

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

MEETING OF THE BOARD OF COMMISSIONERS

October 11, 2017

TIME AND PLACE OF MEETING

Vice Chairman Kent Rock called the meeting to order at 4:00 p.m. on Wednesday, October 11, 2017. The meeting was held at the Boise City/Ada County Housing Authority, 1276 River Street, Boise, ID 83702.

ROLL CALL

Board members in attendance were: Vice Chairman Kent Rock, Commissioner Yvette Ashton, Commissioner Raquel Guglielmetti, and Student Commissioner Grace Johnson

Board member present via teleconferencing: Commissioner Gary Machacek

Board members absent were: Chairman Brad Foltman, Commissioner Ryan Fitzgerald, Commissioner Miguel Legarreta, and Student Commissioner Taylor Harris

Others present: Executive Director Deanna Watson, Ada County Deputy Attorney Ted Argyle, Deputy City Attorney Rob McQuade, Ada County Deputy Attorney Ammon Taylor, Development Director Bob Reed, Development Construction Manager Ben Duke, Finance Director Diana Meo, Senior Staff Accountant Annette Sampson, Housing Programs Director Jillian Patterson, Real Estate Agent Jay Story, Executive Assistant Ann Upchurch

MOTION AND ORDER TO AMEND AGENDA

A motion was made by Commissioner Guglielmetti to amend the Agenda to include consideration of BCHA Resolutions 506 and 507, as well as to add Item V to New Business, Consideration of the possibilities of purchasing rental property on Streamside Place, a continuation of the REO program. The motion was seconded by Commissioner Ashton.

Discussion involved the reasons that the amended Agenda was necessary. Executive Director Deanna Watson explained that the Resolutions were completed and received today. Also, Development Construction Manager Ben Duke was made aware of information regarding a piece of property on the market as of yesterday. This property may be of interest in consideration of a continuation of the BCACHA REO program.

The motion passed by a unanimous voice vote.

CONSENT AGENDA

I. Approval of Minutes

a. Regular Board Minutes, September 13, 2017 – BCACHA

A motion was made by Commissioner Ashton to approve the regular meeting minutes of BCACHA September 13, 2017. Commissioner Guglielmetti seconded. The motion passed by a unanimous voice vote.

b. Special Meeting Minutes of September 22, 2017 – BCHA

A motion was made by Commissioner Guglielmetti to approve the special meeting minutes of BCHA September 22, 2017. Commissioner Ashton seconded. The motion passed by a unanimous voice vote.

II. Financial Statements – Thru the Period Ended August 31, 2017

Finance Director Diane Meo had no additional comments regarding the financial statements. Commissioner Guglielmetti moved to approve the Financial Statements thru the period ended August 31, 2017. Commissioner Ashton seconded. The motion passed by a unanimous voice vote.

III. Bills and Communications

Executive Director Watson passed items that were described in the agenda; specifically, the approval by HUD of the Annual Plans 2017, the Management & Occupancy Review of Shoreline Plaza, the Review and Approval of Final Performance and Evaluation Report – Capital Fund Program, and the determination of HUD regarding a discrimination complaint filed originally in 2009, in which HUD found in favor of BC/ACHA.

OLD BUSINESS

1. Chairman's Report.

There was none.

2. Executive Director's Report

Allumbaugh House: Executive Director Watson attended the JPE meeting of Allumbaugh House this week, during which it was confirmed that there are two new members, Garden City and Eagle, with both bringing funds to the program. Heidi Hart provided the operator update. Capacity is 16 beds and the average daily census is 16.5. The additional is due to the fact that as one participant is moving out, a new one is moving in, causing some overlap in census.

Commissioner Ashton asked about the possibility of expanding the program. Director Watson explained that the building's capacity is such that it could handle more beds but it becomes a staffing issue, therefore a significant funding issue. The program would need to grow by four beds at a time which would require an additional RN on staff. BCACHA owns the lot adjacent to Allumbaugh House and this is available to develop if we can find the funding. Our vision has been to develop a supportive housing program for those who have gone through the Allumbaugh House program. We had been asked to delay development until after New Path Community Housing is up and running.

