

Email Exchanges between City of Longview and HOSWWA

A compilation of Questions and Answers from over 65 emails.

Color Code: City of Longview Questions/Comments
HOSWWA Answers/Comments
(See attachments)

Question #1-No Email Question

From: Becky Phillips 5/03/2017 To: Jim McNamara; Chris Pegg
Subject: Refinance of Sylvester Apts loan.

Answer #1-(See attachments #1a, #1b) Chris Pegg asked me to send you the information I have on the proposed refinancing of Sylvester Apartments. Attached you will see a proposal from Heritage Bank. We are lowering the interest rate from 6.5% to 5.25% in order to lower our monthly payments. At a 25 year loan we would reduce our monthly payments by \$866. I have also attached copies of the resolution our board approved at the April 17, 2017 board meeting.

If there is anything else you need, please feel free to contact me. Thank you.

From: Jim McNamara 5/03/2017 To: 'Becky Phillips' ; Chris Pegg; David Campbell
Subject: RE: Refinance of Sylvester Apts loan.

Question #2-Thanks for passing that material along. I do appreciate it.

Because Housing Opportunities of SW Washington was originally constituted as the Longview Housing Authority (and I assume operates as the LHA in some capacity), our City Council has a continuing interest in how public housing in Longview is provided for. Consequently, they have asked me to follow up and gather some background on some recent transactions with regard to public housing in Longview. I hope you understand.

In particular, the Council is concerned that proceeds from sale or refinancing of Longview low income housing stock be reinvested in the "area of operation" of the Housing Authority, i.e. within 5 miles of the territorial boundaries of Longview, as defined by RCW 35.82.020(6).

To that end, could you let me know:

- Were the proceeds of the sale of the Mint Place Apartments reinvested in the Longview area?
- To what use were the proceeds of the 2011 loan secured by the Blackstone Apartments devoted?
- To what use were the proceeds of the 2014 sale of the Blackstone Apartments devoted?

Thanks in advance for your assistance in this matter.

From: Chris Pegg 5/11/2017 To: Jim McNamara
Subject: RE: Refinance of Sylvester Apts loan.

Answer #2-Becky has been in and out ill so I will respond.

First of all, our agency does not have any public housing, at least as it is defined by HUD. That's a specific program type administered by most housing authorities across the nation. The Board made this decision long before I ever came to work at this agency in 1990. They have elected instead to develop using other funding sources for a variety of reasons. I will forward a couple of documents that we've developed that give a good overview of the programs and housing that we do administer throughout our jurisdiction, including the City of Longview.

There are also several other sources of funding that our agency brings into this community that are not directly related to the properties we own and manage. A prime example would be the Housing Assistance Payments that flow through our agency for housing subsidies to approximately 1100 low income clients in Longview. Between the years of 2011 and 2014, approximately \$22.3 million dollars went into the pockets of landlords in this community alone. 71% of the housing subsidies we administer benefit low income tenants in the City of Longview.

We've also brought millions into the community for construction and rehabilitation of property and for the development of new programs that also directly impact local residents. That can be quantified as well if necessary.

From 2011 through 2015 the agency reduced its debt by approximately \$5 million while fixed assets only decreased \$2 million for a net investment in the community of \$3 million. There is an additional \$2 million invested if you take depreciation into consideration. Most of the proceeds from the sale of Mint Place and the Blackstone Apartments went to pay off existing debt. The proceeds from the sale of Mint Place were used in part to purchase the administrative building we are now located in at 820 11th Ave. Our staff had simply outgrown the prior location which still houses our Veterans team serving the Veterans living at the Stratford. We purchased a building that had been foreclosed on and vacant for some time. Aside from the assets from the sale, there were also associated liabilities.

Within the City of Longview several capital activities took place during the time period covering 2011 – 2014. These projects were completed with a variety of funding sources including but not limited to WA State Housing Trust Funds, Document recording fees, Federal Home Loan Bank grants, HOME and CDBG funding, Home Depot grants, USDA Rural Development Funding, Low Income Housing Revenue bonds, Low Income Housing Tax Credits, Neighborhood Stabilization funding, private bank loans, Washington Community Reinvestment loans, Economic Development Initiative funding, homeownership funding from the Washington State Housing Finance Commission and Impact Capital funding. We developed several new homeownership projects in 2011, invested in blighted property and assisted with the rehab and new construction in the Highlands neighborhood, opened a new Veteran Employment Center, and entered into a new \$500 thousand four year contract with the VA to operate a new housing program, largely within the City of Longview. In 2012, we invested additional dollars in some necessary rehab of the administrative building, refinanced Sylvester, Stratford, Blackstone and Woodside West with a local bank to reduce payments; started redevelopment of the Stratford Arms, continued with new homeownership opportunities, and purchased the 33rd Ave. home for Veterans Transitional Housing. In 2013, we paid off our line of

credit for the rehab of the administrative building, continued with the Stratford redevelopment, started a new Veterans program for Transitioning in Place with the VA, and continued with additional homeownership opportunities. In 2014 we completed the redevelopment of Stratford (App. \$2.5 million in renovations over this 4 year period), expanded the landlord Incentive Program to educate potential renters, completed the renovation of the Hemlock 4-plex and 33rd Ave. home with the help of a Home Depot grant. These are both Longview properties. We also continued with our homeownership programs.

We have done all of this while also continuing development work in the other communities we serve. We also pursued several other development opportunities within the City of Longview that were not viable for a variety of reasons.

As you can see, the question is not as simple as it originally looks. Each asset comes with its associated liabilities and staffing needs and operating costs are spread throughout our organization. Unfortunately we are not large enough to have staff dedicated to specific projects. We all cover a broad range of housing, programs and duties.

The City of Longview is the primary city in our jurisdiction and the bulk of families we serve live in this community. We are deeply committed to serving them, and this community, in any way we can. I think this is evident in the variety of housing and programs we've developed and continue to develop through the years. If the City of Longview is aware of other opportunities to develop housing, we would love to partner with you to better serve this community.

As an example of our continued commitment to Longview, we are currently meeting with the Longview School District to partner on possible development of housing for homeless students and families. We are in communication with Columbia Wellness to discuss development of housing for the clients they serve. We are also in negotiations to purchase land to develop new affordable housing in the City of Longview.

Also, as a point of information, although our primary focus is on the City of Longview, there are a few ways that Washington statutes permit a housing authority to work beyond its original area of operation – for instance if a host city or town adopts a resolution authorizing us to operate inside its jurisdiction, or if we enter into an interlocal agreement with another government entity. We have done this throughout our jurisdiction. This is in order and open for review and has been audited several times.

We would be happy to meet with Council to discuss any additional concerns they may have. Additionally, our audits are a matter of public record and are available for review on the State Auditor's website. I appreciate the interest of the City Council in the work that we do. I also look forward to participating in the upcoming conversations about reforms to encourage development of affordable housing within Longview. There is such an opportunity and such a need. Please let me know if any Council members are interested in touring any of our facilities or discussing any of the our work.

From: Scott Vydra 5/17/2017
To: David Campbell
<david.campbell@ci.longview.wa.us<mailto:david.campbell@ci.longview.wa.us>>, Jim McNamara
<james.mcnamara@ci.longview.wa.us<mailto:james.mcnamara@ci.longview.wa.us>>
Cc: Don Jensen
<don.jensen@ci.longview.wa.us<mailto:don.jensen@ci.longview.wa.us>>, Mike

Wallin <Mike.Wallin@ci.longview.wa.us<mailto:Mike.Wallin@ci.longview.wa.us>>, Steve Moon
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<Chet.Makinster@ci.longview.wa.us<mailto:Chet.Makinster@ci.longview.wa.us>>
Subject: Re: Refinance of Sylvester Apts loan.

Question #3-Dave,

1). The Mint Place apartments were purchased in 1992 for \$9,090,000 and per the LHA 2011 audit, they were sold in 2011. What was the selling price? What were the net proceeds? Where was that 'profit' reinvested? Between 1992 and 2011 did the LHA receive any CDBG or other grant funds from the City of Longview? How much?

