



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

May 26, 2015

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 Vice Chair Todd Taylor following lunch, at 12:08 p.m. on Monday, May 26, 2015 at the Authority's main office, 3107 Colby Avenue, Everett, Washington.

Commissioners Present at Roll Call:

Vice Chair Todd Taylor
Commissioner Maddy Metzger-Utt
Commissioner John Mierke
Commissioner Lyle Ryan

Commissioners Absent:

Commissioner George Perez

Note: Chair Michele Rastovich arrived during the Executive Director's Report portion of the meeting.

Also in attendance were:

Staff:

Ashley Lommers-Johnson, Executive Director
Rick Dorris, Director of Dev't and Acquisitions
Jill Stanton, Director of Finance
Gwen Danforth, Human Resources Manager
Wendy Westby, Director of HCV Program
Steve Yago, Director of Housing Management
Erica Koenig, Deputy Director of Housing Management
Teena Ellison, Director of Resident Services
Wendy Abbey, Assistant Finance Director
Katie Ulvestad, Executive and Development Assistant
Chris Neblett, Hearing Officer/Admin Coordinator

Guests:

Lorna Corrigan, Attorney
Kathy Wade, Co-President, Broadway Plaza Resident Council
Gary Haddenham, Co-President, Broadway Plaza Resident Council

Approval of Minutes

Vice Chair Taylor called for approval of the minutes for the Regular Meeting held on March 23, 2015. Commissioner Mierke moved to approve the minutes of this meeting, and Commissioner Metzger-Utt seconded the motion. Upon being put to a vote, the motion was passed and the minutes were approved.

Communications

Broadway Plaza Resident Council Co-President Gary Haddenham said the resident council was currently planning the annual Family Day celebration at Broadway Plaza. He also noted that some residents continued to receive limited meal service, following the discontinuation of the regular meal program at the end of last month.

Executive Director's Report

Executive Director Ashley Lommers-Johnson announced that Everett Housing Authority (EHA) had recently received an award at the regional NAHRO conference, for the development of Pivotal Point. This project and two others, the Friendship Garden and EHA's RAD financing strategy, were also slated to receive National Awards of Merit at the national NAHRO summer conference. In addition to these awards, NAHRO also nominated each project for a National Award of Excellence, to be presented at the annual NAHRO conference later in the year.

Executive Director Lommers-Johnson began with the topic of Federal funding of EHA's programs for fiscal year 2015-16. He expected Congress would appropriate the same amount of program funding for the upcoming fiscal year as it had for the current one, but uncertainties within national politics made the longer term more difficult to predict. Over the next three years, five new slots per year were expected to be available for the Moving to Work Demonstration (MTW) program. The Executive Director said EHA planned to apply for MTW status, whenever the opportunity is available, as the program offered regulatory flexibility that would allow the agency to continue to serve the same number of clients, in a time of flat or declining Federal funding,

Executive Director Lommers-Johnson continued with an update on the progress of renovations at developments under the RAD program. A recent decision to turn the Bakerview interior renovations over to Walsh Construction now made that firm general contractor for all RAD-related renovation activity. The Board was provided with a project status report, showing renovation activity at all of the RAD developments was on schedule. Mr. Lommers-Johnson said the conversion to RAD added significant complexity to the operation and management of affected sites, but the end result meant their continued viability well into the future.

The Executive Director talked next about the plan to file a demolition/disposition application with HUD for Baker Heights. This had added urgency, due to a proposed HUD rule that would require 75% replacement of units as a condition of approval. Mr. Lommers-Johnson said the agency hoped to submit both demolition and disposition applications for Baker Heights; but it appeared that HUD would require a qualified buyer to be in place prior to granting disposition approval. With that in mind, EHA had proposed to sell the site to its instrumentality of Everett Housing Services, Inc., which would serve as a holding company while more detailed disposition plans could be developed. Unfortunately, HUD signaled unwillingness to approve this proposal. If that were the case, and a suitable buyer could not be found, the Executive Director said just a demolition application would be submitted. In turn, HUD would provide replacement housing vouchers to the 244 families residing at Baker Heights. A recent appraisal valued the development at \$5.1 million "as is," and \$7.44 million if housing on the 14.9 acre site was demolished. However, this appraisal was based on limited assumptions, for example, density.

Executive Director Lommers-Johnson said negotiations with the Teamsters union for a new contract with maintenance employees were progressing on-track, with Finance Director Jill Stanton facilitating. Mr. Lommers-Johnson said the change from budget-driven to revenue-driven programs would continue to impact the agency's monetary resources, but management would continue to look for efficiencies to compensate. Management was not anticipating any lay-offs within the existing maintenance department; rather, it was planning to add employees to the department, as a result of recent property acquisitions.

The next topic covered was the effect a required increase to the payment standards -- the maximum amount of rental assistance paid on each unit bedroom size -- would have on the agency's Housing Choice Voucher (HCV) program budget. HUD elected to increase area Fair Market Rents (FMRs), which are used to determine payment standards, based on a King County Housing Authority study challenging existing FMRs. This study did not account for market conditions in Snohomish County, where increases to rents have been less volatile. Mr. Lommers-Johnson said the increase to payment standards was going to add \$1.2 million to the cost of the HCV program for the twelve month period that began February 1st, the effective date of the new payment standards, doubling in the second twelve-month period. Without offsetting funding from HUD to cover this deficit, management expected 250 fewer Voucher households would be able to receive rental assistance. EHA was waiting for HUD's response to its request for set-aside funding to maintain its current Voucher level. Mr. Lommers-Johnson said it was possible to apply for a waiver to allow payment standards to be based on the old FMR, but this would require more administrative effort, in order to show participants were able to find adequate housing under the old payment standards.

The final item covered under the Executive Director's report was a follow-up to the previous meeting's discussion regarding the Broadway Plaza meal program. Mr. Lommers-Johnson reported that 21 residents had signed up for an additional month of meal delivery service since the regular meal program ended effective April 30th. He related that Deputy Director of Housing Management Erica Koenig met recently with Deborah Wright, a department manager with the City, and Martha Peppones, the head of the Senior Services meal program, to discuss the transition of Broadway Plaza residents to the meal program at the Carl Gipson Senior Center. In addition to that option, Ms. Koenig was aware that some residents were receiving assistance from caregivers to prepare meals in their unit kitchens. Further discussion ensued regarding the plans for the commercial kitchen at Broadway

Plaza, and any feedback related to the residents' use of the meal program at Carl Gipson Senior Center. The Executive Director said no firm plans had been made in regard to the kitchen's future, although it was temporarily serving as a good venue for cooking classes for the residents. Ms. Koenig said that she did not have any substantive feedback at this point in time about the second issue.

Public Comment

None

Consent Agenda

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

1. Section 8 Payments for the Months of March, April 2015
2. Summary of Vouchers for the Months of March, April 2015

Items for Individual Consideration

Resolution No. 1386 Revising HCV Program Utility Allowances

Hearing Officer/Administrative Coordinator Chris Neblett began with some background information on utility allowances -- the estimated utility costs factored into an HCV participant's rent calculation -- and HUD's requirement that the schedule of utility allowances be reviewed annually. Mr. Neblett said this year's utility rate survey showed an increase to the rate charged for water, and a decrease to heating oil and propane rates, of more than 10 percent. Per HUD regulation, this required a revision to the allowances for those utilities on the utility allowance schedule.

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

Resolution No. 1387 Authorizing the Disposal of Decommissioned Computer Equipment, Phone System, and other Unneeded Items

Finance Director Jill Stanton gave a summary of this resolution in place of the Assistant Director of Procurement and Contracts, Brenda McLeod, who was on vacation. Periodically, the agency must dispose of obsolete and surplus items by holding a sale, with unsold items donated to charity. Commissioner Metzger-Utt inquired where the sale proceeds were allocated, and Ms. Stanton said this money went back into the Central Office Cost Center.

Commissioner Ryan moved that the resolution be adopted. Commissioner Taylor seconded the motion, which passed unanimously.

Resolution No. 1388 Updating Everett Housing Authority's Procurement Policies

Finance Director Stanton also covered this resolution in place of Assistant Director McLeod. She said the requested revisions to the Procurement Policies involved updating the titles of various agency personnel and increasing expenditure authority from \$75,000 to \$100,000 for certain positions. Ms. Stanton said more extensive revisions would follow at a later date, to reflect changes to the agency's organizational structure and programs.

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

Motion Authorizing the Designation of Mandatory Service Units Under the Family Self-Sufficiency program at Grandview and Pineview

Director of Resident Services Teena Ellison presented the Board with this action item, which related to HUD's requirement that 50 percent of project-based RAD units have an attached service requirement, barring certain exclusionary conditions. Ms. Ellison said management wished to make the Family Self-Sufficiency program the required supportive services program at Grandview and Pineview for families in the applicable units.

Commissioner Metzger-Utt moved to approve the motion as specified, designating 74 units at Grandview and 17 units at Pineview as mandatory service units under the Family Self-Sufficiency program.

Policy Discussion

Update on Status of FY 2015-16 Agency Budgets

Finance Director Stanton said that a draft budget encompassing the agency's various programs for the fiscal year beginning July 1st was not available this year. The transition of most of Public Housing to the RAD program with a tax credit component, and the inclusion of most of the Affordable Housing portfolio in a tax credit partnership has now put the majority of the agency's program budgets on a calendar year rather than fiscal year schedule. This left only two remaining Public Housing sites, the Housing Choice Voucher program, Central Office Cost Center, Discretionary Fund, and two Affordable Housing sites on a fiscal year budget. This change will require the creation of two separate agency budgets – effective in October for programs on a calendar year budget, and June for programs on a fiscal year budget – and the associated approval processes: Ms. Stanton discussed some conditions that could lead to the need to further updates to the budget for programs on a July 1 fiscal year cycle, but she expected a draft to be available for Commissioners to review by scheduled appointment by the middle of the month, with the final draft budget to go out the week prior to the June 22nd Board meeting, where it was to be presented for approval.

Executive Session

Chair Rastovich announced at 1:01 p.m. that the Board would convene in Executive Session, for a period of 20 minutes, to discuss the performance of the Executive Director. Commissioner Taylor responded with a motion to that effect, Commissioner Ryan seconded, and the Board convened into Executive Session.

Reconvene Regular Session/Resume Executive Session

At 1:21 p.m. the Board reconvened in public session, and Chair Rastovich called for a motion to return to Executive Session for an additional ten minutes, in order to continue discussion of the Executive Director's performance review. Commissioner Taylor motioned to reconvene in Executive Session, and Commissioner Ryan seconded the motion. The Board then returned to Executive Session.

Reconvene Regular Session

The Executive Session concluded at 1:31 p.m. with no action taken, and the Board reconvened in Public Session. Commissioner Metzger-Utt spoke on behalf of the Board, saying that the commissioners agreed with Executive Director Lommers-Johnson's self-evaluation and was very pleased with his performance over the past year and the decision to hire him. Based on this review, Commissioner Metzger-Utt moved to increase the Executive Director's salary by \$1,000 per month, or to \$162,000 per year. Commissioner Taylor seconded the motion, which passed unanimously. It was understood that a car allowance was built into his salary.

Adjournment

There being no further business, Chair Rastovich called for a motion to adjourn. Commissioner Metzger-Utt motioned to adjourn, Commissioner Taylor seconded, and the meeting ended at 1:36 p.m.



Chair, Board of Commissioners

ATTEST:



Secretary