Elevator Modernization Project: We have been working through elevator modernization projects at Shoreline Plaza, Capitol Plaza and Franklin Plaza. Yesterday, staff met with Schindler regarding our calculations of liquidated damages that will be returned back to us as a result of delays in the project. Schindler has raised the possibility of offering an extended free-service period instead. They will put a proposal together and that would then be brought before the Board for consideration.

In the meantime, a reporter from KTVB, Morgan Boydston, has contacted us after the station received a letter from a resident complaining about the elevator at Capitol Plaza. This person stated that he believed this was a fire hazard. A meeting is scheduled for 10/12/17 with the reporter in order to provide her with accurate information. It is true that at times Capitol Plaza has been down to one working elevator while the other was being repaired. Occasionally, there have been 3 to 4 hours where both were required to be down, but always with 48 hour notice to the residents. After-hour issues with the elevators result in a call directly to Schindler and they have arrived within the hour to address issues. At no time did only one elevator go only to the 4th floor. At times during the project, with the extended use of only one elevator, and during times when there were additional contractors in the building, the hydraulic system had overheated due to excessive use causing the one working elevator to shut down for 15 to 20 minutes, while things cooled off. There have been no further issues once those contractors have left the building. The reporter will have to make a determination as to whether there is a story here or not.

The estimated date of completion for Franklin Plaza is realistically 3.5 months. River Plaza will have its annual elevator inspection on 10/12/17.

Parking at River Plaza: Tomlinson has been slowly converting parking spaces to special use spaces, compounding the parking problems for the building's staff and clients. They have converted 4 or 5 spaces to their staff, 6 are reserved for residents, and 2 are for 30-minutes only. They were in the process of converting a new space when Director Watson parked in it. There was no sign designation and she was given 60 minutes to move or be towed. She has since resolved the issue with Tomlinson. These issues establish the need for BCACHA to move quickly to find a new home.

Programs: In addition to the recent award of the Emergency Safety & Security grant, we have also been notified of an award of a 2016 application for the ROSS – Service Coordinator grant program. This will allow us to add a staff person to provide services to residents of Capitol and Franklin Plazas, which should provide relief to Sandi. As the populations in these buildings have shifted away from elderly and more towards residents with disabilities, and those being primarily

with mental health disabilities, we look forward to finding someone with experience in the mental health field.

New Path: The groundbreaking was held on 9/20 and a recent trip by the property confirmed that the old Twin Dragon building is down. We went through difficult negotiation processes with the developer to come to an agreement over the HAP payment amount. With a lot of work from Bob, Jillian and Commissioner Guglielmetti, we were finally able to reach an agreement. Next steps are to complete an operations manual with Terry Reilly.

Continuum of Care – Finding at Review: A finding from the recent audit indicated that we need to find ways to spend approximately \$650,000 of program income. HUD's current position is that these funds should have been spent in the year that they were received. They gave us 30 days to present recommendations of how to spend these funds. One option presented is that we could add units to the Sandhill Crane project and provide supportive services for the homeless designated units. Another would be the possibility of purchasing new property, a duplex or triplex, for chronically homeless residents, and hire a staff position to provide the supportive services.

Streamside Place: In the process of considering the duplex mentioned here, we found a piece of property on the market close to other BCACHA owned units on Streamside. We will discuss this later so that if there is an opportunity to act, we would have authority from the Board.

Website and Logo Development: We have been working with a web site developer and a graphic artist to redo our site and logo. Ann passed around a version of the latest logo design that is up for consideration.

Board Positions: The City has sent word to Chairman Foltman that he will not be reappointed to the Board after his commission expires on October 31, 2017. Neither will Commissioner Fitzgerald be reappointed. We would like to find ways to recognize their years of service, so please forward any ideas to Deanna.

50th Anniversary of BCHA: November 2017 marks 50 years from the founding of BCHA. We will work on some plans, and draft a press release. Again, if you have suggestions, please let Deanna know.

NEW BUSINESS

I. Consideration of funds placement option from the sale of River Plaza office building.

Commissioner Guglielmetti led the discussion on the review of the responses to our Request for Information (RFI) process. She recused herself from voting on any related motions, to avoid any possible conflict of interest since she works for one of the banks who provided a response and recommendation to our RFI. We received three responses to the RFI: Idaho Central Credit Union (ICCU), Mountain West Bank (MWB) and D.L. Evans Bank (DLEB).

ICCU offered a 1.45% interest rate on their proposed 2-year Freedom Certificates of Deposit. They would allow a one-time early withdrawal option without penalty for each certificate. However, the combined certificates would not be insured beyond the National Credit Union Share Insurance Fund (NCUSIF) guaranteed amount of \$250,000. Since ICCU will not pledge additional securities for collateral, our funds above \$250,000 would be at risk. This option would not be within the Housing Authorities' Investment Policy.

MWB proposed an Insured Cash Sweep (ICS) Demand Deposit account which is managed by Promontory Interfinancial Network LLC (Promontory). This nation-wide network of community banks allows a seamless placement of funds to be invested in as many banks as necessary to ensure FDIC insurance coverage up to \$18 million (combined funds). The custodian places funds daily in banks up to the \$250,000 FDIC-insured threshold. MWB's rate for this account is 0.2%. The benefits are full FDIC insurance protection, with funds liquid and available for unlimited withdrawals. Special HUD-depository agreements are available if required for the ICS account.

DLEB proposed an investment similar MWB's. The ICS Money Market Deposit account allows funds to remain liquid, but can only permit six (6) withdrawals per month (by federal regulation). This account is also managed by Promontory and places funds throughout their network of community banks to provide full FDIC insurance coverage. DLEB offered a rate of 0.74% for its accounts. They also proposed the ICS Certificate of Deposit accounts option. However, these Certificate of Deposits cannot be cashed-in before maturity without significant penalties that could include loss of principal.

Both the Mountain West Bank and D.L. Evans Bank ICS account options meet the Housing Authority's Investment Policy requirements. Vice Chairman Rock stated that since both banks proposed very similar products, the offer from D.L. Evans Bank makes the most sense, given the higher interest rate. The limitation of six (6) withdrawals for money market accounts will not impact the Housing Authority's goal to purchase a new office building.

Commissioner Ashton moved that the Board choose the product offered by D.L. Evans Bank, the ICS Money Market Deposit Account, to invest the funds from the sale of River Plaza. Commissioner Machacek seconded the motion. The motion passed by a unanimous voice vote.

II. Request to transfer Mountain West Bank investment sweep accounts to an ICS account

Commissioner Guglielmetti discussed a request from Mountain West Bank (MWB) to transfer our current Housing Authority deposits to ICS Demand Deposit account (as proposed above). She recused herself from this vote, too. Deanna and Diana met with Dennis Durfee, CFO, and Mike Harris, State Street Branch Manager, to discuss this alternative account. The bank desires to move its major business customers' accounts into these FDIC-insured accounts for cash management purposes and regulatory reasons. Glacier Bancorp is growing to the \$10 billion ceiling which places retroactive regulatory burdens on the bank system with significant costs. MWB is asking BCACHA to consider this type of account for a period through early 2018 with

the consideration that BCACHA can move back to a Power Sweep account (backed by securities in a repurchase account) if this is preferred. Special HUD-depository agreements are available if required for the ICS account. No costs are involved and the 0.2% interest rate is the same as the Housing Authority's current account set up.

Commissioner Machacek moved that we transfer our funds with Mountain West Bank to an ICS Demand Deposit account. Commissioner Ashton seconded the motion. The motion passed by a unanimous voice vote.