2). In June of 2012 there was a loan taken out against the Sylvester Apartment for \$772,166, What were these funds used for?

3) In December of 2011 the LHA purchased the office building at 820 11th. Where did the down pay funds come from? How much was spent on tenant improvement?

4). The October 27, 2014 meeting minute state that "the permanent loan for Lilac Place (Woodland) has not closed at this time and the sale of the Blackstone Apartments has not yet closed. This is when repayment is expected to occur." How much did the LHA net from the sale of the Blackstone Apartments? How much of the profit was used for Lilac Place? When was the Blackstone originally purchased? What was the purchase price? From the time the Blackstone was purchased until it was sold in 2014, how much did the LHA receive in CDBG or other grant funds from the City of Longview?

From: Becky Phillips [<mailto:becky.phillips@hoswwa.org>]
Sent: Friday, May 19, 2017 12:41 PM
To: Chris Pegg
Subject: RE: Here are the latest questions that have come up

Answer #3-Dave,

1). The Mint Place apartments were purchased in 1992 (A) for \$9,090,000 (B) and per the LHA 2011 audit, they were sold in 2011. What was the selling price? (C) What were the net proceeds? (D) Where was that 'profit' reinvested? (E) Between 1992 and 2011 did the LHA receive any CDBG or other grant funds from the City of Longview? How much? (F)

2). In June of 2012 (A) there was a loan taken out against the Sylvester Apartment for \$772,166, What were these funds used for? (B)

3) In December of 2011 the LHA purchased the office building at 820 11th. Where did the down pay funds come from? (A) How much was spent on tenant improvement? (B)

4). The October 27, 2014 meeting minute state that "the permanent loan for Lilac Place (Woodland) has not closed at this time and the sale of the Blackstone Apartments has not yet closed. This is when repayment is expected to occur." How much did the LHA net from the sale of the Blackstone Apartments? (A) How much of the profit was used for Lilac Place? (B) When was the Blackstone originally purchased? (C) What was the purchase price? (D)

From the time the Blackstone was purchased until it was sold in 2014, how much did the LHA receive in CDBG or other grant funds from the City of Longview? (E)

Thanks

Scott Vydra, Councilmember

NOTES:

- 1.A. Mint Place was purchased in November of 1998.
- 1.B. Mint Place was not purchased for \$9,090,000. At the time LHA purchased Mint Place we had two other revenue bonds (Woodside West and Sylvester Apts 1994 bond and Blackstone Apts 1992 bond). To purchase Mint Place we did a pooled bond for \$9,090,000 which purchased Mint Place and paid off the other two bonds. It was referred to as the 1998 Housing Revenue & Refunding Bond (Pooled Project Funding) and included the financing for Mint Place, Blackstone Apartments, Woodside West Apartments and Sylvester Apartments.
- 1.C. The selling price of Mint Place was \$5,600,000.
- 1.D. The net proceeds on the sale of Mint Place were \$767,959.
- 1.E. The profit from the sale of Mint Place was reinvested in the purchase and remodel of our office building at 820 11th Avenue in Longview.
- 1.F. See attached Excel Spreadsheet. (See attachment #3)
- 2.A. The loan was taken out on October 7, 2011 not June of 2012.
- 2.B. The funds from the new loan for Sylvester Apartments in October of 2011 in the amount of \$772,165 were used to pay off its portion of the 1998 Pooled Revenue Bond mentioned in note 1.B.
- 3.A. The profit from the sale of Mint Place in the amount of \$767,959 was used to purchase our office building at 820 11th Ave. The purchase price was \$651,240.
- 3.B. We invested another \$131,723 in remodeling the building for a total cost of \$782,964.
- 4.A. The net proceeds from the sale of Blackstone Apartments was \$427,075.
- 4.B. The profit from the sale of the Blackstone Apartments was used to cover agency debt which several project.
- 4.C. The Blackstone Apartments was originally purchased in November of 1992.
- 4.D. The purchase price of Blackstone Apartments was \$484,000.
- 4.E. See attached Excel Spreadsheet. (See attachment #3).

From: Scott Vydra 5/22/2017 **To:** Bruce Fischer Bruce Forwarded to Chris

Subject: Re: Housing Opportunities of SW Washington

Question #4-

One of the questions that I have is, per the LHA meeting minutes of October 27, 2014, it sounds like proceeds from the

sale of the Blackstone were used to fund the Lilac Place property. My question is, When was the Blackstone purchased?

What was the original purchase price? What was the sales price?

From: "Chris Pegg" 05/23/2017 17:29 **To:** "Bruce Fischer" <brucef87@live.com>, scott.vydra@excite.com

Subject: RE: Housing Opportunities of SW Washington

Answer #4- The Blackstone Apartments were purchase in November 1992 for \$484,000 using a Housing Revenue Bond. The original purchase price was \$484,000 and it sold in 2014 for \$1.15 million.

From: Scott Vydra 6/15/2017 10:59 AM To: Chris Pegg; Don Jensen; Steve Moon; Mike Wallin; Mary Jane Melink; Ken Botero; David Campbell; Chet Makinster; Kurt Sacha; Jim McNamara
Subject: Youth facility

Question #5-I was speaking with Mike this morning and staff has been asked to start working on a zoning text amendment. Also, I've spoken with a couple people recently, one who works for the Longview School District and she confirmed that we are only talking about a few students that are unsheltered.

I've been disappointed by Janus and HOSWa disingenuous use of the McKinney-Vento 2015-2016 Homeless Youth Data. While I understand that ANY youth homelessness is not acceptable, stating that there are 820 Homeless Youth might be factually correct by definition but the issue and focus is really the few that are unsheltered. A group home for 6 school age youth is something that can be addressed and with a solution that we can all agree on. I look forward to working with you on this.

From: Chris Pegg 6/15/2017 3:18 PM To: Scott Vydra; don.jensen@ci.longview.wa.us; steve.moon@ci.longview.wa.us; Mike Wallin; Mary Jane Melink; David Campbell; chet.makinster@ci.longview.wa.us; Kurt Sacha (kurt.sacha@ci.longview.wa.us); Jim McNamara; Tynna Purtteman; Dennis Morrow; Jon Dieter
Subject: RE: Youth facility

Answer #5-I am sorry to hear about your concerns about the discussion around homeless youth. Your statement about being disingenuous seemed a little harsh. At no point have we tried to deceive or mislead anybody. I feel that we've been careful to make sure people understand the differences in the definitions around homelessness. We are always careful to identify that our data comes from OSPI and they use a different definition of homelessness than HUD. We tried to address this concern at the City Council meeting on Thursday evening and to answer Council members questions about our work.

I do strongly believe there is a problem with over 800 kids being "unstably housed". It does have an impact on them and their ability to do well in school and in life. That makes it a problem for our community in my opinion. We shouldn't wait until they are actually on the street to do something to help them. That help will look different and may not have the urgency of providing shelter, but it's still important.

We've been outspoken that the reason we started out doing outreach is because we don't have a firm handle on what the population of homeless kids actually looks like. We don't have a good idea of how many are actually living on the streets or in shelters, how many are engaged in sex trafficking, how many are runaways, and how many are couch surfing. The outreach is helping us identify the need, and the appropriate path to dealing with the issue.

I sent you an article last week from an educator who talks about the impact "couch surfing" and an unstable housing situation has on kids. These are formative years and the insecurity manifests itself in a variety of ways. I don't believe we can disregard this data. The education system came up with this definition of homelessness for a reason and we shouldn't discount it.

We too are looking forward to working with you. We would love to sit down with you to discuss the issues you are focused on as well as any additional concerns you and the rest of the Council may have.

From: Scott Vydra 7/26/2017, at 2:10 PM To: Dave Campbell and forwarded to Chris Pegg

Question #6-

Dave,

Thanks, I have some additional questions:

Q: 1

RCW 35.82.070 (13)

13) To exercise the powers granted in this chapter within the boundaries of any city, town, or county not included in the area in which such housing authority is originally authorized to function: PROVIDED, HOWEVER, The governing or legislative body of such city, town, or county, as the case may be, adopts a resolution declaring that there is a need for the authority to function in such territory.

You state that in 2007 you were granted authority to function in Cowlitz County, but what about the City of Castle Rock? The City of Woodland? The Town of Cathlamet?

Q: 2

In 1976 the Housing Authority was awarded 120 "Certificates" - Section 8 Advantage Housing Vouchers? Or Housing Choice Vouchers?

How many Certificates or Housing Vouchers was the Authority awarded in 2016? 2017?

These were awarded to Longview? How many for Cathlamet? Kalama? Castle Rock?

How many "Longview" "Certificates or Vouchers" are being used by tenants at the Eagle Point Village; Columbia View Harbor; or the Riverview Apartments?

Q:3

The loan of June 2012 of \$772,166 was a refi? It does not show that way on your financials; could you please provide more info?

Q:4

Could you provide an operating report; income and expenses for the Sylvester Apartments since 2011?

From: Chris Pegg 7/26/2017 4:00 PM To: David Campbell;
don.jensen@ci.longview.wa.us; Mike Wallin; Scott Vydra; Mary Jane Melink;
ken.botero@ci.longview.wa.us; steve.moon@ci.longview.wa.us;
chet.makinster@ci.longview.wa.us
Subject: RE: HOSWwa presentation 2017

Answer #6-Here are the answers to Scott's questions:

We have interlocal agreements with the following cities and counties:

Cowlitz 2007

Clark 2009

Lewis 2007

Wahkiakum 1994

Kalama 2005

Kelso 2006

Castle Rock 2005

Cathlamet 1998

Raymond 1998

Woodland 1994

#2

The tenant-based rental assistance program was originally created as the Certificate program. It merged with the Housing Choice Voucher program in 1999. We were not awarded any vouchers in 2006 and we received an additional 5 Veterans Affairs Supportive Housing Vouchers in 2017. HUD has not been awarding anything but special use vouchers for some time. All of our vouchers are under a single Annual Contributions Contract with HUD under the

Housing Authority of the City of Longview. When we assumed management of the vouchers for Pacific County and Lewis County their vouchers were rolled over into our ACC as well. The vouchers can be used anywhere in our jurisdiction. In fact, Housing Choice Voucher holders can use their voucher anywhere in the United States.

There are 17 vouchers in Eagle Point. Columbia View and Riverview Apartments have USDA subsidies that came with the complexes. There is 1 unit in Riverview that does not have a USDA subsidy and a voucher holder has chosen to live in that unit.

#3

When we sold Mint Place we had to refinance the other complexes that were included in that pooled in that Tax Exempt Housing Revenue Bond. Those properties included Woodside West, Sylvester, Blackstone and Mint Place. Sylvester was refinanced at Twin City Bank. The bonds and loans show up separately on the audited financial statements and management discussion and analysis. These financial statements are on our website at www.hoswwa.org.

We will send the operating report, income and expenses report for Sylvester since 2011 by separate email. (See attachment #6)

From: Scott Vydra 7/26/2017 **To:** David Campbell

Subject: City Council presentation 2017 A.pptx

Question #7—I forgot to include: how many Longview certificates/housing vouchers at the Woodside West, Tulip Valley, and Hawthorne House Apartments?

From: Chris Pegg 7/26/2017 4:06 PM **To:** David Campbell; don.jensen@ci.longview.wa.us; Mike Wallin; Mary Jane Melink; Scott Vydra; ken.botero@ci.longview.wa.us; chet.makinster@ci.longview.wa.us; steve.moon@ci.longview.wa.us

Subject: RE: Part 2

Answer #7—There are 3 Voucher holders living at Woodside West, 1 at Tulip Valley and 1 at Hawthorne House. Again, these are tenant-based housing choice vouchers and the families can choose where they want to live. We cannot steer them. The vouchers move with the family, so if they choose to move somewhere else, the voucher goes with them.

From: Scott Vydra 9/19/2017 **To:** Chris Pegg; David Campbell

Re: HOSWWA Board of Commissioners Agendas

Question #8— Thank you for including council on the distribution list. I'm not going to be able to attend your upcoming board meeting, but would be very interested in the update on your West Longview project. Any info you can share after you've had your board meeting would be appreciated.

Also, would you please forward me the current year to date financials for the Sylvester Apartments.

From: Becky Phillips 9/20/2017 **To:** Scott Vydra; Chris Pegg

Subject: RE: HOSWWA Board of Commissioners Agendas

[Answer #8](#)– Attached please find the Sylvester Apartments Financial Statement for the period ending 08/31/2017. If you have any questions, please don't hesitate to contact me or Chris Pegg. (See attachment #8)

From: Scott-10/16/17 To: Dave Cambell

Question #9– 1. Can you please confirm if we are receiving the excise tax?
2. Also, the updated lease mentions \$100,000 for improvements, but their 2010 Auditors report under Real Estate Mortgages, pg 35, lists \$1,503,567 for finance leasehold improvements for Sylvester Arms apartments. The 2012 Auditors Report shows the \$1,503,567 and refinanced debt of \$772,166 as of 6/19/2012. Can we please get a detailed explanation of what debt was refinanced?

From: Dave Campbell 10/18/2017 To: Scott Vydra

A6. We are *not* receiving leasehold excise tax. Chris pointed us to WAC 458-29A-400(5) – the underlying law being RCW 82.29A.130(3) – which provides an exemption from that tax for leasehold interests of subsidized housing when the property is owned by, among others, political subdivisions of the state of Washington, and residents of the housing are subject to specific income qualification requirements. She also reported that the actual lease amount for 2017 was \$525.35.

I'm copying Chris with this reply so that she might respond to your second question below, but I'm also attaching an email message from John Brickey that provides some more information about the remodeling and modernization that the LHA undertook in 1994. Note that the lease agreement recognizes a couple of different financial commitments by the LHA, one being the work related to the apartments themselves (which also included seismic upgrade for the whole building) that was valued at \$1,778,500 for building permit purposes; and the second being an electrical service upgrade for the Theater Portion of the building that was done on a not to exceed \$100,000 basis. That probably addresses the amount you cited below for financed leasehold improvements for the Sylvester Apartments, but Chris will have to provide an explanation of what debt was refinanced.

From: Chris Pegg 10/18/2017 To: David Campbell; Scott Vydra; Kurt Sacha; John Brickey; Jim McNamara

Answer #9– When the housing authority purchased Mint Place Apartments in 1998 we used housing revenue bonds. At the time we had two other revenue bonds (Woodside West and Sylvester Apartments 1994 bond and the Blackstone Apartments 1992 bond). To purchase Mint Place we did a pooled bond which purchased Mint Place and paid off the other bonds. It was referred to as the 1998 Housing Revenue & Refunding bond (Pooled Project Funding) and included the financing for Mint Place, Blackstone Apartments, Woodside West Apartments and Sylvester Apartments.

When we sold Mint Place we refinanced the Sylvester portion of that bond. The funds from the new loan for Sylvester Apartments in the amount of \$772,165 were used to pay off its portion of the 1998 Pooled revenue Bond.

From: Mike Wallin 8/12/2017 To: Chris Pegg
Subject: Fw: 8.22.17 Special HOSWWA Board Meeting

Question #10–I would love to hear more about your prospective plans.

From: Chris Pegg 8/14/2017 To: Mike Wallin
Subject: RE: 8.22.17 Special HOSWWA Board Meeting

Answer #10-We are very early in the process of determining what type of housing we want to put on this site. My early thoughts are to create a mixed income project with some units for special needs populations, including social services and case management for those families that require assistance to be successful. A lot of what we ultimately come up with will depend upon funding. Our major funding sources are extremely competitive and all base awards on serving special needs populations such as homeless families with children, people with chronic mental illness, seniors, homeless Veterans, homeless kids, people with disabilities, etc. As you know, the Legislature has not passed a capital budget yet so we don't know what funding priorities they will impose on the Housing Trust Fund, but they are likely to mirror those from the past biennium which are mentioned above.

