SEAL:

