



**Minutes of the Regular Meeting
of the Board of Commissioners of the
Housing Authority of the City of Everett**

August 25, 2014

Meeting Called to Order

The Regular meeting of the Board of Commissioners of the Housing Authority of the City of Everett was called to order by Chair Lyle Ryan following lunch, at 12:10 p.m. on Monday, August 25, 2014 at the Authority's main office, 3107 Colby Avenue, Everett, Washington.

Commissioners Present at Roll Call:

Chair Lyle Ryan
Commissioner George Perez, Jr. (subsequently excused)
Commissioner John Mierke
Commissioner Michele Rastovich
Commissioner Todd Taylor

Commissioners Absent:

Commissioner Todd Taylor

Also in attendance were:

Staff:

Ashley Lommers-Johnson, Executive Director
Rick Dorris, Director of Development and Acquisitions
Jill Stanton, Finance Director
Steve Yago, Director of Housing Management
Brenda McLeod, Assistant Director of Procurement and Contracts
Teena Ellison, Resident Services Manager
Katie Ulvestad, Executive and Development Assistant
Chris Neblett, Hearing Officer/Admin Coordinator

Guests:

Lorna Corrigan, Attorney
Keith Klaus, Bakerview Resident Council Representative
Gary Haddenham, Broadway Plaza Resident Council Representative
Jim Brawner, Financial Consultant (via conference call)
Jeff Nave, Bond Counsel (via conference call)

Agenda Revision

Chair Ryan called for a motion to move resolution numbers 1368 to 1372 up in the order of business, following the Communications section. Commissioner Metzger-Utt moved to approve this motion, and Commissioner Mierke seconded, which passed unanimously.

Chair Ryan subsequently called for a separate motion to add a Policy Discussion section to the meeting. Commissioner Metzger-Utt moved to approve the motion, and Commissioner Rastovich seconded, which passed unanimously.

Approval of Minutes

Chair Lyle Ryan called for approval of the minutes for the Regular Meeting held on June 23, 2014. Chair Rastovich moved for approval of those minutes, and Commissioner Metzger-Utt seconded. Upon being put to a vote, the motion passed unanimously, and the minutes were approved.

Communications

Bakerview Resident Council Representative Keith Klaus had nothing to report.

Broadway Plaza Resident Council Representative Gary Haddenham said the annual Family Day celebration had a good turnout, and he regretted the commissioners were unable to attend.

No representatives from either the Pineview Resident Council or the Resident Advisory Board were present to give a report.

Items for Individual Consideration – Resolutions 1368-1372

Executive Director Ashley Lommers-Johnson provided some background information regarding this group of resolutions, which were related to the upcoming closing of financing for the acquisition and construction rehabilitation of two RAD developments, scheduled for mid-September. He noted that a change in the general contractor, to Walsh Construction, had pushed back the closing date from July. Mr. Lommers-Johnson reviewed the salient facts for both developments, which included construction renovation costs of \$16.7 million for Bakerview/Grandview and \$7.5 million for Pineview/Affordable Housing. Final cash proceeds of just over \$9 million were expected as a result of the tax credit refinancing.

Resolution No. 1368, an Omnibus Resolution Authorizing the Executive Director to Carry Out Actions, Including Leasing, Loans, and Execution of Documents Related to the Renovation of Eight Properties that Comprise the Everett Affordable Housing Portfolio LLLP

Executive Director Lommers-Johnson said this resolution authorized the execution and delivery of a number of documents, required to complete the construction rehab at the Pineview/Affordable Housing development, 159 units located across eight scattered sites. All of the various documents covered by this Omnibus Agreement were contained in Exhibit A of the resolution, including records related to loans, HUD oversight, lease and tax credit paperwork, and construction contracts. Commissioner Rastovich asked for clarification of

the term, "each acting alone," as it appeared in the part of the agreement relating to the execution of documents. Bond Counsel Jeff Nave said it meant the Executive Director or his designee, and in his absence the Board Chair, have sufficient authority to sign any documents covered by the Omnibus Agreement on the closing date.

Commissioner Rastovich moved that the resolution be adopted. Commissioner Metzger-Utt seconded the motion, which passed unanimously.

Resolution No. 1369, an Omnibus Resolution Authorizing the Executive Director to Carry Out Actions, Including Leasing, Loans, and Execution of Documents Related to the Renovation of the Properties that Comprise the Bakerview/Grandview Affordable Housing LLLP

No discussion followed the presentation of this resolution, as it was a counterpart to the previous Omnibus Agreement, but applicable to the Bakerview/Grandview RAD development.

Commissioner Metzger-Utt moved that the resolution be adopted. Commissioner Mierke seconded the motion, which passed unanimously.

Resolution No. 1370 Revised Declaration of Intent to Sell Bonds in an Amount Not Exceeding \$17 Million for Everett Affordable Housing Portfolio LLLP

Executive Director Lommers-Johnson said the resolution authorized the sale of bonds in the designated amount for the RAD development representing Pineview Apartments and most of the Authority's Affordable Housing portfolio. The bonds were scheduled to be issued as two series, with proceeds from tax credit equity paying off the initial construction, and remaining costs converting to a permanent note. Tax credit regulations dictate that bonds make up at least fifty percent of the financing for this type of development, and Mr. Lommers-Johnson observed that was the case for both RAD developments.

Commissioner Mierke moved that the resolution be adopted. Commissioner Rastovich seconded the motion, which passed unanimously.

Resolution No. 1371 Revised Declaration of Intent to Sell Bonds in an Amount Not Exceeding \$36 Million for Bakerview/Grandview Affordable Housing Portfolio LLLP

This resolution authorized a new declaration for the sale of bonds for the RAD development representing Bakerview/Grandview, replacing the one approved at the May Board meeting. The requirements regarding this bond issuance were similar to those for the previous resolution.

Commissioner Metzger-Utt moved that the resolution be adopted. Commissioner Mierke seconded the motion, which passed unanimously.

Resolution No. 1372 Authorizing Executive Director to Execute Contracts and Purchase Materials in Conjunction with EHA Acting as General Contractor on Interior Select Renovation of RAD Projects

Director of Development and Acquisitions Rick Dorris said the Authority was authorized to act as the general contractor for interior renovations at properties for both RAD developments, with the exception of Bakerview Apartments. The purpose of this resolution was to provide the Executive Director with authority to enter into contracts and subcontracts with firms providing renovation services.

Commissioner Mierke moved that the resolution be adopted. Commissioner Rastovich seconded the motion, which passed unanimously.

Other Communications

None

Executive Director's Report

Executive Director Lommers-Johnson began his report by relating that he, Commissioner Perez, and HCV Supervisor Wendy Westby recently attended Nan McKay's National Conference, where Everett Housing Authority received an Excellence in Housing Award for the Pivotal Point Apartments project. A Grand Opening celebration for Pivotal Point was scheduled for Thursday, August 28th, with Commissioner Michelle Rastovich as the emcee, and addresses from Congressman Rick Larsen and Mayor Stephanson.

Mr. Lommers-Johnson said he was relieved to say that the conversion of Public Housing properties to the RAD program, and the closing of the associated development and renovation financing, were fast approaching. He did not foresee any obstacles to this closing and conversion at this point in time. As part of the RAD conversion, current tenant leases would need to be terminated, and tenants would be required to sign new leases. The Executive Director also gave an update on the four tax credit properties that the Authority was in the process of purchasing from Senior Services; the closing date for that purchase was delayed, in order to work out some issues with the State and County in the reassignment of those properties. He introduced Steve Yago as the new Housing Management Director, the position formerly occupied by Dean Weitenhagen. Mr. Yago was formerly the asset manager for the Senior Services' portfolio of eighteen properties, and the Executive Director said this provided him with great background and significant asset management experience coming into this new position.

Consent Agenda

Commissioner Metzger-Utt made a motion to adopt the Consent Agenda, and Commissioner Rastovich seconded the motion. The Consent Agenda contained the following items:

1. Section 8 Payments for the months of June, July 2014
2. Summary of Vouchers for the months of June, July 2014

Items for Individual Consideration

Resolution No. 1365 Approving Section 8 Management Assessment Program (SEMAP) Certification for the Program Year Ending June 30, 2014

Executive Director Lommers-Johnson covered this agenda item in the absence of HCV Director Wendy Westby. This resolution authorized the Executive Director to submit the agency's certified SEMAP score to HUD. An accompanying memo, handed out at the start of the meeting, described the criteria used to evaluate and score the HCV department's performance at administering the Section 8 program over the past fiscal year. The maximum score on the SEMAP was 150 points, with five additional bonus points related to deconcentration. Further analysis showed the agency did not qualify for those bonus points. The final score was 145 out of 150, earning the agency a 96% High Performer rating.

Commissioner Metzger-Utt moved that the resolution be adopted. Commissioner Mierke seconded the motion, which passed unanimously.

Following passage of this resolution, Commissioner Ryan questioned which area of the SEMAP resulted in lost points for the Authority. Mr. Lommers-Johnson said HUD classified seven percent of the inspections for the assessment period as late. He noted that staff attributed this to issues with the conversion of the software system, but this opinion had not been independently verified.

Resolution No. 1366 Establishing a Family Self-Sufficiency Program Policy for all Everett Housing Authority Housing Programs

Resident Services Manager Teena Ellison noted that the Family Self-Sufficiency (FSS) program was historically limited to Section 8 participants, and as a result, the FSS policy was included in the Section 8 Administrative Plan. A new grant from the Building Changes organization has revamped the FSS program, leading management to want to open it up to all Authority clients who qualify for these services. At the request of Commissioner Metzger-Utt, Ms. Ellison explained the formula, based on a participant's income progression, used to calculate escrow accounts for FSS participants. At the end of the program, participants may apply their escrow account to homeownership, or another activity that will promote economic self-sufficiency.

Commissioner Metzger-Utt moved that the resolution be adopted. Commissioner Mierke seconded the motion, which passed unanimously.

Resolution No. 1367 Amending Designated Check Signers and Voucher Auditors

Finance Director Jill Stanton said staffing changes made it necessary to pass a resolution to update the individuals authorized to sign checks and audit vouchers for agency accounts.

Commissioner Metzger-Utt moved that the resolution be adopted. Commissioner Mierke seconded the motion, which passed unanimously.

Resolution No. 1373 Authorizing Amendment No. 19 to the Interagency Agreement with Housing Hope Relating to the Commerce Building SRO Units

Finance Director Stanton said management wished to renew the annual contract with Housing Hope, providing for that agency to manage 29 units of project-based Section 8 housing for the Authority.

Commissioner Mierke moved that the resolution be adopted. Commissioner Rastovich seconded the motion, which passed unanimously.

Motions Approving Housing Management Staffing Changes

Executive Director Lommers-Johnson reminded the Board that Steve Yago had been appointed as the new Director of Housing Management, responsible for overseeing the direction and scope of the Authority's housing programs. Prior to this promotion, Mr. Yago served as the Asset Manager for the properties the agency was in the process of acquiring from Senior Services. Rather than hiring a replacement to fill Mr. Yago's former position, management had decided to create a new position, the Deputy Director of Housing Management, responsible for supervising the Asset Managers and overseeing the day to day operation of the agency's existing property.

Three motions were presented to formalize these staffing changes: 1) a motion to reclassify the Director of Housing Management to Category E; 2) a motion to defund one Asset Manager position; 3) a motion to create a Deputy Director of Housing Management position, classified as Category E. It was noted that the meeting agenda incorrectly classified the last position as Category F. Legal counsel Lorna Corrigan agreed that it would be acceptable to consider these motions collectively rather than individually.

Commissioner Metzger-Utt moved to approve the motions as presented regarding staffing changes in the Housing Management department. Commissioner Rastovich seconded the motion, which passed unanimously.

As a separate motion under this item for consideration, Executive Director Lommers-Johnson presented a request to hire an additional Relocation Coordinator. He said that the scope of the relocation of Public Housing residents, at sites undergoing tax-credit funded renovations, was greater than one person could handle. This additional position was to be funded out of the Capital Fund.

Commissioner Mierke moved to approve the motion to hire an additional Relocation Coordinator. Commissioner Metzger-Utt seconded the motion, which passed unanimously.

Motion to Approve Funding for an Employee Wellness Program

Finance Director Stanton said employees had expressed a desire for a wellness program, as part of the agency's goal to promote organizational health. A follow-up questionnaire showed employees wanted this program to have maximum participation, in order to create a culture of health and reduce medical expenses within the agency. Ms. Stanton said her research identified an enhanced version of Group Health's online employee wellness program, in partnership with Redbrick, as the best option. This would be available for employees and their family members 18 and over, at a cost of \$3 per participant. In order

to incentivize maximum participation in the wellness program, management was seeking to provide employees with a separate monthly allowance of \$20 that could only be applied towards health-related purchases. The details of the incentive portion of the program had yet to be worked out by a committee, but it was estimated that the total cost to the Authority for the wellness program and incentive plan could reach up to \$16,800.

Commissioner Metzger-Utt moved to approve funding for the enhanced wellness program and related incentive plan. Commissioner Mierke seconded the motion, which passed unanimously.

Policy Discussion

Executive Director Lommers-Johnson discussed the matter of HASCO's recent decision to develop housing within the city limits of Everett. Under the State's Housing Authority law, it is permissible for a county housing authority to operate within a municipal housing authority's jurisdiction, but the city must first determine that there is a need for this type of housing. Mr. Lommers-Johnson was concerned that substantive discussion with Everett Housing Authority about these plans had not taken place to date, and Board members expressed concern about HASCO's intent to operate within the Authority's jurisdiction. Mr. Lommers-Johnson said he was willing to discuss the matter further with HASCO's executive director.

Adjournment

There being no further business, Chair Ryan adjourned the meeting at 1:37 p.m.

ATTEST:



Secretary



Vice Chair, Board of Commissioners