



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

June 26, 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 12:09 p.m. on Monday, June 26, 2017 at the Authority's main office, 3107 Colby Avenue, Everett, Washington.

Commissioners Present at Roll Call:

Chair Lyle Ryan

Vice-Chair Maddy Metzger-Utt

Commissioner John Mierke

Commissioner George Perez, Jr.

Commissioner Michele Rastovich

Commissioners Absent:

Commissioner Todd Taylor

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

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, Broadway Plaza Resident Council

Keith Klaus, President, Bakerview Resident Council

Michael Rainey, AFSCME Union Representative

Approval of Minutes

Chair Ryan called for approval of the minutes for the Regular Meeting of May 22, 2017. Commissioner Metzger-Utt 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 said residents were happy to have an onsite security guard on duty and hoped management would also consider installing security cameras in the hallways at Broadway Plaza. He said plans for the annual Family Day celebration, scheduled for July 8, were in full swing.

Bakerview Apartments Resident Council President Keith Klaus said the Council was presented with a flag from the U.S. Capitol in Washington, D.C. by the local VFW as part of the Flag Day celebration. He said turnout for a Father's Day brunch was good, and the Council was planning to host a dinner for residents on July 3.

Executive Director's Report

Executive Director Ashley Lommers-Johnson began his report with an overview of asset management activities over the past few years. He noted that 16 properties encompassing 848 units – or about 89% of the Housing Authority's portfolio before the last round of acquisitions – had undergone renovations, totaling around \$40 million. Upcoming renovation activity involved \$9 million in significant infrastructure and unit improvements at 12 Pines, which were slated to begin in late August. With respect to acquisitions, Mr. Lommers-Johnson said the Housing Authority had added 18 properties with a total of 699 units to its holdings over the past two years. Construction projects included the completion of Pivotal Point, as well as plans to develop 60 units of low income housing on a portion of the Baker Heights site. Wrapping up this segment of his report, Mr. Lommers-Johnson said that Baker Heights and the Public Housing Scattered Sites were the only properties in the Housing Authority's portfolio with long-term capital needs lacking a viable solution, making disposition of those sites the logical option.

The Executive Director informed the Board that HUD had recently approved the Baker Heights Section 18 disposition application, which was submitted late last year. Residents of that site will be provided Tenant Protection Vouchers to find housing through the private rental market that is eligible for a subsidy over the course of a two-year phased relocation effort, beginning in August, 2017. Mr. Lommers-Johnson said the Housing Authority intended to replace the 244 units at Baker Heights by constructing 60 units on a portion of the site, using 9% tax credits, and new acquisitions. He said the Housing Authority had informed HUD that Baker Heights would be sold via public bid once all tenants were relocated; however, given the opportunity, the method of sale could be changed to a negotiated transaction if the opportunity were to arise. Addressing the commissioners' recommendation that a press release be issued to inform the public about the Baker Heights disposition process, particularly as it applied to the relocation of tenants, Mr. Lommers-Johnson said such a release would be made and some related talking points would be posted to the agency website.

Concluding his report, Executive Director Lommers-Johnson said a recent sharp increase in development activities related to the Baker Heights disposition and the anticipated retirement of Development and Acquisitions Director Rick Dorris made it necessary to create a new position, Director of Acquisitions. Director of Housing Management Steve Yago would be reassigned to fill this new position, which was within the current budget authority. Mr. Lommers-Johnson said further restructuring was necessary, in order to lessen the number of staff that directly reported to him. This would entail combining the job duties of the housing management and resident services directors into a single position, and hiring an additional manager within the resident services department.

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 May, 2017
2. Summary of Vouchers for the Months of May, 2017

Items for Individual Consideration

Resolution No. 1433 Adopting Budgets for Fiscal Year 2017-18 for EHA Programs

Deputy Executive and Finance Director Jill Stanton presented this resolution adopting budgets for the Housing Authority's programs for the fiscal year beginning July 1, 2017. Before giving a brief presentation, she noted that a more detailed one was provided to the Board's Finance Committee in advance of today's meeting, and both she and the members of that committee, Chair Ryan and Commissioner Metzger-Utt, advocated for continuing such an approach. Ms. Stanton noted that the budgets for the Tax Credit programs were included in her presentation for informational purposes; however, the resolution was limited to approval of the Core Property budgets, which included the following: the Public Housing program; the Affordable Housing Properties Funds; the Housing Choice Voucher program and Commerce Building; the Property Management Fund; the Central Office Cost Center; the Property Development Fund; and the Hope Options program.

Ms. Stanton went over some of the accomplishments from the 2016-17 budget and then laid out priorities for the current budget, which included but were not limited to: ongoing improvements in customer service, maximizing the number of households served, strengthening the agency's organizational health and employee satisfaction, Baker Heights relocation and disposition, and the disposition of the Scattered Sites. Whenever possible, program budgets were developed to avoid running on a deficit; however, in cases where this could not be avoided for the federally subsidized programs, reserves were used to make up the shortfall. Capital needs for nonfederal affordable properties were deferred in order to ensure a balanced budget, as equity financing from a future tax credit partnership was expected to cover these costs.

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

Resolution No. 1434 An Omnibus Resolution Authorizing the Executive Director to Carry Out Actions, Including Leasing, Loans, and Execution of Documents Related to the Renovation of Wiggums Park Place

Director of Development and Acquisitions Rick Dorris said this resolution was a follow up to one the Board previously adopted with respect to the 12 Pines tax credit re-syndication. A new tax credit partnership, Wiggums Park Place LLLP, had since been established, and this resolution authorized the Executive Director to execute loan documents, construction contracts, and any other documents associated with the project, which was scheduled to close at the end of July.

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

Resolution No. 1435 Authorizing the Disposal of Unserviceable/Obsolete Agency Equipment

Assistant Director of Procurement and Contracts Brenda McLeod said the Housing Authority needed to divest itself of the items listed as an exhibit to this resolution. This included pieces of obsolete office electronics and furniture, as well as grounds maintenance equipment that was no longer used since landscaping needs had been outsourced. Items were to be offered for purchase at an informal sale, which was to be advertised via classified ads and the Internet. Any items that did not sell would be donated to a local charity.

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

Resolution No. 1436 Establishing Education Assistance and Tuition Reimbursement Policy for Everett Housing Authority

Deputy Executive and Finance Director Jill Stanton said this resolution called for the adoption of new policy regarding the reimbursement of job-related tuition costs to employees, replacing the current policy, a subsection within the Personnel Policy. Ms. Stanton said this more comprehensive, stand-alone policy was designed to better conform to the agency's needs and IRS regulations. It broadened the scope of classes that were eligible for tuition reimbursement, established an 80/20 cost sharing formula unless management determined a class was essential to job performance, and established an annual threshold for tuition reimbursement payments. Management was requesting for the adoption of the new policy retroactive to May 1, enabling employees that were currently enrolled in classes to benefit from its provisions.

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

Policy Discussion

Review of Financial Statements: Core Properties Third Quarter, Tax Credit Properties First Quarter

Deputy Executive and Finance Director Jill Stanton noted that third quarter financial statements for the Core Properties had already been reviewed, as these were part of the earlier presentation of the resolution adopting 2017-18 budgets for the Core Properties. She then turned the floor over to Assistant Finance Director Wendy Abbey, who gave a brief presentation of the first quarter financial statements for the Tax Credit Properties.

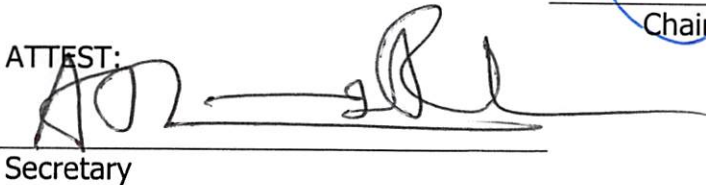
Adjournment

At the conclusion of the meeting, Executive Director Lommers-Johnson announced that the Everett City Council recently approved the forgiveness of a \$1.5 million loan, both principal and interest, for 12 Pines. There being no further business, Chair Ryan adjourned the meeting at 1:15 p.m.



Chair, Board of Commissioners

ATTEST:



Secretary