



Peninsula Housing Authority
Serving Clallam and Jefferson Counties

Board of Commissioners
REGULAR BOARD MEETING MINUTES
Wednesday, July 13, 2011 at 10:00 a.m.

The Public is invited to attend the meeting of the Board of Commissioners at:

The Board Room
2603 S. Francis Street, Port Angeles, WA

CALL TO ORDER AND ROLL CALL

The meeting was called to order at 1:04 p.m. by Commissioner Turner.

Present were: Commissioners Turner, Boardman, Shusterman, Rymph, Teal, and Attorney Dave Neupert. Commissioner Hamilton, Easling and Fleck were excused from the meeting. Staff members present were Executive Director Pam Tietz, Development Director Kay Kassinger, and Executive Assistant Jami Snyder. Director Tietz introduced Comptroller Annette Dotlich. Public attendees: no public.

ADDITIONS TO THE AGENDA

Resolution #PHA-2011-12 - Authorizing Director Tietz to submit requests to the Washington State Housing Finance Commission Land Acquisition Program and the Jefferson County 2060 Program for funding to be used to purchase Assessor's Property Tax Parcel/Account Number(s) 966600401, 966600501, 966600601 in the County of Jefferson State of Washington.

Resolution #PHA-2011-13 - Authorizing Director Tietz to participate in the auction for the purchase of Assessor's Property Tax Parcel/Account Number(s) 966600401, 966600501, 966600601 in the County of Jefferson State of Washington.

Discussion on establishing Emails for board members.

CONSENT AGENDA

Approval of consent agenda: June Regular Meeting Minutes, April Financial Reports and May Check Registers. Commissioner Teal moved to approve the consent agenda, seconded by Commissioner Boardman. Voice vote. Approved.

REQUEST FOR COMMENTS OR QUESTIONS FROM THE PUBLIC ON AGENDA

No public.

EXECUTIVE DIRECTOR'S REPORT

Staff/Staff Training

A lot of changes have occurred this past month from a staff perspective in implementing the changes related to the newly adopted organizational chart. The new Comptroller, Annette, is on board. She worked for Port Angeles and Sequim School Districts for several years. Director Tietz explained that she has amazing confidence about her which impressed the interview panel. Four interviews were completed from the application pool. Two out of the four interviewed would have made a good choice. Annette brings a fresh set of eyes and perspective.

Final report from Rural Community Assistance Corporation has still not arrived. Preliminary report has apparently not been finalized.

Public Housing Management Assessment Program scores were issued by the Department of Housing and Urban Development (HUD) this month. A copy of the scores was in board packets. Once again the Housing Authority has been designated a high performing housing authority.

Reminder that there will be a regional housing forum on October 19th at Jamestown.

Invitation to celebration of completion for our next eight Self-Help houses next Saturday.

Garden Court dedication will be July 21st. Board interested in attending can car pool from the PHA office.

Director Tietz informed the board of a potential fraud case. It appears that a utility reimbursement check issued to a Section 8 participant was photocopied, altered and then cashed twice. The payment was processed twice by Key Bank. Incident has been reported to the State Auditor's Office (SAO), Key Bank and the police department. Will be investigated by both Key Bank and the SAO. Because the bank processed it twice in error, they should reimburse so that there is no actual loss to the agency.

It was discovered this past month that there has apparently been shortages in the petty cash fund in both Forks and in the central office that have not been resolved. It is unclear at this point why the funds are short but apparently the central office fund has been short since 2008 and the Finance Department did not inform anyone, nor did they correct it. The issue has been reported to SAO through their on-line system as required. Both shortages are being investigated by new Comptroller Annette Dotlich. A follow up report and recommendations for any changes will be completed and submitted to SAO in the next few weeks.

Meeting briefly recessed by Commissioner Turner at 1:17 p.m. to convene a short Housing Authority of Clallam County (HACC) Special Meeting. PHA meeting to be called to order again immediately following HACC meeting.

Reconvened PHA meeting at 1:26 p.m.

Commissioner Teal asked about the number of port-ins relative to the number of ports out for the Section 8 Program and what affect that may have on agency finances. Director Tietz responded that there are approximately twice as many port-ins and port-outs, which is a positive thing. These payments actually increase our administrative fees in the program.

Commissioner Shusterman asked Director Tietz about that status of PHA emails for Commissioners. Commissioner Tietz explained that each Commission has an email account that is set up with their first initial last name @peninsulapha.org through OlyPen, Jami will provide passwords to commissioners individually.

OLD BUSINESS

Mt. Angeles View Redevelopment – Update and discussion – City Council officially approved the Housing Authority's application for a Planned Residential Development (PRD) for Mt. Angeles View.

Council ultimately ended up adopting Housing Authority staff recommendations, overturning the Planning Commission recommendation to go with City staff's plan. This included a 15 foot utility *easement* instead of right-of-way and reduced road widths on the avenues. Council vote was 3-2. Can now start working demolition/disposition plan for HUD.

Executive Director Employment Contract – Neupert took the comments from the last board meeting and had drawn up an amendment. He reviewed the revisions with the board.

Shusterman asked that the “survivability” clause be corrected to read “severability” clause, which would be the correct term for this section.

Shusterman - motion to accept the assignment of the Director Employment Contract subject to Director Tietz' signature. Seconded by Boardman. Voice vote. Approved.

Discussion on employment contract

Commissioner Turner - has a philosophical issue with the changes that include severance pay for a “for cause” discharge. She is concerned that this may create a reason for an employee to “try” to get fired in order to obtain severance. Shusterman – believes that clause is appropriate given that finding new employment in a position at this level is difficult and takes time. Tietz – pointed out that while the current board is fantastic that this may not always be the case and that this may offer some protection for her from political motivation. Teal – overall survivability for the agency – would the three months compensation be a burden to pay – having to pay a double pay. Neupert – job as general counsel is to go with the majority position of the board. He explained that the reason for the design of the language is not to reward bad behavior, it is to put a brake on arbitrary action of another/future board so that they would have to stop and think about the financial impact it would make on the agency. Boardman - is fine with the language as proposed.

Travel allowance – discussion: current \$200/month allowance was set about 10 years ago when gas was \$1.70 per gallon. Tietz researched changes in cost of gas, insurance and vehicle maintenance. In addition she emailed several people in similar positions at the Port, County, and Cities. Jim Jones, County Administrator was the only one to respond so far and his allowance was set at \$400/month in his contract. Boardman – does \$400 sound adequate? Rymph how hard to amend this in the future? Neupert - amendment is not a problem. Rymph - gas prices are only go to go up and perhaps the allowance should be set at \$500 now so it can be parked there for a while. Rymph moved that the vehicle allowance amount in the contract be adjusted to \$500/month. Voice vote, approved.

Shusterman motion to adopt Amendment 1 to employment contract for Director Tietz with changes discussed on severability and travel allowance, seconded by Teal. No discussion. Voice vote, approved.

NEW BUSINESS

Resolution #PHA-2011-04 – Authorizing travel for Kris Clark and Monica Gilstrap for the purpose of attending the C3P Tax Credit Certification Seminar July 19 and 20, 2011 in Boise, Idaho. Moved by Commissioner Boardman, seconded by Commissioner Teal. Discussion: Commissioner Shusterman asked why both employees from Forks are attending the training; Director Tietz replied that both employees from Forks need to be trained in case one person is away from the office. Commissioner Rymph asked what the training was for. Director Tietz explained that the training was on what the IRS requires to operate a tax credit. Shusterman – asked about the cost. Tietz - \$300 or \$400 each registration plus travel costs. Voice vote. Approved.

Resolution #PHA-2011-05 – Approving Fiscal Year 2012 agency operating budgets. Moved by Commissioner Rymph, seconded by Commissioner Teal. Discussion: Director Tietz explained this is the same budget previously reviewed with small changes to TBRA, S8 Voucher program and the cost center. We received the actual numbers for the administrative fees for the Section 8 program. The

fees are slightly higher which will allow us to reduce some of the cuts made initially to staffing. A position that was reduced by half will now become a three quarter time position. It also allows some time for the front desk from out administrative cost center. Commissioner Teal asked for some clarification on the calculation of the administrative fees as shown on the HUD form. Director Tietz explained that on page 15 of the packet, she had simplified the HUD calculation. Voice vote, approved.

