

HOUSING AUTHORITY OF THE CITY OF VANCOUVER

Regular Meeting November 25, 2009

MEETING CONVENED

Chair Kawamoto convened the Regular Meeting of the Board of Commissioners of the Housing Authority of the City of Vancouver (VHA) at 8:02 a.m. in the Board Room at 2500 Main Street, Vancouver, Washington.

ROLL CALL

Present for the Board: Chair Ronald K. Kawamoto
Vice Chair Ceci Ryan Smith
Second Vice Chair Art Miles
Commissioner Lloyd Halverson
Commissioner Greg Kimsey

Absent: Commissioner Debra Conway

Present for Staff: Roy A. Johnson, Executive Director
Syble A. Crow, Executive Office Manager
Saeed Hajarizadeh, Deputy Director
LaVon Holden, Deputy Director
David Overbay, Program Policy Manager
Kris Hanson, Asset Manager
Sasha Nichelson, Section 8 Program Manager
Frank L'Amie, Development Project Manager

Guests: Barbara Jacobson, VHA Legal Counsel
Jeff Hamm, Executive Director and Chief Executive Officer, C-Tran
Peggy Sheehan, CDBG Program Manager, City of Vancouver
Marty Martin, Milstead & Associates Construction Manager
Mike Ogden, Project Manager for Team Construction

EXECUTIVE SESSION

Chair Kawamoto immediately recessed the Regular Meeting to an executive session to discuss personnel and property matters. Chair Kawamoto recessed the executive session at 9:45 a.m. to a Work Session.

No action was taken.

WORK SESSION**a) C-Tran 20 Year Transit Development Plan**

Roy Johnson, Executive Director, introduced Jeff Mann, Executive Director and Chief Executive Officer of C-Tran, to present C-Tran's 20 Year Transit Development Plan.

Mr. Mann reported that the 20 year plan is a guide for C-Tran to look at the future and determine the levels, placement and modes of transit services needed to meet the transportation demands of this growing community.

Mr. Mann shared that a public process was conducted and feedback received. As a result of the public process, the preferred alternative will add new service to rapidly growing areas, includes provisions for light rail in downtown Vancouver, adds C-Tran's first bus rapid transit and adds additional service in core areas. He distributed a handout on the C-Tran 2030 plan that highlights the Preferred Alternative.

Mr. Mann continued with a PowerPoint presentation which briefly outlined the proposed plan stating that in Phase I – planned for 2013-2018, will be the majority of the transit enhancements, and Phase II, will include the remaining proposed improvements through 2018-2030. C-Tran is advocating for a .3% increase in sales tax in Phase I, and a .2% increase in sales tax in Phase II to defray costs; which will require a public vote to improve service in Vancouver, Camas, Washougal and Battle Ground. Mr. Mann discussed the new routes planned for East Vancouver and connecting Fisher's Landing with Vancouver Mall. He also said that plans are to extend existing routes to improve service as well as improve midday frequency for Ridgefield and La Center and additional peak hour service to Portland. In addition, Mr. Mann said that new Park and Ride facilities will be added in numerous locations, and that high capacity transit improvements will be made on Fourth Plain and extend light rail across the Columbia River to serve downtown Vancouver and Clark College.

Discussion followed. The work session concluded at 9:45 a.m. Chair Kawamoto thanked Mr. Mann for his informative presentation.

REGULAR MEETING

Following a short recess, Chair Kawamoto convened the Regular Meeting at 10:00 a.m.

AGENDA AMENDMENTS

Roy Johnson stated that there are no agenda amendments.

CONSENT CALENDAR

It was moved by Commissioner Ryan Smith and seconded by Commissioner Kimsey to approve the following Consent Calendar:

Minutes of the Regular Meeting October 28, 2009

Minutes of Special Work Session November 10, 2009

Bills and Claims ~ October 2009

<u>PROGRAM</u>	<u>AMOUNT</u>
General Fund	\$3,758,143.02
Auto Payment Bank Loans	23,229.20
Anthem Park	1,278.00
Arbor Ridge	14,038.00
Esther Short	4,071.00
Fishers Mill	10,780.00
HARRP Prepay Reserve	40,000.00
Mill Creek	3,921.00
Parklane	29,702.37
Plum Meadows	2,534.00
Replacement Reserves/Debt Reserve	53,890.00
Security Deposit	1,189.40
SRO	9,053.00
Total Distributed in October 2009	\$3,951,828.99

The motion was unanimously approved.

APPEARANCE OF INTERESTED CITIZENS

None

REPORTS FROM EXECUTIVE DEPARTMENT

- (a) **Resolution No. 2846:** Purchase and Sale Agreement for the West 14th Street Right of Way from City of Vancouver

Roy Johnson reported that the development of the addition to Van Vista Assisted Living necessitates that the VHA purchase the Right of Way for West 14th Street from the City in the amount of \$200,000, which is half of the appraised value of \$400,000. He said that these funds will be provided through the VHA's general account.

Commissioner Halverson disclosed a potential conflict of interest, as he is doing some work with the City of Vancouver, so he will abstain from the vote.

MOTION

It was moved by Commissioner Kimsey and seconded by Commissioner Ryan Smith to approve Resolution No. 2846, authorizing the Executive Director to enter into a Purchase and Sale Agreement with the City of Vancouver for the acquisition of the West 14th Street Right of Way, and authorize the Executive Director to sign all necessary documents to complete the sale. The motion was approved by the following vote:

AYE

Commissioner Kimsey
Commissioner Ronald K. Kawamoto
Commissioner Art Miles
Commissioner Ceci Ryan Smith

ABSTAIN

Commissioner Halverson

ABSENT

Commissioner Conway

(b) Resolution No. 2847: Renewal of Burton Ridge Loan

Frank L'Amie, Development Project Manager, reported that the acquisition loan, in the amount of \$1,495,000, with First Independent Bank for the purchase of the Four Seasons property is due December 1, 2009. He said the bank has agreed to extend the loan to March 1, 2010 at the current interest rate of 6.25%.

Mr. L'Amie reported that the property value has gone from \$2.7 million to \$1.7 million, and that it is extremely difficult to establish true value as there are no surrounding sales for comparables. He said the bank has obtained an appraisal at no fee to the VHA, which they did last year too, in order to renew through November 2010. Staff anticipates the loan balance will need to be reduced by approximately \$300,000 prior to renewal. Staff will negotiate renewal terms prior to March 1, 2010 and make a recommendation to the Board.

Commissioner Miles asked what the property amount is on the VHA's books. Saeed. Hajarizadeh, Deputy Director, responded that it is on the books at the purchase price of \$1.5 million, and that the VHA is capitalizing interest. Commissioner Miles strongly urged staff to watch and assure that the costs do not exceed the value. Mr. Johnson suggested that this matter be discussed with the Development Committee to determine if the property should be held or liquidated.

MOTION

It was moved by Commissioner Miles and seconded by Commissioner Kimsey to approve Resolution No. 2847, authorizing the Executive Director to execute the necessary loan documents to extend Loan Number 3705 with First Independent Bank through March 1, 2010 with an interest rate at 6.25% per annum taxable. The motion was approved by the following vote:

AYE

Commissioner Kimsey
Commissioner Halverson
Commissioner Ronald K. Kawamoto
Commissioner Art Miles
Commissioner Ceci Ryan Smith

ABSENT

Commissioner Conway

(c) Resolution No. 2848: Funding Applications

Frank L'Amie reported that staff is proposing the submission of applications for five projects to Clark County and the City of Vancouver for CDBG, HOME, HB 2060 and other funding sources for 2010, 2011 and 2012 funds. He said that the first of the applications are due December 1 and the remaining applications are due December 15, 2009. Mr. L'Amie added that to submit these applications, each funding source requires prior board approval.

Mr. L'Amie continued with describing the following projects staff is proposing to submit funding applications by the number of units, bedroom size and locations:

- Battle Ground Village
- City Harvest Church
- 2011 – 9% Tax Credit Project
- Repairs for Shelter Properties
- Planning Grant for Fruit Valley Neighborhood

Roy Johnson added that the application for Fruit Valley is for a Planning Grant targeted toward a strategic neighborhood plan, and to assist in changing the identity of the neighborhood from a perception of a crime area.

Discussion followed.

Commissioner Miles asked if the intent for these applications are to have permanent financing in place before construction. Commissioner Kimsey wanted to clarify that approval of the submission of these grants does not put the VHA under any obligation, and that further approval is necessary prior to proceeding with development.

Commissioner Kawamoto requested that staff make sure that contractors understand that the VHA may decide to not purchase turnkey properties at the end of construction. Staff assured the commissioners that their assumptions are correct, and that they are very clear on possible outcomes with contractors.

Commissioner Halverson disclosed that he has personally served on the decision making board for grant applications, and that his employer – the City of Camas – will also be applying for some of these same grants.

Barbara Jacobson, VHA Legal Counsel, shared that Commissioner Halverson can vote on this resolution if he feels comfortable doing so.

MOTION

It was moved by Commissioner Kimsey and seconded by Commissioner Miles to approve Resolution No. 2848, authorizing the Executive Director to submit the necessary funding applications to secure CDBG, HOME, HB 2060, and other funding from Clark County and the City of Vancouver for the potential projects stated. The motion was approved by the following vote:

AYE

Commissioner Kimsey
Commissioner Halverson
Commissioner Ronald K. Kawamoto
Commissioner Art Miles
Commissioner Ceci Ryan Smith

ABSENT

Commissioner Conway

(d) Resolution No. 2849: 2010 Operating and Capital Budget

Saeed Hajarizadeh shared that minor changes were made to the draft budget following the November 10, 2009 Work Session. He summarized the administrative budget changes, including the addition of \$10,000 for the Housing Matters TV series. In addition, staffing adjustments were made for 2010 adding line staff to enhance program operations and customer service, and eliminating the third inspector position and the Director of Development position.

Commissioner Kimsey inquired about the increase in salaries. Mr. Hajarizadeh responded that in accordance with Sawyer Shirley's report and recommendations, Public Housing will add ½ FTE, 2 FTEs in Section 8, and 1 FTE to assist in homeownership activities - which will come out of the homeownership sales, and 1 FTE to assist CNPH. These new positions include salary, benefits and cost of living increases of 2%. LaVon Holden, Deputy Director, explained that pay increases and cost of living amounts are reviewed annually in April. Commissioner Halverson shared his expectation that all pay increases comes to the board for discussion prior to adoption, and that, due to the current environment, staff not automatically create the expectation of increases.

Mr. Hajarizadeh stated that the total 2010 operating revenues stand at \$32 million, and the net cash surplus remains at \$880,161. He said that it is imperative to go forward with caution given the economic downturn, noting that a 5% percent increase in vacancy can create a \$600,000 reduction in rental income.

MOTION

It was moved by Commissioner Miles and seconded by Commissioner Ryan Smith to approve Resolution No. 2849, establishing operating and capital for fiscal year ending December 31, 2010. The motion was approved by the following vote:

AYE

Commissioner Kimsey
Commissioner Halverson
Commissioner Ronald K. Kawamoto
Commissioner Art Miles
Commissioner Ceci Ryan Smith

ABSENT

Commissioner Conway

(e) Resolution No. 2850: Procurement Policy Amendment for Recovery Act Funds

Roy Johnson reported that it is mandated the VHA establish a cost effective and efficient procurement policy. He said that the VHA's current policy was adopted January 2009, and that staff is requesting an amendment to that Procurement Policy to include Amendment I, which are the procedures for processing the American Recovery and Reinvestment Act Capital Fund Grants. Mr. Johnson added that this amendment is to be used only for procurements related to Capital Fund Stimulus Grants, as a means to expedite and facilitate the use of these funds.

Commissioner Kimsey inquired if this is a new amendment; Mr. Hajarizadeh responded that it is, and that it provides housing authorities the ability to give priority to Capital Fund Stimulus Grant and shorten the bidding process and award of contracts to 120 days.

MOTION

It was moved by Commissioner Miles and seconded by Commissioner Ryan Smith to approve Resolution No. 2850, adopting the VHA's Procurement Policy Amendment I, dated November 25, 2009. The motion was approved by the following vote:

AYE

Commissioner Kimsey
Commissioner Halverson
Commissioner Ronald K. Kawamoto
Commissioner Art Miles
Commissioner Ceci Ryan Smith

ABSENT

Commissioner Conway

(f) Increase to Employee Service Awards

LaVon Holden explained that for more than twenty years the VHA has annually recognized employees with 5, 10, 15, 20, 25, 30 years of service. Employees reaching

these milestones of service with the VHA are given a gift engraved with their name and years of service. These gifts range from \$25.00 for five years, \$50.00 for ten years; \$75.00 for fifteen years; and \$100 for twenty or more years. Staff is suggesting an increase of \$25.00 for each category, effective December 1, 2009.

Mr. Johnson reported that thirteen staff members will be receiving awards this December at the all staff meeting and luncheon December 15, 2009.

MOTION

It was moved by Commissioner Kimsey and seconded by Commissioner Miles to approve an increase to the Employee Service Awards by \$25.00 per award. The motion was unanimously approved.

(g) Actions from Executive Session

Roy Johnson announced there are no action items.

EXECUTIVE DIRECTOR ITEMS

(a) December Meeting

The architect for the Camas Project plans to attend the December 16 Board meeting.

(b) Battle Ground Village

Roy Johnson has presented the VHA's proposed project for 112 units of seniors and family housing at Battle Ground Village to the Battle Ground City Council, and has received positive support. The council is in the process of discussing the project, adding design suggestions and making recommendations. The council will put the project on the agenda for a formal vote within the next few months.

(c) Property Update:

- Fisher Mill remodel is going well
- Parklane project is complete
- Van Vista plumbing project has started
- Springbrook looking for funding for rehabilitation work
- Property owner has agreed to sell adjoining vacant lot next to Fruit Valley Apartments. Staff is in the process of doing due diligence
- Realtor for disposition of properties – The listings are not exclusive as they are with the RML for a flat fee of 2.5%

AUDIT COMMITTEE

Saeed Hajarizadeh presented an update on the State Audit. He reported that the auditors met with staff and the Audit Committee for an Exit Conference on November 19, and that there were no findings or suggestions in a Management Letter. Mr. Hajarizadeh stated that the draft report is being reviewed by the Audit Committee and he will be negotiating some language changes with the auditors. He said the final report should be distributed by mid December.

Commissioner Kimsey congratulated staff for another year with no findings or Management Letter, and said he is confident that staff will address the auditor's small number of recommendations.

a) Monthly Financial Report

Saeed Hajarizadeh presented the VHA and Tax Credit Partnerships Combined Income Statements and Balance sheet as of September 2009. He reported that revenues and expenses remain close to budget in all categories and that a surplus is expected at the end of the year. Mr. Hajarizadeh stated that even though the bottom line shows a net cash deficit of \$116,440; \$272,151 will be transferred from reserves to pay for the capital activity, which will result in a net cash surplus of \$155,711.

Commissioner Miles inquired about the VHA loans of \$60,514 to Maple Knoll and \$63,691 to Orchard Glen to cover operating shortfall this year. Mr. Hajarizadeh responded that his report is showing this as a receivable and then it will likely go into expenses. Commissioner Miles requested that a line item be added to the financial report to display where loans like these are currently. Mr. Johnson agreed to add this to the report.

b) Fee Managed Housing Summary

Kris Hanson reported that the year is ending in a good position, and that improvements have been noted at Parklane and Orchard Glen due to personnel changes. She stated that the extension of the \$8,000 new homebuyer benefit has definitely affected rentals. Ms. Hanson reported that Esther Short Commons continues to struggle; however, the property managers are trying to be creative and do whatever they can to encourage lease ups.

COMMUNICATION/INFORMATION**a) Columbia Nonprofit Housing (CNPH) Agenda and Minutes**

The CNPH Minutes of October 13, 2009 and Agenda for November 17, 2009 were presented for information.

Mr. Johnson announced that the newly appointed Chair, Brian Halbert, plans to attend the December board meeting to present an update on the status of CNPH, the recent changes, and an outlook for 2010.

b) Council for the Homeless (CFTH) Minutes

The CFTH October 15, 2009 Minutes were presented for information.

c) Neighbor to Neighbor Newsletter

The November 2009 *Neighbor to Neighbor* Newsletter was presented for information.

d) Resident Advisory Board (RAB)

The November 10, 2009 RAB Minutes were presented for information.

e) VHA Report to the Community

The Annual *VHA Report to the Community* was presented for information. The board commended Steve Towell, Community Relations Specialist, and staff for the excellent product.

OTHER BUSINESS**(a) Books**

Chair Kawamoto suggested that staff promote in the *Neighbor to Neighbor* and *VHA Today* the need for donations of used books to the Community Center for the reading program.

EXECUTIVE SESSION

Chair Kawamoto reconvened the executive session at 11:25 a.m. to continued discussion regarding property matters. The executive session adjourned at 12:10 p.m.

No action was taken.

ADJOURNMENT

There being no further business, Chair Kawamoto declared the meeting adjourned at 12:10 p.m.

ATTEST:

RONALD K. KAWAMOTO, Chair

ROY A. JOHNSON, Executive Director