

**AGENDA**  
**BOISE CITY/ADA COUNTY HOUSING AUTHORITY, SHORELINE PLAZA, INC.**  
**& AFFORDABLE HOUSING SOLUTIONS, INC.**  
**COMMISSIONERS**

February 8, 2017 @ 4:00 p.m. – Housing Authority-3<sup>rd</sup> Floor Board Room  
1276 River Street, Suite 300, Boise, Idaho

**CALL TO ORDER**

**ROLL CALL**

**CONSENT AGENDA**

- I. Regular Meeting Minutes of January 11, 2017 – BCACHA
- II. Financials through the Period Ended October 31, 2016
- III. Bills and Communications

**OLD BUSINESS**

- I. Chairman's Report
- II. Executive Director's Report

**NEW BUSINESS (ACTION)**

- I. Draft Audit Report – Financials for Year Ending September 30, 2016 – Jodi Daugherty, Eide Bailly
- II. Introduction of Sunny Fitzgerald, Vice President, Origination at Centennial Mortgage, Inc. – Bob Reed
- III. Moore Street Update and Possible Land Swap Agreement – Bob Reed
- IV. Boise 5 Update – Bob Reed
- V. Possible Agreement with Northwest Real Estate Capital Corp – Bob Reed and Deanna Watson
- VI. River Plaza Carpet Replacement – Deanna Watson
- VII. Market Conditions Update from NCSHA(National Council of State Housing Agencies) – 2017 HFA Institute Conference in Washington D.C. – Bob Reed

**BOISE CITY/ADA COUNTY HOUSING AUTHORITY &  
AFFORDABLE HOUSING  
SOLUTIONS, INC.**

**MEETING OF THE BOARD OF COMMISSIONERS**

**February 8, 2017**

**TIME AND PLACE OF MEETING**

Chairman Brad Foltman called the meeting to order at 4:00 p.m. on Wednesday, February 8, 2017. The meeting was held at the Boise City/Ada County Housing Authority Board Room 1276 River Street, Boise, ID 83702.

**ROLL CALL**

**Commissioners Present:** Chairman Foltman, Vice Chairman Rock, Commissioner Ashton, Commissioner Guglielmetti, Commissioner Legarreta

**Commissioners Absent:** Commissioner Fitzgerald, Commissioner Machacek, and Student Commissioners Jasmine Xu and Ella Ernst

**Others Present:** Executive Director Deanna Watson, Deputy City Civil Attorney Abbey Germaine, Ada County Prosecuting Attorney Ray Chacko, Jodi Daugherty, CPA of Eide Bailly, Finance Director Diana Meo, Housing Programs Director Jillian Patterson, Development Director Bob Reed, Executive Administrative Assistant Ann Upchurch

**CONSENT AGENDA**

Chairman Foltman entertained a motion to change Agenda Item New Business II "Moore Street Update and Possible Land Swap Agreement," to an Executive Session following the regular meeting of the Board, according to Idaho Code § 74-206 (1) (c) (d) and (f).

**Motion to Change Agenda Item:**

**A motion was made by Vice Chairman Rock to move the Agenda Item New Business II to Executive Session. The motion was seconded by Commissioner Ashton. The motion passed by a voice vote.**

**Regular Board Minutes, January 11, 2017: Boise City/Ada County Housing Authority & Affordable Housing Solutions, Inc.**

**A motion was made by Commissioner Guglielmetti to approve the regular meeting minutes of January 11, 2017. Commissioner Ashton seconded. The motion passed by a voice vote.**

**Financial Statements for October 31, 2016:**

Financial Statements were presented by Finance Director Meo for the month ending October 31, 2016. Unanimous consent was given to accept the October Financial Statements pending the approval of the Financial Statements for the year ended September 30, 2016.

**Bills and Communications:**

Executive Director Watson presented four letters:

- 1) Letter from HUD dated January 13, 2017 closing all items as they related to the Management Review Report dated October 28, 2016;
- 2) Letter from HUD dated December 20, 2016 stating that Ada County Housing Authority has been granted funds for FY 2016, Shelter Plus Care Region IV (\$194,446) and Coordinated Housing Options and Individualized Services (CHOIS) (\$572,327);
- 3) Letter from HUD dated February 3, 2017 to Boise City/Ada County Housing Authority specifying the final close-out for FY 2015 Resident Opport & Self Sufficiency (ROSS) Grant.
- 4) Letter from HUD dated January 31, 2017 declining our application for the FY 2016 Resident Opportunity and Self-Sufficiency Service coordinators (ROSS-SC) Grant, due to lack of funding.

**OLD BUSINESS**

**Chairman's Report**

Chairman Foltman recognized Executive Director Watson for her 20 years of leadership and service to the Boise City/Ada County Housing Authority.

Chairman Foltman provided follow-up to the recent meeting held with Mayor Bieter, members of the City Council, City staff, members of the BCACHA Board, Executive Director Watson, and Housing Programs Director Jillian Patterson. Overall, Chairman Foltman felt that the meeting had been very helpful in the exchange of information between BCACHA and the City of Boise. Chairman Foltman felt that the City Council was keenly interested in the need for affordable housing considering the growth of Boise, not to just keep up with the need but to get ahead of it. The Mayor seemed particularly interested in the bond financing capabilities of BCACHA.

Vice Chairman Rock, who also attended this meeting, stated that he thought the Mayor may not have been getting all the information, especially as it pertained to BCACHA's role in providing project-based vouchers for the permanent supportive housing project. There had been some thought with City staff that BCACHA was holding up the project when, in fact, it was acting

prudently considering communication it had received from HUD. He mentioned that the Mayor had indicated the he would like to have more such meetings in the future.

Executive Director Watson mentioned that she was thankful that she had been given the opportunity to present the position of BCACHA to the City staff in a logical fashion and without interruption. It was a good opportunity to highlight the uniqueness of BCACHA as it compares to the other 3,400+ public housing authorities in the country. She was given the opportunity to explain to City officials that BCACHA could not issue an RFP for project-based vouchers until responder(s) were prepared to answer the questions contained in the proposal.

Housing Programs Director Patterson mentioned that a member of City staff brought up the idea of possible conflict of interest in having one housing authority for the two governmental entities, Boise City and Ada County. Director Watson had explained that a joint powers agreement had initiated the arrangement years ago and that the agencies have worked efficiently and without conflict ever since. HUD has always supported the arrangement.

Commissioner Ashton mentioned that she felt that BCACHA should strive for a similar meeting quarterly. Chairman Foltman agreed that there will be efforts made for a future meeting.

The Chairman's report concluded.

#### **Executive Director's Report:**

Director Watson had attended a Joint Powers meeting for the Allumbaugh House. The annual statistics show a full occupancy for the year. Last year was the first year that Terry Reilly had asked for a budget increase. This was primarily due to the fact that they have had to increase staff budgets due to the demand in the area for RN's. This year they are asking for a 6% increase to cover a budget shortfall from last year and the budget going forward. Heidi was kind to point out that the Housing Authority has never asked for a rent increase. Members of the committee agreed to approach the cities of Boise and Meridian to ask for increase in funding. The cities of Kuna, Garden City and the Treasure Valley Partnership will also be asked to help.

Director Watson had also attended a teleconference at the City Hall regarding Continuum of Care funding. We have lost points this past year, mainly because we haven't increased the number of rapid rehousing beds. Many local shelters don't participate in the point-in-time counts which makes it more difficult to compete for HUD funding.

Director Watson is now the Vice President of the Board for Idaho Community Reinvestment Corporation. Jane Pavek, of Wells Fargo, is serving as the new President.

### **NEW BUSINESS**

#### **Draft Audit Report – Financials for Year Ending September 30, 2016**

Jodi Daugherty, CPA from Eide Bailly presented the draft audit reports for the year ending September 30, 2016.

Shoreline Plaza Inc: The independent auditor's report was returned with an "unqualified opinion." Based upon standard auditing procedures, everything presented in the report is materially accurate and given the highest opinion that the auditors can give. Ms. Daugherty explained differences with this year's audit as compared to last year's.

**A motion was made by Commissioner Guglielmetti to approve the Shoreline Plaza, Inc. Draft Financial Statements for September 30, 2016. The motion was seconded by Commissioner Legarreta. The motion passed by a voice vote.**

Boise City Housing Authority: The independent auditor's report was returned with an "unqualified opinion." Based upon standard auditing procedures, everything presented in the report is materially accurate and given the highest opinion that the auditors can give. Ms. Daugherty explained differences with this year's audit as compared to last year's.

**A motion was made by Commissioner Ashton to approve the Boise City Housing Authority Draft Financial Statements for September 30, 2016. The motion was seconded by Vice Chairman Rock. The motion passed by a voice vote.**

Ada County Housing Authority: The independent auditor's report was returned with an "unqualified opinion." Based upon standard auditing procedures, everything presented in the report is materially accurate and given the highest opinion that the auditors can give. Ms. Daugherty explained differences with this year's audit as compared to last year's. She also explained that these are "draft" reports since the REAC schedule, which will be finalized within the next few days, will be included in the final submission this year. All footnotes will remain the same.

**A motion was made by Vice Chairman Rock to approve the Ada County Housing Authority Draft Financial Statements for September 30, 2016. The motion was seconded by Commissioner Guglielmetti. The motion passed by a voice vote.**

#### **Boise 5 Update**

Development Director Reed explained that the refinance project has been closed and funding allocations have been received. The next step is to start the process of completing a number of non-critical repairs that were specified in the refinancing. He expects these to be completed by late summer or early fall.

#### **River Plaza Carpet Replacement**

Director Watson updated the board on the progress of the repairs needed in the River Plaza building due to recent weather conditions; ice and water damage. We are still in the midst of clean-up and repair, and we do not have final numbers yet on the cost. The concern about the carpet is that the insurance policy will cover damaged carpet to a point but that it will eventually attach to 16-year old existing carpeting. Since replacing the building's carpeting would have

been on the budget for next year, Director Watson would like to get permission to investigate the cost of replacing the remaining carpet. Based on projected prices, the estimate to do this is between \$40 and \$60 thousand. Funds are available.

**A motion was made by Commissioner Legarreta that the Housing Authority pursues obtaining information as to the cost for replacing the carpet in the River Plaza building, beyond that which will be replaced by insurance. Commissioner Ashton seconded the motion. The motion passed by a voice vote.**

### **Market Conditions Update**

Director Reed shared information that he received in January at a conference he attended in Washington D.C., the NCSHA (National Council of State Housing Agencies) – 2017 HFA Institute. He related that he heard distressing information from investors who are all well connected with members of Congress. The results of the last national election has sent shockwaves throughout the equity markets based on proposed tax reform. Tax reform has been talked about for several years but the current consensus is that this is the year that it will be dealt with. While lowering the corporate tax rate is good for business, it is bad for public housing development. There will still be tax credits which have been instrumental for years in the development of affordable housing, but the price to be paid will be much lower as a result. Dr. Carson is very much in favor of affordable housing and understands tax credits, but there is a lot of uncertainty in the market at this time. Most experts are recommending a wait and see approach of three to six months to see how things settle out.

This impacts the Moore Street project as the change in the value of tax credits and the gradual rise in interest rates have created an anticipated gap in funding. HUD will probably put out new rent tables next month, which may help the project go forward, but Director Reed anticipates a funding gap of approximately \$800,000. Everything is in flux at the moment.

### **EXECUTIVE SESSION**

**A motion was made by Vice Chairman Rock to enter into Executive Session at 5:10 p.m. per Idaho Code § 74-206(1) (c) (d) and (f) to communicate with legal counsel for BCACHA to discuss the legal ramifications of and legal options for pending litigation, or controversies not yet being litigated but imminently likely to be litigated. Commissioner Ashton seconded. The motion passed by a voice vote.**

### **ROLL CALL**

**Commissioners Present:** Chairman Foltman, Vice Chairman Rock, Commissioner Ashton, Commissioner Guglielmetti, Commissioner Legarreta

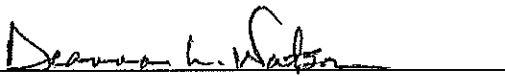
**Commissioners Absent:** Commissioner Fitzgerald, Commissioner Machacek, and Student Commissioners Jasmine Xu and Ella Ernst

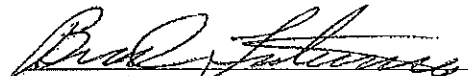
**Others Present:** Executive Director Deanna Watson, Deputy City Civil Attorney Abbey Germaine, Ada County Prosecuting Attorney Ray Chacko, Development Director Bob Reed,

There being no further business, the Executive Session was adjourned at 6:00 p.m.

There being no further business, the regular meeting was adjourned at 6:00 p.m.

Respectfully submitted,

  
Deanna L. Watson, Executive Director

  
Brad Foltman, Chairman