

MASON COUNTY HOUSING AUTHORITY MINUTES

MINUTES OF THE SPECIAL MEETING OF THE BOARD OF COMMISSIONERS OF THE HOUSING AUTHORITY OF MASON COUNTY (MCHA) HELD AT 9:30 A.M. ON **SEPTEMBER 10, 2015**, AT THE MASON COUNTY COMMISSION CHAMBERS, 411 NORTH FIFTH STREET, SHELTON, WA 98584

1. **CALL TO ORDER AND ROLL CALL:** Chair Music called the special meeting to order at 9:36 a.m. Roll call was as follows:

Present:

Chair Tyler Music
Commissioner Gary Gordon
Commissioner Kathy Haigh
Commissioner Karen Monroe

Absent:

Commissioner Tammy Newton

Also Present:

Terri Silvis, Cascade Management, Inc. Director of Development Services
Becky Rogers, Clerk of the Board

2. **MINUTES:** Held until regular meeting on October 7, 2015.
3. **PUBLIC COMMENT:** None
4. **CHAIRMAN COMMENTS:** None
5. **COMMISSIONER COMMENTS/REPORTS:** None
6. **FINANCIAL:** None
7. **MANAGEMENT:**
 - 7.1 Kneeland Park & Pine Garden Refinance & Redevelopment Report – Cascade Management, Inc. -Terri Silvis, Cascade Director of Development Services, was present as contract manager.

PINE GARDEN

Ms. Silvis noted there are three loans on Pine Gardens. The proposal before the board is to modify the loan with Walker & Dunlop to reduce the rate and save the project approx. \$16,000/yr which would allow cash flow to pay Longview Housing Authority (LHA) and take it off the current balance sheet and turn it into a 5 or 7 year debt. The legal counsel, Kantor Taylor, will prepare a short term loan based on cash flow payments to LHA. One bond would be payable to Bremerton Housing Authority, which she did not believe they expect payment, but it is on the books and part of the acquisition and restructure that happened approximately 8 years ago.

It was recommended the Board authorize the Chair or Vice-Chair to sign the agreement to enter into the loan modification process.

Chair Music called for motion to authorize Chair Music or Vice-Chair Monroe as signers for all documents related to the loan modification for Pine Gardens, including signing the Letter of Agreement with Walker & Dunlop. Commissioner Haigh/Gordon moved and seconded motion. Chair Music called for question. None opposed. Motion carried.

KNEELAND PARK

Ms. Silvis reviewed the history of the project for the refinance and restructure. She would like to clean up the title for consistency, modify the loan and increase cash flow. Turning the units has been a problem because of restrictions in cash flow. Now Kneeland Park is in a position that a proposal can be put together to get it in front of some lenders to talk about a refinance.

A report prepared by Zack Howell, Cascade's Director of Property Maintenance, was reviewed. The report identified major issues, specifically involving the envelope issues and the cost involved for what needs to be done after the units are turned. It was noted that this is not a full capital needs assessment, full unit by unit plan for the future.

The proposed scope of work addressed: cleaning the siding, fixing the roof, taking care of fascia board and dry rot, landscaping, French drains, etc. The estimate is just under \$150,000 to complete these tasks, in addition to turning the other unit.

Ms. Silvis proposed that Impact Capital (non-profit community development lender out of Seattle) come in with a subordinate loan to Anchor Bank to complete the rest of the renovations and pay the payables.

There was discussion about applying to the state for a Community Development Block Grant (CDBG) and State Housing Trust Fund or regional private community funds. The first step would be to talk to the Dept. of Commerce about what funds they have for preserving affordable housing.

Ms. Silvis stated generally she does ground work for clients to apply for those kinds of funds. Currently, Cascade is under contract with the Housing Authority for her to perform work. She would roll that kind of work into that contract.

It was noted that Washington State Housing Finance Commission would be pleased with turning this project around as Kneeland Park is a public housing project. It would be a better alternative to a complete refinance.

The recommendation before the Board is to give authorization to move forward with Anchor Bank and Impact Capital, or other acceptable lender, to complete the financial restructure needed to stabilize Kneeland Park and authorize Tyler Music or Karen Monroe to sign whatever document is necessary.

Chair Music called for motion to authorize moving forward with Anchor Bank and Impact Capital, or other acceptable lender, to complete the financial restructure needed to stabilize Kneeland Park and authorize Tyler Music or Karen Monroe to sign whatever document is necessary. Commissioner Haigh/Monroe moved and seconded. Chair Music called for question. None opposed. Motion carried.

Commissioner Haigh talked about applying to the Capital Budget. Rep. Drew MacEwan is on the budget committee. They would be making the legislators aware of their needs with a clear application noting how much they are requesting, what they would accomplish. This could also be taken to the County Commissioners.

Ms. Silvis noted that the Attorney representing the Housing Authority is Mike Decina. He is the same attorney that did the last modification and transfer and so is familiar with the properties and he is flexible on waiting for his funds.

Ms. Silvis stated the HA can get asset management fees on the USDA projects annually.

There was brief discussion that the Board wants to consider pursuing expanding development for low-income housing.

- 8. **DEVELOPMENT:** None
- 9. **UNFINISHED BUSINESS:** None
- 10. **NEW BUSINESS:** None
- 11. **FUTURE MEETINGS:** Wednesday, October 7, 2015
- 12. **ADJOURNMENT:**
There being no further business, Chair Music called for motion to adjourn the meeting at 10:23 a.m. Commissioner Haigh/Monroe moved and seconded to approve motion. Chair Music called for question. None opposed. Motion carried.

Bicky Rogers

Executive Secretary

Music

Chair

SEAL:

