

AGENDA

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

ANNUAL MEETING OF THE BOARD OF COMMISSIONERS AND DIRECTORS

**November 14, 2018 @ 4:00 p.m. – Housing Authority-3rd Floor Board Room
1276 River Street, Suite 300, Boise, Idaho**

CALL TO ORDER

ROLL CALL

CONSENT AGENDA (ACTION ITEM)

- I. Approval of Minutes:**
 - A. Meeting of the Board of Commissioners of October 10, 2018 – BCACHA**
 - B. Special Meeting of the Board of Commissioners of October 18, 2018 – BCACHA**

REPORTS

- I. Chairman's Report**
- II. Executive Director's Report**
- III. Report on Properties**
- IV. Report on Programs**

OLD BUSINESS

- I. Approval of Updated Exhibit B of Cooperation Agreement Between Ada County Housing Authority and Boise City Housing Authority (ACTION ITEM)**
- II. Orchard Street Property Update – Ben Duke**
- III. Moore Street Property Update – Bob Reed**

EXECUTIVE SESSION

Per Idaho Code § 74-206 (1) (c) & (d): To acquire an interest in real property which is not owned by a public agency; To consider records that are exempt from disclosure as provided in Chapter 1, Title 74, Idaho Code.

NEW BUSINESS

- I. Potential Real Estate Opportunities – Bob Reed (ACTION ITEM)**
- II. Consideration of BCHA Resolution No. 524 – Resolution updating the Fiscal Year 2019 payment standards (ACTION ITEM)**
- III. Consideration of ACHA Resolution No. 321 – Resolution updating the Fiscal Year 2019 payment standards (ACTION ITEM)**
- IV. BCHA Election of Chairperson and Vice Chairperson (ACTION ITEM)**
- V. ACHA Election of Chairperson and Vice Chairperson (ACTION ITEM)**
- VI. Shoreline Plaza Inc. Election of Chairperson and Vice Chairperson (ACTION ITEM)**
- VII. Affordable Housing Solutions, Inc. Election of President and Vice President (ACTION ITEM)**

ADJOURNMENT

**BOISE CITY HOUSING AUTHORITY,
ADA COUNTY HOUSING AUTHORITY,
SHORELINE INC. AND
AFFORDABLE HOUSING SOLUTIONS, INC.**

**ANNUAL MEETING OF THE BOARD OF
COMMISSIONERS AND DIRECTORS**

November 14, 2018

TIME AND PLACE OF MEETING

Chairman Raquel Guglielmetti called the meeting to order at 4:05 p.m. on Wednesday, November 14, 2018. The meeting was held at the Boise City/Ada County Housing Authority Board Room, 1276 River Street, Boise, Idaho.

ROLL CALL

Commissioners Present: Chairman Raquel Guglielmetti, Vice Chairman Kent Rock, Commissioner Yvette Ashton, Commissioner Gary Machacek, Commissioner Shellan Rodriguez, Ex-Officio Commissioner Elaine Clegg, Student Commissioner Maggie Schultz, and Student Commissioner Garrett Richardson

Commissioners Absent: Commissioner Miguel Legarreta, Commissioner Jennifer Seamons

Others Present: Executive Director Deanna Watson, Boise Deputy City Attorney Rob McQuade, Ada County Deputy Attorney Ammon Taylor, Development Director Bob Reed, Housing Programs Director Jillian Patterson, Finance Director Diana Meo, Real Estate Asset Manager Therrie Butz, Development Construction Manager Ben Duke, Public Housing Manager Donna DeThorne, 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 with Chairman Guglielmetti and Commissioner Rodriguez abstaining as they were not present for the October meeting.

REPORTS

I. Chairman's Report

Chairman Guglielmetti reminded the Board of their invitation to the agency's Christmas luncheon, to be held on Thursday, December 13 at 11:30 am at The Stonehouse on Park Blvd. in Boise.

II. Executive Director's Report

Executive Director Deanna Watson referred the Commissioners to her Board Update of November with a few additions:

Telephones: The agency's phones were down most of the day, Wednesday, November 14. The issue was found to be an electronic board malfunction on the side of the service provider. Calls were routed to a staff person's cell phone and the majority of calls were retrieved. All is working well again.

Housing First Panel: Ms. Watson and Housing Programs Director Jillian Patterson attended a Housing First Panel discussion at IHFA with members of the Montana Health Care Foundation. In attendance were 25 people from various cities and agencies in Montana with an interest in developing a housing-first concept project. It was a great, robust and helpful discussion.

New Path Developments: Ms. Watson has sent the owners / developers and all interested parties a checklist of items that are pending as it relates to the AHAP agreement for New Path. Ms. Watson was encouraged by Chairman Guglielmetti to step out of various email threads and to concentrate on building a detailed checklist of requirements based on the contract and regulations. Mr. Tom Mannschreck of Thomas Development said that they would respond promptly. The issue continues to be the payment standard BCHA is offering considering that the development consists of 36 studio apartments as opposed to the previously understood one-bedroom units. BCHA is offering 105% of the Fair Market Rent (FMR) for studio apartments as determined by HUD. With these numbers inserted into the developers' own proforma, the project will stay profitable for the 15 year term. But the developers want more cash flow as a buffer for the project.

Commissioner Rodriguez asked for clarification on the amount that is in dispute. It comes out to be approximately \$13,000 less than the expected amount, per year. An additional assumption that affects the bottom line is the vacancy rate. Commissioner Machacek, who has developed similar projects, stated that his are experiencing approximately 2% vacancy per year, mostly due to turnover. New Path has rent guarantees, a vacancy allowance, and a robust applicant screening process that will quickly identify new applicants from a steady stream of need. Commissioner Rodriguez asked for assurance that BCHA will not be culpable if the developers do not reach the level of cash flow that their investors are expecting.

Ex-officio Commissioner Clegg brought up some questions about the process and mentioned the need for success of this development so that future similar developments will benefit from things learned. Chairman Guglielmetti stated that BCHA did not see detailed floor plans and were not involved in the negotiations with investors, the development of the proforma and the financial projections. Assumptions were made that the developers were aware of HQS standards as they pertain to unit descriptions.

Ms. Watson explained that the process of determining the FMR is not for just one unit or development. What the agency pays for one unit must be the same for all similar units. There is some opportunity to reduce the FMR if the unit does not match up for other reasons, but no

opportunity to raise it. She offered the owners / developers 105% of the HUD determined FMR for studios, a rate that will keep the development in the black. She thought they would be pleased with that outcome.

Chairman Guglielmetti stated that the issue now is to get from the AHAP to the HAP contract and not to get into emotional discussions over the cash flow issue. BCHA cannot guarantee a profit, but rather a fair market rent for the units built. There are still a lot of details left in order to get to the HAP contract and that was the reason for the checklist. A lot still has to be done in a short amount of time. If we find we need Board action on this, we will need to call a special board meeting.

III. Report on Properties

Development/Construction Manager Ben Duke reported on the progress of the safety and security project at Capitol and Franklin Plazas. Phase 1 is completed with security cameras and monitors at both communities. Phase 2 is nearly done with new fencing, security patio doors on the first floor and exterior LED lighting. To max out the grant, the project was able to install LED lighting in the interior first floors of both properties. Capitol Plaza has some punch list items after the walk-through and Franklin Plaza should be completed within two or three weeks.

IV. Report on Programs

Programs were handled in the Executive Director's monthly update and earlier in the meeting. One item that was missed earlier involves the new health insurance plans for employees. Ms. Watson and Ms. Meo met with Drew Ranstrom from Moreton & Company for a review. The medical coverage will increase 3.6% or about \$1,000 per month. Some of that is paid by employees for dependent coverage. Dental, vision, life and long-term disability remain the same, while short-term disability is going to increase about 5.6%. Since we had budgeted for a 15% increase, overall we are pleased to be under budget. Staff recommends that we continue with our current benefit providers.

OLD BUSINESS

I. Approval of Updated Exhibit B of Cooperation Agreement Between Ada County Housing Authority and Boise City Housing Authority.

Director Watson explained that under the terms of our new Cooperation Agreement, this Exhibit B, "Schedule of Local Authority Programs and Facilities," needs to be updated annually.

Commissioner Machacek moved to approve the updated Exhibit B of the Cooperation Agreement between Ada County Housing Authority and Boise City Housing Authority. Vice Chairman Rock seconded. The motion passed unanimously by a voice vote.

II. Orchard Street Property Update

Mr. Duke reported that work has finally begun on the demolition and improvement of the property on Orchard Street. Staff is finalizing decisions on furniture and other details. The transition date is set at February 25, 2019. We have given notice to our current landlord. Furnishings will be very nice but not extravagant. Ms. Clegg asked about the ADA parking requirements and stated that we need to get to the design we want even if it costs a little extra.

III. Moore Street Property Update

Mr. Reed reported that the Moore Street property / Sandhill Crane development will not receive a Low Income Housing Tax Credit allocation this year. There were too many proposals which scored one point above ours for ours to be considered. If the property were located in a "qualified census tract," we would be awarded one more point and thereby favorably compete, but we cannot move the property.

Mr. Reed and Ms. Watson met with Mike Stoddard of Hawley Troxell to discuss other possibilities that involve bond financing. Mr. Reed presented a spread sheet and went through several other options with the Board. These involved various scenarios with different tax exempt bond rates, tax credits (4%) valuations, HOME funds, TIF funding, and a land loan from BCHA.

EXECUTIVE SESSION

At 5:25 p.m., Commissioner Rodriguez moved to enter Executive Session per Idaho Code § 74-206 (1) (c) and (d): to acquire an interest in real property which is not owned by a public agency; To consider records that are exempt from disclosure as provided in Chapter 1, Title 74, Idaho Code and that the vote be by roll call. Vice Chairman Rock seconded the motion.

Chairman Guglielmetti	Aye
Vice Chairman Rock	Aye
Commissioner Ashton	Aye
Commissioner Rodriguez	Aye
Commissioner Machacek	Aye
Commissioner Seamons	Aye

The motion passed by roll call vote.

At 5:45 p.m. Vice Chairman Rock moved to end the Executive Session and to return to the open meeting. Commissioner Rodriguez seconded. The motion passed unanimously by a voice vote. The Executive Session was adjourned at 5:45 p.m.

NEW BUSINESS

I. Potential Real Estate Opportunities

Chairman Guglielmetti stated that there needs to be strategic planning to determine the best way to handle the Moore Street property and to move forward with developing affordable housing. Commissioner Rodriguez said that she would like to see the Moore Street property development reconsidered with different financing options. Vice Chairman Rock said he would also like to investigate other real estate options, including Moore Street, and he would like to see a team of Commissioners look at financing opportunities, including bond issuance. Commissioner Machacek said that the scenario we have been looking at to date does not appear to be feasible and that he thinks targeting workforce housing options is an excellent idea. Commissioner Ashton said that she would like to see an end point to the Moore Street property and is fine with investigating workforce housing options.

Commissioner Machacek moved to have the Board form a sub-committee to work with Mr. Reed in exploring other financing options on the Moore Street project. Vice Chairman Rock seconded. The motion passed unanimously by a voice vote.

Chairman Guglielmetti asked Ms. Upchurch to send out an invitation to voting Board members who would be interested in serving on a sub-committee to investigate options.

II. Consideration of BCHA Resolution No. 524 – Resolution updating the Fiscal Year 2019 payment standards

Ms. Patterson explained the need to update payment standards per her memo that she provided previously.

Vice Chairman Rock moved to approve BCHA Resolution No. 524 – Resolution updating the Fiscal Year 2019 payment standards. Commissioner Ashton seconded. The motion passed unanimously by a voice vote.

III. Consideration of ACHA Resolution No. 321 – Resolution updating the Fiscal Year 2019 payment standards

Commissioner Ashton moved to approve ACHA Resolution No. 321 – Resolution updating the Fiscal Year 2019 payment standards. Commissioner Machacek seconded. The motion passed unanimously by a voice vote.

IV. BCHA Election of Chairperson and Vice Chairperson

Chairman Guglielmetti opened the floor for nominations for Chairperson and Vice Chairperson of BCHA.

Vice Chairman Rock nominated Chairman Guglielmetti to serve for another term. Commissioner Machacek seconded. The motion passed unanimously by a voice vote.

Commissioner Machacek nominated Vice Chairman Rock to serve for another term. Commissioner Rodriguez seconded. The motion passed unanimously by a voice vote.

V. ACHA Election of Chairperson and Vice Chairperson

Commissioner Machacek moved that the Chairman and Vice Chairman of BCHA be the same for ACHA. Commissioner Ashton seconded. The motion passed unanimously by a voice vote.

VI. Shoreline Plaza, Inc. Election of Chairperson and Vice Chairperson

Commissioner Machacek moved that the Chairman and Vice Chairman of BCHA be the same for Shoreline Plaza, Inc. Commissioner Ashton seconded. The motion passed unanimously by a voice vote.

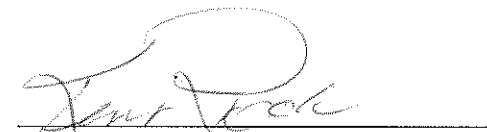
VII. Affordable Housing Solutions, Inc. Election of President and Vice President

Commissioner Machacek moved that the Chairman and Vice Chairman of BCHA be the President and Vice President of AHS, Inc. Commissioner Ashton seconded. The motion passed unanimously by a voice vote.

At 6:02 p.m., there being no further business, the meeting was adjourned.

Respectfully submitted,


Deanna L. Watson, Executive Director


Raquel Guglielmetti, Chairman
Kent Rock, Vice Chairman