

## AGENDA

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

**March 14, 2018 @ 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

### CHANGES TO AGENDA

### CONSENT AGENDA

- I. Approval of Minutes
  - a. Meeting of the Board of Commissioners of February 14, 2018 – BCACHA
  - b. Special Meeting of the Board of Directors of February 14, 2018 - Affordable Housing Solutions, Inc.
- II. Financial Statements:
  - a. Thru the Period Ended December 31, 2017
  - b. Thru the Period Ended January 31, 2018

### REPORTS

- I. Occupancy Trends through February 2018
- II. Chairman's Report
- III. Executive Director's Report
- IV. Report on Properties Owned

### OLD BUSINESS

- I. Proposed Veterans' Housing Collaboration
- II. Website Launch

### NEW BUSINESS (ACTION ITEMS)

- I. Audited Financials for Year Ending September 30, 2017 for Shoreline Plaza, Inc.; Nez Perce, LLC; Shoreline North, LLC; North Liberty, LLC; Vine Street, LLC; Ada County Housing Authority and Boise City Housing Authority. – Kristin Diggs and Jodi Daugherty, Eide Bailly

**EXECUTIVE SESSION** Per Idaho Code § 74-206 (1) (d), and (f): To consider records that are exempt from disclosure as provided in Chapter 1, Title 74, Idaho Code; To communicate with legal counsel for the public agency to discuss the legal ramifications of and legal options for pending litigation, or controversies not yet being litigated but imminently likely to be litigated.

### NEW BUSINESS (Continued)

- II. Purchase of Orchard Street Property and Lease Extension
- III. Moore Street Property

### ADJOURNMENT

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

**MEETING OF THE BOARD OF COMMISSIONERS**

**March 14, 2018**

**TIME AND PLACE OF MEETING**

Chairman Raquel Guglielmetti called the meeting to order at 4:10 p.m. on Wednesday, March 14, 2018. 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 Guglielmetti, Vice Chairman Rock, Commissioner Ashton, Commissioner Rodriguez, Commissioner Legarreta (via telephone conference), Commissioner Machacek (via telephone conference), Student Commissioner Taylor Harris, Student Commissioner Grace Johnson

**Commissioners Absent:** Commissioner Fitzgerald, Commissioner ex-officio Elaine Clegg

**Others Present:** Executive Director Deanna Watson, Deputy City Attorney Rob McQuade, Ada County Deputy Attorney Ted Argyle, Eide Bailly Auditor Jodi Daugherty, CPA, Finance Director Diana Meo, Housing Programs Director Jillian Patterson, Development Director Bob Reed, Development Construction Manager Ben Duke, Real Estate Agent Jay Story, Executive Assistant Ann Upchurch

**CONSENT AGENDA**

**Vice Chairman Rock moved to approve the Consent Agenda. Commissioner Ashton seconded. The motion passed unanimously by a voice vote.**

**REPORTS**

I. Occupancy Trends through February 2018

Ms. Watson reviewed the Public Housing and Market Rent properties occupancies as of February 2018. All our properties continue experiencing strong occupancy trends.

## II. Chairman's Report

Ms. Guglielmetti shared that she and Ms. Watson have spoken about having an agenda item for Board meetings where the Housing Authority staff share in-depth information about a different program or aspect of the business. The background, history, current activity and future prospects of the program will be discussed as a way to give commissioners a month-by-month update.

Ms. Guglielmetti also encouraged the Board to keep reviewing the information coming from NAHRO (National Association of Housing and Redevelopment Officials). Updates have been informative regarding HUD's proposed changes regarding how rents are handled. Also, Commissioner Rodriguez has forwarded information about a local presentation by Henry Cisneros (former HUD Secretary). The presentation is on Thursday, April 5 from 8 to 10 am at the Stueckle Sky Center.

New Commissioner update: There has been an application submitted for Board commissioner consideration, but the seat is still open. There is also commissioner training being presented this spring through the Idaho chapter of NAHRO. Ann will be forwarding information to Board members.

## III. Executive Director's Report

Director Watson suggested that the first department update for April's Board meeting will be regarding the cell tower rooftop rental program. We currently rent space on the roofs of Capitol and Franklin Plazas. We have also recently received an approved contract from Sprint for additional equipment on Capitol. This contract looks good from our position and we will probably be executing this shortly.

In addition to the information provided in Ms. Watson's monthly update, she mentioned the Conference on Housing and Economic Development that several staff members attended last week. The presentation by keynote speaker, Richard Florida, was well done as was the program regarding container houses. Ms. Watson presented a slide presentation by Indie Dwell Inc., regarding the concept of using repurposed shipping containers to build affordable housing.

Another matter is a current situation where some of our HCV participants are being faced with landlords (or property managers) who have raised the rents and insist that the tenant pay the increase as a side-payment. This is a violation of the contract with the landlord and federal regulation. We are referring these to Rob McQuade at the City Attorney's office.

## IV. Report on Properties Owned

Development Construction Manager Ben Duke reported on the Franklin elevator modernization project that has been completed. Final payment is due to Schindler who would owe us a significant amount in liquidated damages according to the contract. We verbally agreed to a change order, giving us an extended service contract in lieu of liquidated damages. Schindler wants an addendum to the service agreement, in addition to the change order, which will take legal review.

The capital fund project on Victory, a kitchen remodel, has been reviewed. Ben's estimate was \$15,802 and the contractor came in at \$15,880. That contract should be signed next week. Capitol shower replacement bid came in at \$192,202. Unfortunately, the supplier of the shower units has discontinued the model we have used over the last 20 years. We are looking at new options and one most similar is coming in slightly higher in cost. We will modify the cost if we need to.

The Emergency Safety and Security grant project is proceeding. Ben has visited with a security contractor who has given good options for the upgrades on the properties. He is still trying to review the project with a camera contractor.

New Path Davis/Bacon review project is proceeding, if somewhat erratic. Ben receives certified payroll reports one week and then nothing for several weeks.

The Orchard Street tenant improvement project is proceeding. It is expected that BCACHA will meet a few more times with the architects before plans that can be submitted to the city.

Ms. Watson added that regarding New Path, the expected opening date is now July 27. This is several months ahead of schedule which was not expected by the city, county nor the housing authority. Once open, the county will need to find funds for services that were scheduled for the next fiscal year. The housing authority needs to convert vouchers to the project via attrition since there are not 40 vouchers now readily available. Jillian Patterson will be meeting with the developers to get a better idea of the likelihood of the early opening and will stress the critical need for good communication with all parties going forward.

Moore Street Property: Development Director Bob Reed spoke about the public hearing with the City Planning and Zoning Commission on March 5. Our position was presented by Deb Nelson of Givens Pursley LLP. She gave a clear and impressive presentation to the commission. She took each point of the appeal and showed how none of them applied to our development. The appellant was represented by Luke Roberts and several other neighbors or interested parties spoke in favor of the appeal. The Board of Commissioners denied the appeal unanimously. This decision could also be appealed to the City Council and they would have until 5 pm on Thursday, March 15 to file.

## **OLD BUSINESS**

### **I. Proposed Veterans Housing Collaboration:**

Ms. Watson stated that there was nothing new to add to the meeting regarding this project beyond what was presented in her written update to the Board.

Ms. Watson added a note to her update to inform the Board that the Housing Authority will be opening the waiting list for the Housing Choice Voucher program. She explained the waiting list process to the Board as being a lottery system. By opening the waiting list to applicants for 4 or 5 weeks every few years, we are able to keep a more manageable list and give people hope for

rental assistance sooner than when we kept a perpetually open list. We will select between 2,500 and 3,000 applicants randomly and they will be ranked by lottery. Since the ordering of applicants is by lottery, there will be no need for applicants to feel like they have to rush to sign up. There will be no benefit to signing up on the first day. Board members stressed that the agency needs to take care to spread the word of the opening of the list in as broad a manner as possible so that no group inadvertently misses the notice. Ms. Patterson stressed that the Housing Authority will make every possible preparation ahead of time to make sure everyone is informed and that we are ready to accommodate the sign-up processes.

## II. Website Launch

The new website was introduced to the Board and its functionality was briefly explained. Ms. Upchurch was asked to make sure that Board meeting agendas were included with the minutes each month. It was decided that the agenda would appear as the first page before each meeting's minutes.

## **NEW BUSINESS**

### I. Audited Financials for Year Ending September 30, 2017

Jodi Daugherty of Eide Bailly presented the Audited Financial Statements for Year Ending September 30, 2017 for Ada County Housing Authority and Boise City Housing Authority. Due to the refinancing of the "Boise 5" properties, there are actually seven different audited statements. But Boise City Housing Authority acts as the manager of the LLC properties, so they were presented under BCHA's financials. Hard copies were prepared and distributed to all Board members. Ms. Daugherty mentioned that the most important aspect of the financials is the opinion letter by Eide Bailly. In both sets, their opinion was "unmodified," which represents the highest opinion possible. There were no findings. The accountants do not give an opinion as to the controls in place, but they do report on the results of the controls. In each case, the internal controls placed by the agency are being followed. Eide Bailly also audits the HCV program since that is the biggest expenditure of federal awards each year. There were no findings in the HCV program audit. Ms. Daugherty stated that they find this is true with BCACHA year after year, which speaks to the quality of controls and the compliance with those controls at the agency.

Ms. Watson mentioned that one thing that was discovered during this audit was the sheer complexity of the project, 60% more work being involved than in past years. BCACHA has had discussions with Eide Bailly about addressing the vast number of extra hours involved in the audit and will come to a payment arrangement that is good to both the agency and Eide Bailly.

Vice Chairman Rock left the meeting at 5:30 pm.

**Commissioner Ashton moved that the Board approve the Audited Financials for Year Ending September 30, 2017 for Ada County Housing Authority. Commissioner Rodriguez seconded. The motion passed unanimously by a voice vote.**

Commissioner Ashton moved that the Board approve the Audited Financials for Year Ending September 30, 2017 for Boise City Housing Authority. Commissioner Rodriguez seconded. The motion passed unanimously by a voice vote.

## **EXECUTIVE SESSION**

At 5:35 p.m., Commissioner Ashton moved to enter Executive Session per Idaho Code § 74-206 (1) (d) and (f): To consider records that are exempt from disclosure as provided in Chapter 1, Title 74, Idaho Code; to communicate with legal counsel for the public agency to discuss the legal ramifications of and legal options for pending litigation, or controversies not yet being litigated but imminently likely to be litigated, and that the vote be by roll call. Commissioner Rodriguez seconded the motion.

Chairman Guglielmetti	Aye
Commissioner Ashton	Aye
Commissioner Rodriguez	Aye
Commissioner Machacek	Aye
Commissioner Legarreta	Aye

**The motion passed by roll call vote.**

The Executive Session was adjourned at 6:15 p.m.

## **NEW BUSINESS (Continued)**

### II. Purchase of Orchard Street Property

Deputy County Attorney Ted Argyle explained that as part of acquisition of the Orchard Street property, there was an issue with the current tenant who occupies the building. In order to facilitate the closing, the sellers have proposed an Addendum #2 to the Agreement for Purchase and Sale of Property dated November 29, 2017. In addition, they included an "Exhibit A," Agreement in Connection with Lease between the Seller and the Tenant.

**Commissioner Rodriguez moved that the Board authorize the Chairman and Executive Director to execute Addendum #2 to the Agreement for Purchase and Sale of Property in substantially the same form as presented to the Board for review, and to work with legal counsel to adjust as necessary. If the agreement is substantially changed, it will be brought again to the full Board for approval. Commissioner Ashton seconded the motion. The motion passed unanimously by voice vote.**

### III. Moore Street Property

Development Director Bob Reed informed the Board that in order to move forward with the development of the Moore Street property, a quiet title action will be necessary, legal counsel having agreed. In order to submit the project for tax credit allocation in August and then to

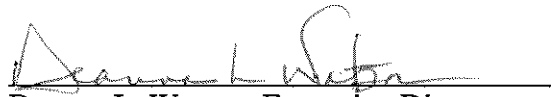
proceed through the due diligence period, which processes will require significant expenditure of funds for development costs, and to further our mission of developing affordable housing options for Boise, this action will be necessary at this time.

**Commissioner Ashton moved that the Board authorize legal counsel to enter litigation for quiet title for the property on Moore Street, otherwise known as the Sandhill Crane project. Commissioner Rodriguez seconded. The motion passed unanimously by a voice vote.**

Staff and Commissioners' experience letter to IHFA: Mr. Reed explained that part of the point scoring criteria under IHFA's QAP (Qualified Allocation Plan) for a tax credit allocation is a requirement that the developer/sponsor have experience developing tax credit housing projects. However, IHFA does not recognize the background and experience of our Commissioners and Staff. We are requesting that IFHA recognize this experience and not require that the Housing Authority engage a co-developer/sponsor. Mr. Reed is drafting a letter to IHFA requesting that we meet to discuss this further.

There being no further business, the regular meeting was adjourned at 6:40 p.m.

Respectfully submitted,

  
Deanna L. Watson, Executive Director

  
Raquel Guglielmetti, Chairman