



**Peninsula Housing Authority**  
*Serving Clallam and Jefferson Counties*

**Board of Commissioners**  
**REGULAR BOARD MEETING MINUTES**  
Wednesday, January 18, 2017 at 1:00 p.m.

The Public is invited to attend the Regular Meeting of the Board of Commissioners at:  
Wednesday, January 18, 2017 at 1:00 p.m.  
Clallam County Courthouse – Commissioner’s Meeting Room  
223 E 4<sup>th</sup> Street  
Port Angeles, WA 98362

**CALL TO ORDER**

The meeting was called to order at 1:01 p.m. by Commissioner Weed.

**ROLL CALL**

Present were: Commissioners Weed, Lindholm, Rymph, Tinker, Turner, Koelsch, Shusterman, and Teal. Staff members present were Executive Director Kay Kassinger, Legal Counsel Allison Mahaney, Comptroller Annette Dotlich, and Executive Administration Specialist Minna Angevine. Meagan McFarlane, Susan Steiner and Melody Schnieder from the State Auditor’s Office.

**REQUEST FOR ITEMS TO BE ADDED TO THE AGENDA**

None

**COMMENTS OR QUESTIONS FROM THE PUBLIC ON AGENDA**

None

**ENTRANCE CONFERENCE WITH WASHINGTON STATE AUDITOR’S OFFICE**

Meagan McFarlane reported that the State Auditor’s office has been on site at the Peninsula Housing Authority conducting the annual audit for Fiscal Year 2016. The Auditor’s Office will be conducting an accountability audit on the Housing Authority for the fiscal years 2015 and 2016 as this is required every two years for compliance. Ms. McFarland stated that the accountability audit will focus on procedures and compliance for cash receipting, accounts receivable write off’s and procurement and bid law.

Ms. McFarlane reported that the second piece of the audit for Peninsula Housing Authority will focus on the financials for Fiscal Year End 2016. A review of the financial statements to make sure that they are fairly stated. Ms. McFarland stated that a review of the Self-Help 502 loans will occur and a review of the audit work performed by the Certified Public Accountant for the Component Units of the Housing Authority, Lee Plaza and Garden Court Apartments.

Ms. McFarlane stated that the third piece of the audit will be to review the Federal Grant compliance of the Housing Authority, specifically the Housing Choice Voucher grant. This is to make sure that Peninsula Housing Authority is following federal regulation as well as HUD compliance of the program.

The final piece to the audit is to work with Comptroller Dotlich to file the audited financials to HUD’s Real Estate Assessment Center by the March deadline.

Ms. McFarlane stated that an engagement letter, outlining the audit work to be performed, responsibilities of the Housing Authority as well as the State Auditor's Office, timelines for the reports and a cost estimate of \$39,000 plus travel had been prepared and signed.

Ms. McFarlane also went over the levels of reporting on an audit. The most severe level would be an audit finding. Findings are contained within the body of the audit report and the Housing Authority would be given an opportunity to respond to any findings that may be issued. The next level would be a Management Letter. This would be referenced in the audit report but would not give detail about the recommendations of the State Auditor's Office. The last and lowest level of reporting is an exit item. These are discussed with Management of the Housing Authority but are not published within the audit report.

Ms. McFarlane explained that a finding that was issued in Fiscal Year 2014 on a grant that was not subject to the single audit will be reversed. For the Peninsula Housing Authority to meet federal requirements of the single audit function, the State Auditors will now be auditing the Housing Choice Voucher program from Fiscal Year 2014 at the State Auditor's cost.

Ms. McFarlane also included a handout for the new requirements if an agency decides to contract out audit work to private agencies rather than the State Auditor's Office.

### **CONSENT AGENDA**

Approval of consent agenda: Executive Director Kassinger's December Timesheet, December Regular Meeting Minutes, December Check Registers excluding Outpost and Self Help 523 Grants 5 and Self Help 502 Loans. Moved by Commissioner Turner, seconded by Commissioner Rymph. Voice Vote. Approved.

Outpost December Check Registers. Moved by Commissioner Rymph, seconded by Commissioner Teal. Voice vote. Approved. Commissioner Tinker abstained.

Self Help 523 Grant 6 and Self Help 502 Construction Loans December Check Registers. Moved by Commissioner Tinker, seconded by Commissioner Koelsch. Voice Vote. Approved. Commissioner Teal abstained.

### **EXECUTIVE DIRECTOR'S REPORT**

Executive Director Kassinger presented a written report and asked if there were any questions prior to her proceeding with her verbal report.

Executive Director Kassinger handed out invitations to attend the dedication of the Self-Help Phoenix sub-division located in Port Townsend.

Executive Director Kassinger reported that Emily Grossman with Department of Commerce reached out to her to help gain an understanding of rural communities and to be a liaison within Commerce with not just housing but also homelessness, infrastructure and such. Ms. Grossman would like to perform outreach to our partner agencies as well.