We want there to be public involvement in the design of the project so we will be holding a couple of meetings during design. We will not be applying for funding for this project until next year and we will likely be seeking local funding as well.

From: Scott Vydra 9/19/2017 9:00 PM To: Chris Pegg; David Campbell
Subject: Re: HOSWWA Board of Commissioners Agendas

Question #11-Thank you for including council on the distribution list. I'm not going to be able to attend your upcoming board meeting, but would be very interested in the update on your West Longview project. Any info you can share after you've had your board meeting would be appreciated. Also, would you please forward me the current year to date financials for the Sylvester Apartments.

From: Chris Pegg 7/27/2017 9:11 AM **To:** David Campbell; Don Jensen; Mike Wallin; Mary Jane Melink; Ken Botero; Chet Makinster; Scott Vydra; Steve Moon

Subject: Income and Operating Income and Expense Statement for Sylvester Arms Apartments

Answer #11- I've attached an Operating Income and Expense Statement for Sylvester Arms Apartments for the period covering 2011 through June 30, 2017. We are in the process of working on a restructure of the loan with the WA State Dept. of Commerce. The current payments are not sustainable for future years. (See attachment #11)

From: Mike Wallin 11/21/2017 3:01 PM To: Chris Pegg
Subject: Veterans Housing

Question #12-what information can you share concerning the successful HOSWA efforts with the Stratford Apts and the housing of homeless Veterans in Longview?

Personally, I am Just trying to better understand the success the agency has had in this area. I think of the Stratford as a great example of a Longview located project and want to be better able to share and articulate the positive attributes and success of the rehabilitation and the housing of that population.

From: Jon Dieter 11/22/2017 To: Mike Wallin; Chris Pegg
Subject: Veterans Housing

Answer #12- (See attachment #12)) Thank you for taking an interest in our agency's veteran programs. As I mentioned in the attached documents, there is no other community between Portland and Seattle that has the variety of veteran housing and services that Longview has developed to meet the needs of our community. Currently, as a result of the housing, services and partnerships we've developed, our homeless veterans' waiting lists remain constant and relatively low. For every veteran we stably house and graduate from our program, there is another homeless veteran to take their place. Due to continuing wars overseas and the high rate of addiction and mental health issues among our military veterans, there is no indication that the numbers of homeless veterans will decrease anytime soon. The good news is...we are keeping up with the demand.

I have attached four pages of documents that describe our veteran programs and give specific data about each which includes the following:

Page 1 - Gives a program overview of all Veteran Integration Programs (VIP).
Page 2 - Provides data on our Rental Success Services which provides the following: 1. Rent Well Tenant Education classes which is a 15 hour "good tenant education" which is required for all veterans coming into our program. 2. Landlord Liaison services. 3. Housing locator services for all our veterans. 4. A Landlord Guarantee damage pool which reimburses landlords for unsuccessful veteran tenants. PLEASE NOTE THE AREAS WHERE OUR VETERANS FIND HOUSING.

Page 3 - Provided data on each of our VIP programs, including numbers served, counties where the clients came from and average increase in all forms of income while they were on the program.

Page 4 - Provides data on one of our newest program which provides opportunities for our program veterans to move forward in life in becoming productive citizens.

Mike, I have provided you with enough written information which I hope will encourage you to come and visit our housing, our services and talk with the veterans who are being touched by our programs. Our doors are always open to you coming and learning more about these amazing programs located here in Longview.

And finally it just occurred to me that the attached documents made no mention of the forty (40) VASH (Veteran Affairs Supportive Housing) Vouchers which Housing Opportunities has acquired over the last eight years. Because of our advocacy in Washington DC, our Housing Authority was one of first agencies located in rural America to receive these coveted veteran housing vouchers.

I have given you my phone numbers below to call me for further questions and so we can set up a time for you to come by.

From: Chet Makinster 12/04/2017 To: Chris Pegg
Cc: Don Jensen; Mike Wallin; Scott Vydra; Ken Botero; Mary Jane Melink; Steve Moon; David Campbell; Comcast Email; Linda B.; Lori Sarancik; Wayne Ostermiller (whost61@gmail.com); Bruce Fischer; Peter Bennett
Subject: Re: Why is Homelessness Increasing?

Question #13-Thanks Chris. How do we go about getting more housing in Longview ?

From: Chris Pegg 12/04/2017 12:49 PM To: Chet Makinster
Subject: RE: Why is Homelessness Increasing?

Answer #13- We need to find land, apply for funding and hopefully, be successful in receiving an award. The funding is very competitive. We bought 4.3 acres earlier this year and intend to develop housing but with the Housing Authority Board question unresolved, it presents a big problem with our potential investors. I am waiting to see how that gets resolved. We have other potential projects in the works but this conflict has put everything on hold.

From: Don Jensen 12/04/2017 To: Chris Pegg; Mike Wallin; Scott Vydra; Chet Makinster; Ken Botero; Mary Jane Melink; Steve Moon; David Campbell; Comcast Email; Linda B.; Lori Sarancik; Wayne Ostermiller (whost61@gmail.com); Bruce Fischer; Peter Bennett
Subject: Re: Why is Homelessness Increasing?

Question #14-Did I understand the information correctly that we need more low cost housing probably subsidized in Longview to lower the homelessness due to higher rents and lack of housing.

From: Chris Pegg 12/04/2017 3:07 PM To: Don Jensen
Subject: RE: Why is Homelessness Increasing?

Answer #14- Yes. That's how I read it. We have a project in the works but this issue between the Council and our Board will throw a wrench into that. The funders don't like uncertainty and this looks bad.

From: Scott Vydra 12/06/2017 To: Chris Pegg; Don Jensen; Mike Wallin; Chet Makinster; Ken Botero; Mary Jane Melink; Steve Moon; David Campbell; Jim McNamara
Subject: Low income housing tax credit

Question #15- I have a couple questions regarding the low income housing tax credit, as it is on our policy agenda for federal legislation. When was the last time that LHA/HOSWW used the tax credit? Do you have any pending projects that the tax credit could be used on? Do we have properties that were built using the tax credit?

From: Chris 12/6/2017, To: Scott

Answer #15- We used tax credits on the development of Lilac Place. HOSWWA intends to use tax credits on the Ocean Beach property if it is competitive. Lilac Place was the first tax credit project we did.

From: Scott Vydra 12/06/2017 To: Chris Pegg
Subject: Housing vouchers

Question #16-We're in the county homeless task force, the HOSWW has approximately 952 section 8 vouchers? How many vouchers aren't being utilized because housing can't be located?

From: Vickie Rhodes 12/07/2017 To: Chris Pegg Chris forwarded this to Scott
Subject: RE: Housing vouchers
Answer #16- As of 12/4/2017....

51 households that were previously on the program are currently not housed. Most are searching in Longview, and some are searching in other communities. Our historical average is 20.

There are 76 vouchers out looking, held by families brand new to the program. For certain, I know 4 are looking in Lewis, but I can't tell from where I sit where people are actually searching. Most of the port outs head to Vancouver.

There are also 6 Cowlitz TBRA vouchers looking, too.

$51+76+4 = 131$

Our attrition continues to be about 20 per month.

Average search time for homeless households is 96 days.

From: Scott Vydra 12/07/2017 To: Chris Pegg; Steve; Mike Wallin; Chet Makinster; Don Jensen; Ken Botero; Mary Jane Melink; David Campbell; Jim McNamara
Subject: Re: Housing vouchers
Question #17-Thank you. Is it correct that HOSWWa currently about 952 section 8 vouchers allocated to it?

From: Vickie Rhodes 12/07/2017 To: Chris Pegg Chris forwarded this to Scott
Subject: RE: Housing vouchers
Answer #17- Technically HOSWWA/Longview Housing Authority has a contract with HUD (ACC) to administer 1405 "Section 8" subsidies.

Of the 1405 subsidies in our entire jurisdiction, we have:

- 204 Attached to projects. Once a S8 voucher (Housing Choice Voucher or HCV) is attached to a project it is called a Project Based Voucher (PBV). Therefore we have 204 Project Based Vouchers.