III. Consideration of bank account signatory procedures during Board member changes

Finance Director Meo explained that she needs clarification on bank signature plates when the actual term of Chairman Foltman ends on October 31, 2017. It was decided that his signatory authority would hold over until the new officers are determined in November. With Vice Chairman Rock also on the accounts, signature authority can be left as-is until November. Then we will get updated information on all signature cards. Vice Chairman Rock is approving necessary payments while Chairman Foltman is out of town.

IV. Consideration of signatory procedures for the Boise 5 projects during the Board member changes

Development Director Bob Reed explained that BCHA Resolution 506 involves the Boise 5 close-out repairs that included Radon abatement and mitigation. Contractors have submitted bids for this service and this resolution authorizes either the Chairman, Vice Chairman, acting Chairman or acting Vice Chairman to sign the contract for these services.

Commissioner Ashton moved that the Board approve BCHA Resolution 506, a "Resolution Authorizing Signature on Documents Necessary to Complete Radon Mitigation for Nez Perce Apartments, Vine Terrace Apartments, and Liberty Street Apartments." Commissioner Guglielmetti seconded the motion. The motion passed by a unanimous voice vote.

Mr. Reed further explained that BCHA Resolution 507 is to allow him to approve and sign escrow holdback reimbursements for repair work that is being done on the Boise 5 properties. **Commissioner Guglielmetti moved that the Board approve BCHA Resolution 507, a "Resolution Authorizing Signature on Documents Necessary to Complete HUD Escrow Holdback Reimbursement Requests for Liberty Street Apartments, Shoreline Plaza Apartments, Shoreline North Apartments, Nez Perce Apartments, and Vine Terrace Apartments." Commissioner Ashton seconded the motion. The motion passed by a unanimous voice vote.**

Commissioner Machacek granted his permission to have Executive Assistant Ann Upchurch affix his signature to the two resolutions.

V. Consideration of the possibility of purchasing rental property on Streamside, a continuation of the REO program.

Director Watson explained the BCACHA would like Board approval to enter into investigations for possibly purchasing property on Streamside Place, through our revolving line of credit. We have had a program in place which provides a funding mechanism whereby properties available on foreclosure have been purchased and either refurbished and resold or kept in our inventory of REO properties. Out of a total of 68 properties purchased this way, we have retained one duplex and one house. This would be a duplex to be kept in our inventory. If we get permission from HUD regarding the excess CoC funds, it is possible this property could eventually fulfill that spending requirement.

Development Construction Manager Ben Duke said the property under consideration is listed at \$269,000. It is located in Garden City on Streamside Place, close to other BCACHA owned property. If it appears that it could be negotiated to a good position, it would be a continuation of our revolving fund program. BCACHA would borrow the funds from the Rent-to-Own program to make the deal work.

Commissioner Guglielmetti moved that the Board grant approval for BCACHA to proceed with the consideration and evaluation of the property on Streamside Place for feasibility of purchase with funds from the REO program. A contract for purchase would require further Board consideration. Commissioner Ashton seconded the motion. The motion passed by a unanimous voice vote.

Commissioner Guglielmetti moved that the Board enter Executive Session per Idaho Code § 74-206 (1) (c) To acquire an interest in real property which is not owned by a public agency; (d) To consider records that are exempt from disclosure as provided in Chapter 1, Title 74, Idaho Code; and (f) 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. Commissioner Ashton seconded the motion.

At 5:15 p.m. a roll-call vote was taken:

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

The motion passed by unanimous roll-call vote.

EXECUTIVE SESSION ADJOURNMENT

A motion was made by Commissioner Guglielmetti to adjourn the Executive Session at 5:50 p.m. and return to the public meeting. Commissioner Ashton seconded the motion.


A roll-call vote was taken:

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

The motion passed by unanimous roll-call vote.

There being no further business, the meeting was adjourned at 5:50 p.m.

Respectfully submitted,


Deanna L. Watson, Executive Director


Kent Rock, Vice Chairman