Resolution #PHA-2011-06 – Authorizing the write off the list of delinquent accounts totaling \$432.06. Moved by Commissioner Boardman, seconded by Commissioner Shusterman. Discussion: none. Voice vote, approved.

Resolution #PHA-2011-07 – Approving inventory write-off of one refrigerator, one edger, and two Hitachi twin tank air compressors. Moved by Commissioner Teal, seconded by Commissioner Boardman. Discussion: Commissioner Rymph asked what it means to write off inventory; Director Tietz explained this is inventory/equipment which is broken beyond repair and must be officially removed from the inventory. Voice vote, approved.

Resolution #PHA-2011-08 – Approving the removal and addition of account signers for all agency banking. Moved by Commissioner Boardman, seconded by Commissioner Teal. Discussion: Commissioner Teal suggested adding Annette Dotlich the new Comptroller. Commissioner Shusterman asked who else is currently a signer; Director Tietz replied Commissioner Turner, herself, and Malinda Angevine and that we would be adding Kay Kassinger, and Terry Madigan. Management has discussed having more Board members as signers but logistics are difficult. Commissioner Teal asked if it requires two signatures; Director Tietz replied it does require two signatures. Commissioner Rymph asked if it requires a board member signature; Director Tietz replied no. The Board reached a concensus to also add Annette Dotlich, Comptroller to the resolution. Change to motion approved by Boardman and Teal. Voice vote, approved.

Resolution #PHA-2011-09 – Authorizing Director Tietz to renew the Ground Lease Agreement with Olympic Community Action Program for the Mt. Angeles View Head Start Program and sign said lease agreement. Moved by Commissioner Boardman, seconded by Commissioner Teal. Discussion: Director Tietz told the Board this is a routine renewal for the Head Start building on our land. Commissioner Shusterman asked if the contract will reflect the name change; Director Tietz responded that it will be updated. Attorney Neupert recommended language be added around the leasehold excise tax needs to be the responsibility of OlyCap. Voice vote. Approved.

Resolution #PHA-2011-10 – Authorizing Director Tietz to submit a Housing Trust Fund Stage II application to the Washington Department of Commerce in the amount of \$1,890,000 for the Eklund Heights Tax Credit project to build 50-multifamily units in Gales Addition. Moved by Commissioner Rymph, seconded by Commissioner Shusterman. Discussion: There was a Stage I application. Those applications were narrowed down to invites for Stage II; there are quite a few invites but not a lot of money. Commissioner Rymph asked what type of families would this project attract; Kay Kassinger replied 30-50-60 percent of income; we are doing more three bedrooms than anticipated from the market study. More of a work force kind of project. Voice vote, approved.

Resolution #PHA-2011-11 – Approving a labor contract with Teamsters Local 589 through June 30, 2013. Moved by Commissioner Teal, seconded by Commissioner Shusterman. Discussion: Commissioner Shusterman asked why the board was listed as signers on the document and asked to have it changed to Director Tietz. Turner page 48 – payments of premiums - does the employee pay more too? Tietz - if premium goes up more than \$15 each year then employee is responsible for the rest. Commissioner Rymph – characterize relationship with union. Tietz – adequate. Rymph – union have any response to the cutbacks? Pam - not one. Commissioner Boardman did it help using labor law attorney Akin Blitz? Tietz - yes it did, would use him again, has an efficient and effective approach. Voice vote. Approved.

Resolution #PHA-2011-12 - Authorizing Director Tietz to submit requests to the Washington State Housing Finance Commission Land Acquisition Program and the Jefferson County 2060 Program for funding to be used to purchase Assessor's Property Tax Parcel/Account Number(s) 966600401, 966600501, 966600601 in the County of Jefferson State of Washington. Moved by Commissioner Teal, seconded by Commissioner Rymph.

