HOUSING AUTHORITY OF KITTITAS COUNTY
REGULAR BOARD MEETING
Wednesday, February 15, 2023

A regular meeting of the Housing Authority of Kittitas County Board of Commissioner was held Wednesday, February 15, 2023, at 107 W 11th Ave, Ellensburg, WA 98926, held in person and by zoom conference call.

Commissioners Present:
Nicalee Smith, Chairperson
Rob Perkins, Vice Chairperson
Carole Rhodes, Commissioner
John Littel, Commissioner

Absent:

Staff Present:
Jennifer Ellis, Executive Director
Katie Haggin, Operations Supervisor

Guests:

OPEN REGULAR MEETING AND INTRODUCTIONS

Chairperson Smith called the meeting to order at 7:05 a.m.

COMMENTS FROM THE PUBLIC AND GUESTS

There were no comments from the public nor any guests in attendance.

MINUTES

Commissioner Perkins moved to approve the January 18, 2023 minutes of the regular meeting, seconded by Commissioner Rhodes. The motion passed unanimously.

CONSENT AGENDA

The Commissioners reviewed the January, 2023 Vouchers and January 2023 Project and Activity Status Reports and found no voucher irregularities or other irregularities. Commissioner Perkins moved to approve the consent agenda, Commissioner Littel seconded. Motion passed unanimously.

DECEMBER 2022 FINAL FINANCIAL REPORTS

Jennifer Ellis, Executive Director stated that while HAKC had received final December financials, there would likely be journal entry adjustments that would need to be made following the completion of the partnership audits and as such, she had asked CLA to pull the financials back as drafts until after the audit is completed and those adjustments are made. Ellis noted that she and Haggin had reviewed the financials with the year end figures and did have some questions for CLA that would need to be addressed in a phone call with them. Haggin noted that she wanted to review the financials with the year end documentation she had as well. Chairperson Smith asked if any action needed to be taken and Ellis noted that the approval of the financials could be tabled until after the audits were completed and those adjustments were made and then finalized and that as drafts, there was no action needed at this time.

RESOLUTIONS AND ACTION ITEMS

Haggin gave an introduction to Resolution 23-993, Resolution Adopting Write-Off for Tenants Vacated 7/1/2022-12/31/2022 Accounts Receivable Uncollectible Debts RAD LLLP & Alder Terrace LLLP. Commissioner Perkins moved for approval of the resolution, Commissioner Rhodes seconded. Chairperson Smith called for any discussion. Commissioner Perkins asked if, since the conversion, there had appeared to be more or less in write-offs. Haggin stated that it appeared there were less write offs and that some of the larger, past write offs were due, in part, to contaminated units that required substantial rehabilitation. Haggin stated that careful diligence in the application process with prospective

tenants and acting quickly if an issue would arise, has better helped HAKC to avoid those types of situations. Haggin also noted that the additional funds available to assist tenants through agencies such as Hopesource and CWDR had also worked to reduce the amounts due and owing from tenants that were ultimately written off. She also stated that in previous years, around tax season some of the amounts are paid down substantially. There being no further discussion, Chairperson Smith asked for a roll call on the resolution and it passed unanimously.

Ellis summarized Resolution 23-994, Resolution Approving and Authorizing Submittal of Proposal for and Payment by the Housing Authority of Kittitas County to Washington State Housing and Finance Commission of the Underlying Loan for Bender Road Property Prior to its Maturity Date. Ellis noted that the proposal was based upon her conversations with Jim Brawner who had also spoken with Bob Peterson from WSHFC. WSHFC had requested that a proposal be made as well as a summary as to what had transpired in the acquisition of the property and how the Board came to its present position and what it was proposing – the early re-payment of the debt obligation on the property to WSHFC including any accrued interest. Ellis noted that the resolution both approved the submittal to WSHFC of the attached summary and authorized Ellis to to take necessary steps to re-pay the debt obligation, provided the proposal was accepted by WSHFC. Commissioner Perkins moved to approve the resolution, Commissioner Littel seconded. There being no further discussion, Chairperson Smith asked for a roll call on the resolution and it passed unanimously.

INFORMATION ITEMS

- Executive Director Report –

  Presentation on Income Limits and Set Asides for Kittitas RAD and Alder Terrace properties
  Ellis shared a power point presentation on the Income Limits and Set Asides for the Kittitas RAD and Alder Terrace properties, outlining what percentages of the Area Median Gross Income were required for tenant qualification at the Kittitas RAD properties (60% AGMI) and the Alder Terrace property (30%, 50% and 60% of AMGI required for a specific percentage of units). Haggin noted that the AMGI figures were updated every year by HUD and that the figures presented were as of April of 2022. Security Deposit information was also shared along with utilities allowances and reference to the homeless set aside for the Alder Terrace property. Haggin noted that the percentage of AGMI set asides for Alder Terrace were agreed upon in the application process for the tax credit program as the Alder Terrace project was scored by a points system. The requirement to use of lower percentages of AMGI and to require that 50% of the units were filled by tenants who had qualified as homeless increased Alder Terrace's "score" to be approved for the tax credit program. Commissioner Perkins asked how a prospective tenant's status as "homeless" was determined. Haggin recited the criteria from WSHFC that outlined how a tenant would be categorized as "homeless" as well as outlining how that information is confirmed by Hope Source as the agency providing services to the household. Commissioner Littel asked how long a tenant had the designation of "homeless" after they were qualified and renting a unit. Haggin noted that once the tenant had met the criteria as "homeless," that designation remained so long as they remained in the unit. Commissioner Littel also inquired as to how many units at Alder Terrace were categorized as homeless. Haggin stated that the set aside requirement was 26 units, however she has often had more than the required 26 units, qualify as homeless to assure the set aside is continually met. Haggin also noted that with the specific number of units that have to meet the specific percentage of AGMI for the household, that can mean that a household who does not meet the income limitations of an open unit, would be passed over for a prospective household that does meet the income limitations. Even if that other household was higher up on the wait list as the number of units meeting the percentages of income limits must always be met. Ellis also stated that per HAKC's agreements with CREA, it is required to submit tenant qualification paperwork to a third party for additional verification that the household has met the income requirements to qualify. Chairperson Smith expressed gratitude for the presentation and information and felt that it was helpful for the Board's understanding as to the qualification requirements and work that staff performs to assure that the projects stay in compliance. Ellis noted that she could forward the presentation to any Board member who wished to have it for future reference.

Operations/Maintenance Updates
Maintenance has been working diligently on preventative maintenance work and other larger projects that typically are of lesser priority. With a current downturn of unit turns, there has been time to tackle other projects. Ellis also noted that Maintenance Supervisor Jim Bergquist was leaving the position effective the end of February and that he is returning to his former career in the fishing industry. Ellis noted that Bergquist has been a great addition to the HAKC staff, a strong, working supervisor and will be very missed.

Information Regarding Crestview
In response to Commissioner Rhodes's request as to the status of Crestview and its program, Ellis noted that it appears they were re-syndicating within the tax credit process, as they had entered into a substantial loan at the end of 2022 and a submitted a "Notice of Intent to Apply" with WSHFC for the 4% bond/tax credit program for the property. A recorded Amended Use Agreement with HUD further appeared to extend Section 8 for the property through 2045 so it appears that the property will continue as a low-income housing option for folks in Kittitas County.

Audits
Audit work continues with documentation having been provided. Partnership audits and tax returns are due February 28, 2023 and HAKC is working diligently to assure audits are completed by that time, however if an extension is necessary, it will be requested from CREA.
Haggin noted the State Auditor's Office's accountability audit is also wrapping up and should be concluded here soon as well.

Pine Terrace
HAKC continues with monthly meetings with Pine Terrace management, Ad-West. There has been a bid received for sidewalk/concrete work for the entire complex and a revised bid has been requested to focus on the more immediate need for sidewalk and ramp work for the ADA unit on the premises. HAKC had also received information related to needed upgrades for windows and sliding glass doors as those are from original construction. PSE had done an assessment at the property and HAKC should be receiving information related to that shortly.

Chairperson Smith asked if there was any additional information or questions to address at the meeting. There was discussion as to the date of the March meeting. Ellis had proposed it could occur a week earlier, however Haggin noted concerns with the timing of getting report information completed in time for an earlier meeting. Chairperson Smith confirmed that both Commissioner Rhodes and Commissioner Littel would be available for the March 15, 2023 meeting so it would remain as scheduled. Ellis noted that she had forwarded agency information to a contact in upper county to see if there was any interest for the Board vacancy from someone residing in that area. She had also received an inquiry that appeared to be related to a previous applicant so would follow up on that as well. All were encouraged to have interested individuals complete and submit an application to the County Board of Commissioners.

There being no further information or questions from members of the Board, Chairperson Smith called for a motion to adjourn. Commissioner Littel moved to adjourn and Commissioner Rhodes seconded. Motion passed. Chairperson Smith ADJOURNED the meeting at 7:56 p.m.

Next Meeting: March 15, 2023, 7 A.M. Regular Meeting
Minutes respectfully submitted by Jennifer Ellis, Executive Director
SEAL:

ATTEST

Nicalee Smith,Chair

Jennifer Ellis, Secretary