- 1201 is the balance which are all Housing Choice Vouchers (HCV).

We also administer 3 tenant based rental assistance (TBRA) programs funded with HOME dollars awarded by Dept of Commerce. We currently have 26 (mostly homeless veterans) housed in one grant for Cowlitz County only. The TBRA "vouchers" behave exactly the same as a regular HCV, except they are restricted to the County, and are therefore not portable like HCV (meaning HCV holders can transfer anywhere in the US).

From: Scott Vydra 12/07/2017 To: Chris Pegg; Steve Moon; Mike Wallin; Mary Jane Melink; Ken Botero; Don Jensen; David Campbell; Chet Makinster; Kurt Sacha
Subject: Questions

Question #18-In 1976 the Housing Authority was awarded 120 "Certificates". How many Section 8 Advantage Housing Vouchers and how many Housing Choice Vouchers was the LHA awarded in 2016? 2017? How many vouchers are going unused? Are there other types of vouchers or rental assistance the LHA administers?

These were awarded to Longview? How many were awarded for Cathlamet? Kalama? Castle Rock? Woodland?

How many "Longview" "Certificates or Vouchers" are being used by tenants at the Eagle Point Village, Columbia View Harbor, Riverview Apartments, Woodside West, Tulip Valley, Lilac Place, Beechwood, Stratford, Hemlock, Sylvester and Phoenix House Apartments? Which are project based vouchers?

In December of 2011, the LHA purchased an office building for \$650,000. How much additional funds have been spent on tenant improvements and maintenance? How much is the monthly cost to debt service this property?

The Sylvester Apartments loan of June 2012 of \$772,166 was a refi. Could you please provide copies of the escrow from that transaction or allow the Escrow company to release copies of that escrow.

In December of 2014 the Blackstone Apartments were sold. They had to be declared surplus property? Why? What was the profit after expenses? What was the profit spent on?

In 1975 the Longview Housing Authority was created to provide "safe and sanitary dwelling accommodations within the City available to persons of medium and low income for rentals they can afford". What was the last project the Longview Housing Authority or HOSWWA has built in Longview?

Please provide an operating report; income and expenses for each of the properties that the LHA/HOSWWA manages, both within Cowlitz County and outside of Cowlitz County, for the last three year with a full detailed breakdown by category and a copy of your current operating balance statement.

From: Chris Pegg 12/7/2017 To: Scott Vydra; Steve Moon; Mike Wallin; Mary Jane Melink; Ken Botero; Don Jensen; David Campbell; Chet Makinster; Kurt Sacha; Jim McNamara; Becky Phillips; Comcast Email; Linda Brigham; Lori Bashor-Sarancik; Wayne Ostermiller; Bruce Fischer; Peter Bennett
Subject: RE: Questions

Answer #18- I am leaving on vacation tonight and will not have time to answer your questions today, many of which have been answered previously. Please refer to my previous responses for these same questions and if there is additional information you need we will be happy to provide it. Otherwise I will respond to your request upon my return.

From: Chris Pegg 12/28/2017 To: Scott Vydra

Answer #18- (See attachments #18a, #18b, #18c, #18d, #18e, #18f, #18g, #18h) Here is the balance of the information you requested in your email. Please let me know if you have additional questions.

Scott asked "how much additional funds have been spent on tenant improvements and maintenance" and "how much is the monthly cost to debt service this property" regarding our admin office building. We spent \$131,048 in remodeling cost after purchasing the building and the monthly debt service is \$2,355.55.

Scott asked for a copy of the escrow for the Sylvester Apartments refinance loan in June 2012 of \$772,166. It is attached to this email.

Scott asked "what was the profit after expenses" on the Blackstone Apartments after they were sold. After everything was said and done, we have \$521,369 in cash that we transferred from Blackstone's operating account to the Agency's operating account.

Scott asked for "income and expenses for each of the properties that the LHA/HOSWWA manages, both within Cowlitz County and outside Cowlitz County, for the last three year" and "a copy of your current operating balance statement". I have attached both HOSWWA and JPCHA property financial reports for years 2015, 2016, 2017, and ,2018. Note that JPCHA is on a calendar year end (12/31) and HOSWWA is on a fiscal year end (9/30). These reports are in full detail.

From: Mike Wallin 12/13/2017 2:28 AM, To: Chris Pegg

Question #19-Commissioner Bruce Fischer is quoted "(Funders) are saying right now everything is on hold because they can't justify giving us any money if we're not stable," Fischer said. "

"the threats to gut the board have already hurt the agency by undermining grant requests for five possible new housing projects."

Would you please share with me verifiable evidence this is a true statement?

What are you hearing and from who?

Which grant applications specifically have been undermined?

Also, how soon can the Longview Housing Authority prepare a presentation and share with the Longview City Council the agency's FIVE pending major new housing projects in Longview? Can that be done Thurs Jan 11th?

From Chris Pegg 12/13/2017 4:48 AM To: Mike Wallin

Answer #19- The projects I've been working on are in various stages, including some that we were negotiating on that hadn't been finalized. I don't comment on them at this stage because it could impact the sales price. I'm sure you understand that as a realtor. I have had a conversation with our tax credit investor who is concerned about this and hopes it is resolved soon. I know this impacts our ability to get funding because I work with our funders on a regular basis as the Chair of the Dept of Commerce Housing Advisory Team and a member of the Governors Affordable Housing Advisory Team. I would be happy to have them contact you. I will not spend the money or the time it requires to put together one of these large applications knowing it will not be funded at this time because of this controversy. The project most ready to proceed at this time is the 4.3 acre site on Ocean Beach. All I have at this point is a preliminary site plan that I've reviewed with the building and planning team at the City. If you need verification that we've been working on other sites I can get that as well but I will not discuss the specific site because it is too sensitive at this point.

From: Mike Wallin 12/13/2017 11:44 AM To: Chris Pegg

Question #20-And thank you for your service at the State level. I'm sorry that our private conversations with our commissioners may have affected you personally among your peers. It's unfortunate that some individuals have made our dialogue a much bigger issue and much more public than needed.

The way I read your e-mail, it sounds like you have decided not to proceed with these projects. Is that accurate? Or was this decision made by the commissioners?

When were these decisions made?

Will these decisions be reversed?

Have you or the commissioners ended any other services in Longview?

Which additional grant applications have been undermined? Other than 4.3 acres on Ocean Beach Hwy..

I do understand the sensitivity of purchase agreements and that's actually why I do ask. I was surprised to read Mr Fischer make public remarks like this particularly when so few details are known to anyone.

Is there a check box in the grants application process concerning whether a Mayor of a code City is asking Housing authority commissioners to Reconsider their commitments to the City which has authorized them?

What specific resolution are you, your funders, tax credit investors and others looking for?

A path forward might include some better communication and more information sharing.

Also, how soon can the Longview Housing Authority prepare a presentation and share with the Longview City Council the agency's FIVE pending major new housing projects in Longview? Can that be done Thurs Jan 11th ?

Thank you again. I appreciate you.

Looking forward to my next visit to the VIP at the Stratford this week.

From: Chris Pegg 12/13/2017 9:23 AM, To: Mike Wallin

Answer #20- I am in New York for the week on vacation. I am not talking about the impact it has on me personally. I am talking about the impact on development projects.

Funders don't like uncertainty. The idea that there is this much animosity from the Council toward the board and organization creates too much potential risk for funders and investors especially when there are so many good organizations competing for funding. I have temporarily pulled back until this is resolved. Some of the projects were for sale and may or may not be available when I reach back out. It is incredibly expensive to apply for funding and to get all of the pre dev work done that is needed. We can't afford to risk that.

We can begin work again once this issue is clearly resolved.

I disagree that issue got out of hand because it was shared. It is a huge issue with big impacts and it needed to be a publicly disclosed action.

I can't do a presentation until I know which direction a project is going. Whether or not I've received funding, whether the purchase has been finalized, and who we will be serving and how we can serve them. The work we do generates too much public opposition, NIMBYism, to prematurely report publicly. I'm sure you understand this.

I will answer more completely when I return.

From: Chris Pegg 12/21/2017 12:32 PM To: Mike Wallin

Answer #20- One of the projects we were negotiating on is in the process of being bought by someone else. Our intention for that project was to purchase a building that required a lot of rehab, rehab the units and turn them over to Columbia Wellness clients as people moved. WE WOULD NOT DO A WHOLESAL EVICTION UPON PURCHASE AND REHAB. We do not believe in that and most funders will not providing funding if tenant relocation is part of the process. We believe it is our responsibility to assist with the clean up of slum and blight where we can and to avoid creating more homelessness. This would have accomplished two different objectives. We are looking at existing facilities because of the length of time it takes to successfully complete new developments. This would allow us to create supportive housing opportunities more quickly.

There was never any thought given to abandoning any of the projects. The need is too great. We are restarting work on 2 other projects as well as working with Janus to create an extreme weather shelter for unaccompanied youth at our outreach site. It requires licensing but the process has begun. I don't know if the seller of the site we are working on wants it made public yet. When it looks more definite I will be happy to share that with the Council.

We have not ended any services in Longview. We will also reach out again to see if the additional parcel of land we were looking at is still available. I had located a source of funding for the purchase which may still be available.

I am glad to see the motion on the agenda tonight for a workshop to begin the work of rebuilding communication between the City Council and our Board and agency.

From: Scott Vydra 12/20/2017, at 8:42 PM To: Chris Pegg

Question #21- I understand that we might be meeting on January 11th. Can I get the requested copies of the financial prior to that meeting.

From: Chris Pegg 12/21/2017 7:19 AM To: Scott Vydra
Subject: Re: Questions

Answer #21- I think so Scott. I have a small finance team and our office has been plagued by sickness for the past month. We are also finishing up year ends and in the middle of our annual audit. I will ask Becky today how soon she can get the information together and reply back to you.

From: Scott Vydra 12/27/2017 12:50:44 AM PST

To: "nolte0576@comcast.net<mailto:nolte0576@comcast.net>"
<nolte0576@comcast.net<mailto:nolte0576@comcast.net>>
Cc: Don Jensen
<don.jensen@ci.longview.wa.us<mailto:don.jensen@ci.longview.wa.us>>, Mike
Wallin <Mike.Wallin@ci.longview.wa.us<mailto:Mike.Wallin@ci.longview.wa.us>>, MaryAlice Wallis
<MaryAlice.Wallis@ci.longview.wa.us<mailto:MaryAlice.Wallis@ci.longview.wa.us>>, Chet Makinster
<Chet.Makinster@ci.longview.wa.us<mailto:Chet.Makinster@ci.longview.wa.us>>, Steve Moon
<Steve.Moon@ci.longview.wa.us<mailto:Steve.Moon@ci.longview.wa.us>>, Ken Botero <ken.botero@ci.longview.wa.us<mailto:ken.botero@ci.longview.wa.us>>
Subject: Housing Authority Strategic Plan Gus,

Question #22-Per your comment Thursday night at the city council meeting, I have reread the 2015-2020 Strategic Plan. Could you please explain further the Regional Advisory Council?

From Chris Pegg 12/28/2017 3:44 PM To: Scott Vydra

Answer #22- Gus forwarded me the following email for a response since he was not on the Board at the time this plan was adopted.

The desire to create a regional advisory council came about because the board and staff felt we were making decisions on other areas of our jurisdiction without adequate input from people living in those areas. This seemed to be a fairly simple way to gain more local input. Several of our staff, including me, serve on local committees and boards and we also participate regularly in local planning efforts. We have a good basic understanding of the needs within the City of Longview. We don't participate elsewhere in our jurisdiction so this seemed a good way to gather more information from our broader service area. We have tabled creation of the committee because of time constraints.

From: Scott Vydra 12/28/2017 5:56 PM To: Chris Pegg; Don Jensen; Mike Wallin; Chet Makinster; Ken Botero; MaryAlice Wallis; David Campbell; Comcast Email; Linda Brigham; Lori Bashor-Sarancik; Wayne Ostermiller; Bruce Fischer; Peter Bennett
Subject: Re: Housing Authority Strategic Plan

Question #23-Chris, Gus,

Could you please clarify in your April 22, 2016 meeting minutes, under unfinished business, Secretary Pegg and Jon Dieter presented to the board draft by laws for the creation of a regional advisory council.....Commissioner Nolte volunteered to assist with the work...to work on development of an alternative draft document for future presentation to the board.

Please forward a copy of the original organization make up and by laws and a copy of the copy that was being worked on per these meeting minute

From: Chris Pegg 12/28/2017 3:43 PM **To:** Scott Vydra; Don Jensen; Mike Wallin; Chet Makinster; Ken Botero; Mary Jane Melink; maryalice.wallis@ci.longview.wa.us; David Campbell; Comcast Email; Linda Brigham; Lori Bashor-Sarancik; Wayne Ostermiller; Bruce Fischer; Peter Bennett
Subject: RE: Housing Authority Strategic Plan

Answer #23– Gus forwarded me the following email for a response since he was not on the Board at the time this plan was adopted.

The desire to create a regional advisory council came about because the board and staff felt we were making decisions on other areas of our jurisdiction without adequate input from people living in those areas. This seemed to be a fairly simple way to gain more local input. Several of our staff, including me, serve on local committees and boards and we also participate regularly in local planning efforts. We have a good basic understanding of the needs within the City of Longview. We don't participate elsewhere in our jurisdiction so this seemed a good way to gather more information from our broader service area. We have tabled creation of the committee because of time constraints.

From: Chris Pegg 12/29/2017 11:00 AM **To:** Scott Vydra; Don Jensen; Mike Wallin; Chet Makinster; Ken Botero; Mary Jane Melink; maryalice.wallis@ci.longview.wa.us; Steve; Comcast Email; Lori Bashor-Sarancik; Wayne Ostermiller; Linda Brigham; Bruce Fischer; Peter Bennett

Subject: FW: Advisory Council

Answer #23– Here are the draft by-laws as presented to the Board in April 2016. The board had a long discussion about this and there was a lot of concern that there was too much specificity in the document so they formed a committee and we did some interim work on it but eventually set it aside. (See attachment #23)

From: Scott Vydra 1/03/2018 **To:** Chris Pegg; Don Jensen; Mike Wallin; Chet Makinster; Ken Botero; Steve Moon; MaryAlice Wallis; David Campbell; Bruce Fischer; Lori Bashor-Sarancik; Wayne Ostermiller; Peter Bennett
Subject: Re: Questions

Question #24– Thank you for the answers and attached documents. When the LHA refinanced the Sylvester Apts, according to the escrow statement, the LHA received \$12,443.04.

How was this money recorded on the financials? Thanks. Also, could you please forward me a copy of the closing statement from the refi on the Blackstone Apts?

From: Chris Pegg 1/03/2018 **To:** Scott Vydra; Don Jensen; Mike Wallin; Chet Makinster; Ken Botero; Steve Moon; MaryAlice Wallis; David Campbell; Comcast Email; Bruce Fischer; Lori Bashor-Sarancik; Wayne Ostermiller; Peter Bennett
Subject: RE: Questions

Answer #24– I need some clarification so that I provide you with the correct information. Are you asking for a copy of the closing statement from the sale of Blackstone?

From: Becky Phillips 1/03/2018 1:04 PM **To:** Chris Pegg Chris forwarded to Scott
Subject: RE: Questions

Answer #24– Please advise Scott that the \$12,443.04 was deposited into Sylvester's cash operating account. Also please have Scott clarify if it is the Blackstone refinance documents from 2011 that he is referring to or if it is the sale of Blackstone he is looking for. Thanks.

From: Scott Vydra 01/08/2018 To: Chris Pegg; Steve Moon; Don Jensen; Mike Wallin; Chet Makinster; Ken Botero; MaryAlice Wallis; David Campbell; Comcast Email; Wayne Ostermiller; Lori Bashor-Sarancik; Peter Bennett; allandowntowners@hotmail.com; Kurt Sacha; Bruce Fischer
Subject: Questions

Question #25- Here is my list of question. If it's possible, having the answers at least a day or two before our meeting on the 18th would be helpful for discussion. Do the commissioners have a copy of the 1975 charter document. It seems to be the document that council is referencing when looking at the activities of the housing authority.

Copy of pre 2015 mission statement, strategic plan and by laws

Copy of agenda and minutes for the discussion and purchase of the 820 11th office building.

The 2014 Audit states that rental income increased 9.1%, what was the percent of rental increases for 2017? What are the planned increases for 2018? Why does the Housing Authority have to increase rents more than actual costs? Specifically, at the Sylvester and Stratford apartments.

The Mint Place Apartments were sold in 2011, what was the net profit from the sale? What were the proceeds used for?

List of deferred, depreciated and or "to be scheduled" maintenance for Sylvester Apts, Stratford Apts, Hemlock Apts, 33rd Ave, & Phoenix House

Financial Reports, item number 4410.030, Onsite Manager & Asst Manager. Is this expense based on actual cost, number of units or as a percent of income?

Please explain 1015.020 Reserve Replacement Fund, 4800.00 Depreciation? 4580.00 Interest Expense, does this include principal? Where is the principal expense shown?

Please provide all emails, meeting minutes and agendas that reference the Regional Advisory Council.

How many section 8 housing vouchers were awarded in 2017? How many have been awarded for 2018? How many vouchers are currently unused? Are there other types of vouchers that the LHA administers?

Do project based vouchers come from the same pool as section 8 vouchers?

What percent of vouchers are used by residents at Eagle Point Village, Columbia View, Riverview, Woodside West, Tulip Valley, Lilac Place, Beechwood, Stratford, Hemlock, Sylvester and Phoenix House? Which are project based vouchers?

Has the housing authority been chartered as the housing authority of record for other cities or counties? Or per an inter-local agreement? Does the housing Authority receive extra section 8 housing vouchers from these agreements?

From: Chris Pegg 1/8/2018, at 2:35 PM, To: Scott Vydra

Answer #25- We will begin working on these questions. Several of these have been answered before so I don't see a need to address those again. I will make a note of which those are.

From: Becky Phillips 1/8/2018 To: Chris Pegg; Scott Vydra
Subject: RE: Questions

Answer #25- Question: Financial Reports, item number 4410.030, Onsite Manager & Asst Manager. Is this expense based on actual cost, number of units or as a percent of income?

Answer: Onsite & Assistant Manager expense is based on number of units a manager oversees. For example one manager oversees what we call our "Longview Properties" which consists of Phoenix House, Stratford, Hemlock 4-Plex, Sylvester, and Eagle Pointe Village. They have 20, 22, 4, 35, and 17 units respectively for a total of 98 units. This works out to 20.41%, 22.45%, 4.08%, 35.71%, and 17.35% respectively.

Question: Please explain 1015.020 Reserve Replacement Fund, 4800.00 Depreciation?

Answer: Reserve Replacement Fund (1115.020) represents funds we set aside to use for major repairs or replacements. Mostly, the amount of funds is based on if there is excess operating cash for the month. If there is we set aside a predetermined amount each month. This can also be required by a funder of the project. For example, we are required by the funders for Phoenix House to put away \$3,000 per year. Depreciation is an accounting method of allocating the cost of a tangible asset over its useful life or a reduction of the value of an asset with the passage of time, due to particular wear and tear. Depreciation is required by GAAP*.

Question: 4580.00 Interest Expense, does this include principal? Where is the principal expense shown?

Answer: Interest Expense does not include principal. Principal is not an expense per GAAP* so therefore is not reflected on the income and expense statement. Principal is reflected on a balance sheet. You would need the beginning balance of a loan and the ending balance of a loan to determine the amount of cash used to reduce a loan. Example: Go to the spreadsheet we sent earlier labeled HOSWWA 2016 Year End Property Financial Reports and look for cell F57. This is that amount owed to Heritage Bank on 9/30/16 for 33rd Ave (\$31,824). Now look at the spreadsheet HOSWWA 2017 Year End Property Financial Reports. You will see that on cell F59 we owed Heritage Bank \$29,389 on 09/30/17. If you subtract \$29,389 from \$31,824 you will get the amount of principal we paid in the fiscal year 2017 (\$2,435).

- GAAP is the acronym for Generally Accepted Accounting Principles which governs accounting rules and standards for financial reporting. Its specifications include definitions of concepts and principals as well as industry-specific rules.

From: MaryAlice Wallis 1/08/2018 To: Chris Pegg; Scott Vydra
Cc: Steve Moon; Don Jensen; Mike Wallin; Chet Makinster; Ken Botero; David Campbell; Comcast Email; Wayne Ostermiller; Lori Bashor-Sarancik; Peter Bennett;
allandowntowners@hotmail.com; Kurt Sacha; Bruce Fischer
Subject: RE: Questions

Question #26- Thank you for giving the City Council an opportunity to address questions to you and the Housing Opportunities for SWW in preparation for the upcoming workshop. Thank you for helping to provide a wonderful blessing to those seeking housing for our community.

As the newest person on council, I am quickly getting up to speed on many items, but have much to learn. From the recent council meeting and discussion to explore in more detail the role of Housing Opportunities of SWW the following are some questions that I have. I realize (and please forgive my naiveté) that many of these questions may have been asked and answered, and I will continue my research to discover the answers.

* In reference to the meeting minutes from April of 2016- what was the need for a regional advisory committee- and were you able to put one together?

* What was the reason for the change of the name from Longview Housing Authority to the Opportunities for SWW? Did you consult with the City of Longview regarding this change?

* Did you pay Theresa Purcell for her work with the Strategic Plan, etc?

* Do you have charter agreements with the other cities where you have placed people in housing- Castle Rock, Woodland, Long Beach, Cathlamet, Chehalis?

* Do you plan to (or do you currently) offer reduced rates for utilities for seniors and veterans?

* Do you revisit your mission statement and by-laws to make sure you are on track with your objectives each year and what metrics are used for measuring the success of reaching your goals?

From: Chris Pegg 1/09/2018 **To:** MaryAlice Wallis; Don Jensen; Mike Wallin; Scott Vydra; Chet Makinster; Ken Botero; Steve Moon; David Campbell; Bruce Fischer; Lori Bashor-Sarancik; Wayne Ostermiller; Peter Bennett; allandowntowners@hotmail.com

Subject: FW: Questions

Answer #26- I will be happy to answer your questions. If you don't mind, I would like to respond to the entire Council and Board of Commissioners in hope that any workshop between the two is productive and results in better communication and understanding, agreement on common goals and greater trust as we all move forward. Our desire has always been, and will continue to be that we serve the people of this community to the best of our ability with the available resources. I hope you find my responses helpful.

- In reference to the meeting minutes from April of 2016- what was the need for a regional advisory committee- and were you able to put one together?

#1 - Our discussion around creation of a regional advisory committee centered on having a better understanding of what the needs of our region were and giving those living throughout the region a voice in the services we provided them. We currently provide these services from Longview and our Board is made up of citizens of Longview only. We also believe the committee would be a valuable advocacy tool for the rural communities we serve. State, Federal and local funding for development of housing in rural areas does not begin to address the need and demand for available resources far outpaces availability. We need to activate a louder rural voice if we hope to have any impact on increasing resources for development of new housing and educating Legislators to better understand the challenges we face and the growing need.

We have never implemented this recommendation because the Board could not come to agreement on the structure of the committee. A smaller committee met once but work hasn't progressed any further.

* What was the reason for the change of the name from Longview Housing Authority to the Housing Opportunities of SW WA? Did you consult with the City of Longview regarding this change?

#2 - Our legal name has never changed. It still remains the Housing Authority of the City of Longview. Our organization has been providing services to a jurisdiction

larger than Longview since the early 1990's. The name "Housing Opportunities of SW Washington is merely a DBA (doing business as). It's created confusion in other areas when they have to call Longview Housing Authority (which by the way, was also a DBA) to find out about housing in Cathlamet or elsewhere. The "authority" portion of our name was also archaic and seen in a negative light by many. We have people calling all of the time requesting assistance with landlord/tenant problems because of the "Authority" in our name, even people we do not provide assistance to. A large part of the discussion around development of our strategic plan centered around the reality that resources are static or shrinking. 75% of the people we serve are either elderly or disabled or both. We know they will probably always need our services. We would like to find a way to encourage people who are able to work to do so and we think that by changing our name, projecting a more positive, forward thinking, hopeful name, it helps convey this desire and expectation. Our agency also does much more than provide housing assistance. We provide broad case management services through a variety of different programs that are not typical for housing authorities.

We reached out to Mayor Jensen three times to schedule an interview but received no response. I also spoke directly with Councilmember Vydra on two occasions during homeless coalition meetings to see if he thought there would be any concern with the name change. He told me at the time that he didn't care and he didn't think the Council would and we were a separate agency and we could do whatever we wanted with our name.

I see that City Manager Campbell sent an email earlier today sharing the message I sent in March of 2016 letting the entire City Council know about the name change and inviting comments or questions regarding this change. I did not receive any feedback from any of the City Council members at that time, and I have not received any comments or questions about it until the last couple of months. Please see the email below:

From: Christina M. Pegg [<mailto:chris.pegg@longviewha.org>]
Sent: Thursday, March 17, 2016 3:03 PM
To: David Campbell; Don Jensen; Mary Jane Melink; Mike Wallin; Scott Vydra; Ken Botero; Steve Moon; Chet Makinster
Subject: Longview Housing Authority news

Good afternoon!

I'm writing today to inform you about some changes coming to our agency. We recently completed a new 5 year strategic plan. The development of the plan involved outreach to people throughout our current jurisdiction which now covers Cowlitz County, other than the cities of Kelso and Kalama (they have their own housing authorities), Wahkiakum, Lewis and Pacific counties. One of the main themes that came out of this outreach was that people found our name confusing. It was not intuitive for them to call Longview Housing Authority to find affordable housing or assistance in the other communities and counties we serve, even in our own county.

The Board discussed this for some time and ultimately decided to change our name. We will be announcing the change in May however I wanted to make sure all of you were informed first. We also created a new vision statement, mission, values and tag line. I've attached a document providing this information as well as our new logo.

I will be forwarding our new strategic plan separately once I've cleaned it up a bit. There is a renewed focus on the development of housing as well as a much stronger focus on connecting the housing with services that help families thrive. This will differ for each family, depending upon their circumstances.

I look forward to working with all of you as leaders as we chart this new direction. We want to work with you and others dedicated to improving the quality of life and quality of place right here at home. Please feel free to give me a call if you would like to discuss any of this further or if I can be of help in any other way.

Sincerely,

Christina M. Pegg, CEO, PHM, NAHRO Fellow
Longview Housing Authority
Joint Pacific County Housing Authority
820 11th Ave.
Longview, WA 98632
360-423-0140, ext. 15

"Memories of our lives, of our works and our deeds will continue in others." Rosa Parks

* Did you pay Theresa Purcell for her work with the Strategic Plan, etc?

#3 - We did pay Teresa Purcell for the work. We reached out to see if there were other consultants familiar with affordable housing in our areas and there were not. Teresa had done work with other agencies around affordable housing, she lives in the area and loves it, she does this type of consulting around the country and we felt she could do a good job for us.

* Do you have charter agreements with the other cities where you have placed people in housing- Castle Rock, Woodland, Long Beach, Cathlamet, Chehalis?

#4 - We don't have charter agreements with other cities, we have interlocal agreements that frame the agreements for how we work in those communities.

* Do you plan to (or do you currently) offer reduced rates for utilities for seniors and veterans?

#5 - I'm not sure I understand your question completely but let me take a stab at answering. We do not charge utilities directly to the people who reside in our units. The Cowlitz PUD sends utility bills. We provide rental subsidies through contracts with HUD and other funders, not utility subsidies. We pay utilities in most of the units we own if not all. In other units, tenants receive billings from the PUD like all other customers. I know that CAP provides assistance with utility payments but that is not something we do. If I haven't answered your question, please let me know.

* Do you revisit your mission statement and by-laws to make sure you are on track with your objectives each year and what metrics are used for measuring the success of reaching your goals?

#6 - We do revisit our strategic plan each year. I also prepare quarterly reports on progress throughout the year. There are metrics identified within the strategic plan which is available on our website at www.hoswwa.org. I've also attached a copy of the plan for your convenience. (See attachment #26)

From: Scott Vydra 1/09/2018 To: Chris Pegg; MaryAlice Wallis; Don Jensen; Mike Wallin; Chet Makinster; Ken Botero; Steve Moon; David Campbell; Comcast Email; Bruce Fischer; Lori Bashor-Sarancik; Wayne Ostermiller; Peter Bennett; allandowntowners@hotmail.com
Subject: Re: Questions

Question #27- Comments & Questions

Chris,

I do not recall talking with you about the name change, nor do I think the name change is an issue, as you stated its just a DBA. However, I was told by one of the board commissioners that they voted against the regional advisory council because they felt that they had a responsibility to the city of Longview. That statement confused me. I have been trying to better understand the housing authority, what they do and what they can do. At some point I was also told that we are about 300 housing units short of what we need in this community. My concern and focus is on what we, the housing authority and council, can do to increase our housing stock.

Commissioner Bruce Fisher mentions that when the housing authority owns property it does not pay property tax, in the case of the Mint Place Apartment, when it was sold, it returned \$70,000 a year back to state and local government. Chris, you have mentioned on more than one occasion that it's expensive for the housing authority to build because of prevailing wages.

I am not a fan of the housing authority buying existing units because of the indirect subsidy from not having to pay property tax, but I also understand that if your costs because of prevailing wages makes the project to expensive to build, then we need to figure out what we can do.

Scott Vydra, Councilmember

From: Chris Pegg 1/09/2018 To: Scott Vydra; MaryAlice Wallis; Don Jensen; Mike Wallin; Chet Makinster; Ken Botero; Steve Moon; David Campbell; Comcast Email; Bruce Fischer; Lori Bashor-Sarancik; Wayne Ostermiller; Peter Bennett; allandowntowners@hotmail.com
Subject: RE: Questions

Answer #27- Comments and Answers

Scott,

Our primary concern is also providing the best housing and services possible. I do want to make it clear that I do not oppose prevailing wages. We always pay either prevailing wages or in the case of projects that include federal funding, Davis Bacon wages. We believe in paying fair wages to the contractors we work with. My issue with prevailing wages comes up when we develop projects that include a commercial component, such as early learning centers or medical clinics or something similar. The current regulations make it very difficult because the mixed use can mandate commercial prevailing wage rates for the entire project which drastically increases cost. High rise construction also brings in commercial wage rates. L&I has also not been always been consistent or timely in their application of wage rates during construction. A revisit of these regulations would be helpful and could reduce cost for affordable housing.

The reason our organization looks at existing units is because of the expense and time it takes for us to develop new housing. It takes at least 2 years and more likely, three to develop new housing. We have partners such as Columbia Wellness that desperately need additional affordable housing now, not two years from now. If we buy existing units we would rehab what we could with people living there and turn over units on vacate. We do not want to evict existing families because we know how difficult it will be for them to find housing and we have no desire to increase the number of homeless families on our streets. It's a quicker way for us to provide housing.

The housing authority has bought existing units in the past as a way to diversify our revenue sources because of the uncertain nature of our federal funding. We all believe we are far too dependent upon HUD and it's never healthy for a business to put all of their eggs in one basket. We have diversified our programs more with development of veteran housing and services however our largest source of funding still comes from HUD. This uncertainty continues and I don't see that changing any time soon. We need to be financially healthy in order to serve our community in the best way possible.

We have land and we are working on development of that land for new affordable housing however it will take time, political support and funding. I think we all want to figure out a way to rebuild the trust and to work together to address the pressing needs. We are open to this conversation and to cooperatively and creatively developing solutions.

We are working on the answers to your questions and I will send them to you once I've gathered all of the information.

Chris