



Kalama City Council - Council Agenda Item Information Form

Agenda Item Number: 7A-New Business

Meeting Date: January 20, 2016

Prepared by: Coni McMaster, Clerk/Treasurer

Subject: Kalama Housing Authority

Summary: The City has been working with the Kalama Housing Authority after being notified by the State Auditor in 2015 that there were certain issues found during the last audit that needed to be addressed. HUD has also determined that the Kalama HA is a low functioning entity and also has some concerns. If the concerns reach a certain level, HUD could determine to close or stop funding the Kalama HA. While many issues raised by the auditor have been corrected, the issues of sustainability remain for such a small entity. In an effort to keep the facility operating for the current residents and for those needing the services in the future, the Mayor, City staff, along with the current Housing Board Chairman, and Executive Director have looked at and discussed many options. They have concluded that it would be in the best interest of the Kalama HA to join with another entity to remain viable. The City and Kalama HA approached Kelso Housing Authority with the proposal and Kelso has agreed that they would be willing to take over the Kalama facilities through a transfer. This would include the transfer of all of the Kalama HA assets to Kelso. Joining with Kelso would reduce the overall administrative costs in operating the 16 unit facility through economy of scale. It costs just as much administratively to run 16 units as it does a facility with two or three times that many units. Kelso HA is moving forward with the transfer and would like to try to have the transfer approved by the end of their fiscal year, March 31, 2016. The City, as the establishing entity of the Kalama HA, is required to approve the transfer and authorize Kelso to operate within the Kalama jurisdiction.

In speaking with the Kelso Director, the Board there would allow for either a new position to be added to the Board or that one position would be filled with a person representing Kalama. They don't currently have a resident board, but all HA residents in Kalama would have the ability to attend Board meetings to address concerns.

Recommendation: The Council adopt Resolution No. 632 authorizing the transfer.

Alternatives: Do not authorize the transfer and allow the Kalama Housing Authority to continue under its own management.