Executive Director Kassinger reported that the tax credit partner for MAV Phase 1, National Equity Fund, was part of a presentation in Washington DC on the importance of tax credit projects for Housing Authorities. Representatives from Washington State Housing Finance Commission were also in attendance. Executive Director Kassinger and Director of Acquisition and Development O'Rourke are scheduled to have a phone conference with Washington State Finance Commission and Department of Commerce working to discuss the funding gap related to less tax credit equity due to proposed tax law changes. Executive Director Kassinger stated that the goal is to have our Letter of Intent from the investor by the end of February, close in May and be able to start demolition by June 1, 2017.

Commissioner Rymph wanted to bring Executive Director Kassinger's attention to an article that had recently come out in the Port Townsend Leader that there was a back log of building permits of about \$715,000 in Port Townsend.

Commissioner Rymph asked if Executive Director Kassinger know what the status of the Nomura property was. Executive Director Kassinger stated that she had not received any updates since the last Board meeting. Commissioner Shusterman stated that an invitation had been extended to him to talk about opportunities he saw. However, the group is trying to get all interested parties together at the same time rather than meet individually. At this point, property is under contract but the sale has not been finalized and it is still in the due diligence phase on the property.

Commissioner Teal asked if there was an update to the Lincoln School project in Port Townsend. Executive Director Kassinger stated that she had received no news from the School Board about extending the contract that they have with the Housing Authority. She did receive a call from Paul Purcel with Beacon Development informing us of his plans to retire in March of 2017.

Commissioner Shusterman asked if a new evaluation process had been established for the Executive Director position at Peninsula Housing Authority. Executive Director Kassinger stated that she and Executive Administration Specialist Angevine had been working on research to come up with a new process. Commissioner Rymph asked if a budget had been established to purchase 360 software to make the process easier. Executive Director Kassinger asked what the cost may be for this program, Commissioner Rymph stated an approximation of \$300.

Commissioner Weed requested an update of the Mount Angeles View Opportunity Fund as well as the status of the relocation of families. Executive Director Kassinger stated that all but three families had been relocated from Mount Angeles View at this time. The three families left are having a difficult time of finding a unit that will accommodate them but the Housing Authority is still working with them on finding housing and moving them before the deadline. Executive Director Kassinger reported that she had spoken with Jim Jones from the County. It was stated that the City needs to have a letter of intent to update the Comprehensive Plan. As soon as the letter is received from the City, the Housing Authority's application will then be forwarded to the prosecuting attorney's office for review.

## **REPORTS FROM COMMISSIONERS**

Commissioner Koelsch had nothing to report

Commissioner Tinker reported that the veteran she reported on last month was hired on at Clallam Bay prison just this week.

Commissioner Lindholm reported that she had met with Chris Montegue Breakwell, a supervisor from Department of Ecology's storm water division. He had recently attended a meeting in Port Angeles about storm water regulations and reached out to Craft3 concerning availability of loans to help with the cost of implementing storm water regulations. Commissioner Lindholm will also be meeting with Lisa Vatske with the Washington State Housing Finance Commission on January 25, 2017.

Commissioner Rymph reported that the private development, Quimper Village, is sold out. He believes there were 28 units available.

Commissioner Shusterman had nothing to report.

Commissioner Turner reported that the Port Angeles Boys & Girls Club is able to temporarily expand to one of the vacant units currently set for demolition in Mount Angeles View. Due to this expansion, they were able register the 24 children on their waitlist for membership. The new unit will be the temporary location of the Teen center. The Port Angeles Boys & Girls Club was the recipient of furniture from the Peninsula Children's Clinic upon the demolition of their old building.

Commissioner Teal gave kudos to the Housing Authority for their clean audits. Commissioner Teal reported that she was not able to get homeowners insurance through her current provider due to the ductless heat pump that was put into her Self-Help house. She was able to shop around and find an insurance provider that would insure her home.

Commissioner Weed asked if the Housing Authority decided to use outside auditors for future audits, will the new regulations make that difficult. Executive Director Kassinger explained that it would not.

**OLD BUSINESS**

None.

**NEW BUSINESS**

AMMENDED Resolution #PHA2016-31 – First Federal Community Foundation Grant MAV Phase 1 Construction.

Moved by Commissioner Rymph, seconded by Commissioner Shusterman. Executive Director Kassinger explained that this was to increase the original dollar amount by \$50,000 to cover all the Capital Fund Dollars that have been committed. Voice Vote. Approved.

**Adjournment:** The meeting adjourned at 2:18 p.m.

**Next Meeting:**

Wednesday, February 15, 2017 at 1:00 p.m.  
Clallam County Courthouse – Commissioner’s Meeting Room  
223 E 4<sup>th</sup> Street  
Port Angeles, WA 98362

  
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Secretary

  
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Board Chair

Seal:

