



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

May 22, 2017

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 12:04 p.m. on Monday, May 22, 2017 at the Authority's main office, 3107 Colby Avenue, Everett, Washington.

Commissioners Present at Roll Call:

Chair Lyle Ryan	Commissioner George Perez, Jr.
Vice-Chair Maddy Metzger-Utt	Commissioner Michele Rastovich
Commissioner John Mierke	Commissioner Todd Taylor

Commissioners Absent:

None

Also in attendance were:

Staff:

Ashley Lommers-Johnson, Executive Director
Jill Stanton, Deputy Executive and Finance Director
Rick Dorris, Director of Dev. & Acquisitions/Asst. Ex. Director
Steve Yago, Director of Housing Management
Erica Dias, Acquisition/Development/Relocation Planning Mgr.
Wendy Westby, HCV Program Director
Linda Baines, Deputy Director of Housing Management
Brenda McLeod, Ass't. Director of Procurement & Contracts
Wendy Abbey, Assistant Finance Director
Chris Neblett, Hearing Officer/Administrative Coordinator
Katie Ulvestad, Executive and Development Assistant

Guests:

Lorna Corrigan, Attorney
Tom Douge, President, BP Resident Council

Approval of Minutes

Chair Ryan called for approval of the minutes for the Special Meeting of April 10, 2017. Commissioner Perez moved to approve the minutes of this meeting, and Commissioner Rastovich seconded the motion. Upon being put to a vote, the motion passed and the minutes were approved.

Communications

Broadway Plaza Resident Council President Tom Douge reported on the recent hiring of a security guard to patrol the building during evening hours, and some problems residents were having in getting their work orders processed in a timely manner. Executive Director Ashley Lommers-Johnson said he would look further into the second issue, which he suspected was due to a temporary staffing shortage, rather than a glitch with the software that processes work orders. Mr. Douge concluded his report by noting that Broadway Plaza's annual Family Day celebration was scheduled for July 8

Public Comment

None

Consent Agenda

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

1. Section 8 Payments for the Months of March, April 2017
2. Summary of Vouchers for the Months of March, April 2017

Executive Director's Report

Executive Director Lommers-Johnson began with an update on the status of Federal funding for HUD programs, notably the recent passage of an Omnibus Bill that set funding levels through the end of the current fiscal year. This included a three percent cut to the Housing Choice Voucher program – or \$600,000 less than what was needed to fund the current allocation of Vouchers at one hundred percent – and cuts to the Public Housing program, although the latter was not expected to have an impact on program operations. Mr. Lommers-Johnson said administrative fee reserves would likely be used to make up the Voucher program shortfall. He said the next fiscal year's budget was due out relatively soon, and included drastic cuts to the Public Housing program– of up to seventy percent with respect to the Capital Fund – confirming that the Housing Authority's decision to transition out of that program had been a wise one.

The next segment of the Executive Director's report concerned the status of the Section 18 application to HUD for the disposition of the Baker Heights neighborhood. Mr. Lommers-Johnson said that he was recently in touch with a representative from HUD's Special Applications Center, and was told that approval of the disposition application would be issued within the next couple of weeks. All 244 families residing at Baker Heights would be provided with Tenant Replacement Vouchers as part of the disposition process, and it was

believed that HUD would continue to provide an operating subsidy for the property over the course of a two year phased relocation of tenants. The Executive Director acknowledged concerns about potential difficulties tenants might encounter in using their Vouchers to find a new place to live, given the tight rental market; however, he was confident that the relocation team and the resources at its disposal would ensure these families were housed.

The Executive Director next touched on the topic of replacement housing as it pertained to the Baker Heights disposition. He said the Housing Authority's goal was to replace these units on a one for one basis over the next five years, even though this was not a HUD requirement. As part of that effort, plans called for the development of 60 to 80 units of replacement housing on four acres at the south end of the Baker Heights neighborhood, funded with a nine percent tax credit allocation. Mr. Lommers-Johnson said the selection process for this funding was competitive and political, but he remained optimistic about the Housing Authority's prospects and anticipated that an application would be submitted in January, 2018, with construction to begin at the end of that year. The remainder of Baker Heights replacement units were expected to come from acquisitions, and a full-time staff position was expected to be created to oversee that endeavor.

The Executive Director concluded by noting that a favorable judgment had been rendered in a longstanding lawsuit PHAs filed against HUD several years ago, to which the Housing Authority was a party. This was brought after HUD required the PHAs to use their reserves to offset cuts to the Public Housing Operating Subsidy. The Housing Authority's share of the judgment was \$591,000 in unrestricted funds, which was expected to be disbursed by the end of the year.

Items for Individual Consideration

Resolution No. 1429 Revising Housing Choice Voucher Utility Allowances

HCV Department Director Wendy Westby said Hearing Officer/Administrative Coordinator Chris Neblett and a representative of the Housing Authority of Snohomish County (HASCO), which shares a jurisdictional area for the administration of the Housing Choice Voucher program, had completed the required annual review of utility allowances. This entailed reviewing rates for applicable utilities, and changing the allowance in cases where a utility rate had undergone a ten percent variance since the last review. As the rates charged for heating oil and propane met that criteria, the allowance for those utilities was revised.

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

Resolution No. 1430 Authorizing Everett Housing Authority to Sublease Property from Bakerview/Grandview Affordable Housing, LLLP and Enter into Related Agreements

Director of Development and Acquisitions Rick Dorris said this resolution pertained to the construction of a new clubhouse at the south end of the property and renovation of the current Grandview Community Center to serve its original function as dwelling units. Once reconverted, Mr. Dorris said these two units would be provide a source of rental income that would help finance the construction of the new clubhouse. As the Grandview Homes site was now under lease to a tax credit partnership, Mr. Dorris said it was necessary to enter a sublease with the

partnership as a condition to undertake the proposed improvements. He said HUD had granted its approval, and approval of the partnership's lender and investor was in process. He estimated that construction would begin not too long after that.

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

Resolution No. 1431 Authorizing the Executive Director to Submit a Section 18 Application to HUD for the Disposition of EHA's Scattered Sites Public Housing Units

Director of Development and Acquisitions Rick Dorris said a resolution pertaining to this action was previously adopted; however, the legal counsel helping to navigate the Section 18 process believed some amendment of this resolution would make it more likely that HUD would approve the disposition application. The following elements were added to this amended resolution: management's discussion of a replacement housing plan with the tenants, as well as meetings with the Resident Advisory Board and Mayor's office to discuss various aspects of the proposed disposition of the Public Housing Scattered Sites.

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

Resolution No. 1432 Authorizing the Formation of Everett Housing Legacy LLLP

Director of Development and Acquisitions Rick Dorris said this resolution provided for the formation of a limited liability limited partnership as it related to the planned replacement housing that will be located at the south end of the current Baker Heights Neighborhood, following the disposition of that site. He said this resolution provided for the construction and operation of 60 to 80 units of affordable housing, with the Housing Authority serving as general partner in this undertaking. Mr. Dorris also provided two architectural models of proposed new housing for the Board's perusal.

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

Motion to Approve Contract for the Conversion of Grandview Community Center into Dwelling Units

Director of Development and Acquisitions Rick Dorris said bids were solicited for the project to convert the Grandview Community Center back into two dwelling units, and just one firm responded. However, this bid was cost-favorable, and no adverse information about the responding firm was found during the due diligence process. Therefore, it was recommended that the Board approve the bid from Woodridge Construction, LLC and authorize the Executive Director to execute a contract for the work.

Commissioner Metzger-Utt moved to authorize the Executive Director to sign a contract with Woodridge Construction, LLC in the amount of \$367,022.90 for the Grandview Community Center unit conversion. Commissioner Mierke seconded the motion, which passed unanimously.

Policy Discussion: Update on Status of FY 2017-18 Agency Budgets


Deputy Executive and Finance Director Jill Stanton said she had set up a meeting with the Board's Finance Committee, Chair Ryan and Commissioner Metzger-Utt, to review the agency budget for the next fiscal year in advance of the next Board meeting on June 26th. They would present their recommendations to the Board when the FY 2017-18 agency budget was presented for adoption at that meeting.

Adjournment

There being no further business, Chair Ryan adjourned the meeting at 1:03 p.m.



Chair, Board of Commissioners

ATTEST:

Secretary