Discussion: Tietz – about a month ago she had a discussion with City of PT staff about potential opportunities for development in the area. Was informed about a potential foreclosure of 28 single family lots at Rosecrans Terrace. Was approached by an auction house about the potential purchase at public auction of the property at the end of the month. Kay Kassinger did some preliminary due diligence on the Auction house. Minimum bid for auction \$300k. Property has water and sewer installed but still needs electric, streets, sidewalks. Talked to City Planning Department who says that the property is ready for completion of remaining infrastructure. City has done an environmental assessment. The disclosure statement we received from auction house did have some inconsistencies that needed to be clarified. Attorney Neupert will complete a review of all information received to date. Closure on property would have to occur by August 29th. Could potentially use revolved SHOP funds to purchase. Infrastructure cost estimate for 28 lots is \$600k before ready to build units. Potential funding sources for purchase: Washington State Housing Finance Commission (WSHFC) land banking program or Jefferson County 2060 funds. These funds could be used to purchase property and then revolved back into the program(s) at sale of lots. A \$25k non-refundable deposit in the form of a cashier's check is required if successful bidder. The potential funding sources may or may not be available and if not available, the deal would fall apart. Buying lots in this market in Port Townsend is important because once the market recovers lots will become unaffordable.

Rymph – concerned about availability for home owner to FLIP the house, should protect against this. Kassinger - on houses we've completed to date in Port Angeles she hasn't seen this occur. Turner - We could use a shared appreciation model like what Habitat does. Rymph – informed the board about a potential conflict of interest because he also serves on the board for the Homeward Bound Land but wondered if the land trust could somehow help as an option. Shusterman – suggested that next owner would include a clause that they must meet income requirements. Amendment suggested by Shusterman to resolution: property acquired may be utilized, in the Peninsula Self-Help build program or such other program as the board may approve. WSHFC loan terms are 1% interest and they are looking for the applicant to hold the property as a land bank deal and do not expect quick repayment. No penalty for paying off early. Terms of 2060 funds are used would be negotiated and may or may not include interest. Amendment accepted by Rymph and Teal. Voice vote, approved.

Resolution #PHA-2011-13 - Authorizing Director Tietz to participate in the auction for the purchase of Assessor's Property Tax Parcel/Account Number(s) 966600401, 966600501, 966600601 in the County of Jefferson State of Washington. Moved by Commissioner Shusterman, seconded by Commissioner Teal. Discussion: Rymph deposit to come out of reserves? Kassinger - yes. ; Shusterman - does the Director have authorization to sign all documents? Attorney Nuepert – is it a requirement of the option language that the \$25k be non-refundable? Kassinger - yes. Rymph have you purchased property at an auction like this in the past? Tietz - no. Rymph discussion with Habitat? Kassinger – not yet, Habitat purchased land recently in Port Townsend but she will be calling them to inquire as to their interest. Voice vote. Approved.

Executive Session: Approximate duration 10 minutes purpose to consider of acquisition of specific real property at 2:52 pm

Resume open meeting 3:10 pm

Property Tour by Board – will see Garden court in July, maybe in August we should schedule time to see some other things. And at another time will go to Forks. Will schedule PA tour after the August board meeting. Jefferson County tour in October. Forks in conjunction with Catholic services.

Dave Neupert – need additional executive session – approximate duration 5 minutes to further discuss acquisition of specific real property. Into executive session at 3:15.

Resume open meeting at 3:17.

Boardman moved authorize staff to make a bid at the auction for Port Townsend property for and the not to exceed amount discussed during Executive Session. Seconded by Shusterman. Voice Vote. Approved.

Pendley update/Eklund Heights – Kay have about \$778,000 in SHOP \$\$\$. \$630,000 dedicated to Pendley for infrastructure improvements. Leave us \$148k in bank no allocated that comes from Peninsula Village III lot sales. When we originally got our extension from Impact capital on Eklund, we had asked for a 2-year extension with no paydown. They came back with a 1 –year extension with an additional 1-year that can be granted if the loan-to-value is paid down to 80%. If we decide to do self-help on property which means we need shop funds to do that. Have the \$148k in SHOP funds but need \$160k to get down to 80% loan-to-value (ltv). But we would also need to do the condo improvements for another \$145k. We would need roughly \$158k in unrestricted funds to do it. If we do Pendley first, we would be able to pay down the ltv on Eklund and spend only about \$12k in unrestricted funds. Just wanted to keep the board in the loop as to the events/options.


Next meeting: Wednesday, August 10, 2011 at 1:00 p.m. then on to the Port Angeles tour.

Adjournment: The meeting adjourned at 3:2 p.m.

Norma will not be in attendance August meeting. Sam will chair the meeting.

Shusterman will not be at the November 9 meeting. Rymph will not be at December meeting.


Secretary


Board Chair

Seal: