



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

August 22, 2016

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 John Mierke following lunch, at 12:08 p.m. on Monday, August 22, 2016 at the Authority's main office, 3107 Colby Avenue, Everett, Washington.

Commissioners Present at Roll Call:

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

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't & Acquisitions/Ass't. Ex. Director
Erica Dias, Relocation Supervisor
Wendy Westby, HCV Program Director
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:

Seth Cooper, Attorney

Approval of Minutes

Chair Mierke called for approval of the minutes for the Regular Meeting of June 27, 2016. Commissioner Perez moved to approve the minutes of this meetings, and Commissioner Rastovich seconded the motion. Upon being put to a vote, the motion was passed and the minutes were approved.

Communications

None

Executive Director's Report

Executive Director Ashley Lommers-Johnson began by touching on some of the main points of the recently adopted Housing Opportunity through Modernization Act of 2016, or HOTMA, the first significant federal housing legislation in over a decade. Pursuant to this law, HUD was required to implement regulations designed to help PHAs manage their subsidized programs more efficiently; some of these measures included streamlining the annual recertification process, scaling back the frequency of interim re-certifications and HQS inspections, and terminating the tenancy for households earning over 120 percent of area AMI for two consecutive years. HOTMA called for an increase to the allowable level of Project Based Vouchers (PBVs) within the total Voucher pool from 20 to 30 percent, excluding existing PHA owned PBV developments from this benchmark. Mr. Lommers-Johnson said this would enable the agency to create an additional 270 PBV units, which could be used to provide affordable housing for special needs populations, in cooperation with the City of Everett and other local partnering entities.

The Executive Director next discussed a plan of action for 12 Pines Apartments, which was nearing the end of its 15 year tax credit compliance period. Although management had originally hoped to make this property part of a broader redevelopment plan, in partnership with the City under the Choice Neighborhoods Initiative, the need to repair and/or replace the property's water and sewer lines at an estimated cost of \$1.2 - \$1.5 million demanded more immediate action. Since replacement reserves were only able to cover the most high-priority repairs, and the property was under a land-use restriction for the next 18 years, the re-syndication of the 12 Pines tax credit partnership for a new 15 year compliance period appeared to be the best option.

Mr. Lommers-Johnson provided the Board with a draft strategic repositioning plan from consultant J.H. Brawner. This plan assumed that the transfer of the property to a new tax credit partnership would net the Housing Authority approximately \$3 million in proceeds that could be used to expand EHA's affordable housing stock. Renovations funded by the tax credit investments under the plan were expected to begin in March or April 2017, with an estimated per unit renovation cost of \$90,000. The Executive Director concluded by saying that he would bring resolutions related to the 12 Pines re-syndication to the Board for approval as the process moved along.

Public Comment

None

Consent Agenda

Commissioner Perez made a motion to adopt the Consent Agenda, and Commissioner Ryan seconded the motion. The Consent Agenda contained the following items:

1. Section 8 Payments for the Months of June, July 2016
2. Summary of Vouchers for the Month of June, July 2016

Items for Individual Consideration

Resolution No. 1416 Authorizing the Executive Director to Submit a Section 18 Application to HUD for the Disposition of Baker Heights

Director of Development and Acquisitions Rick Dorris began by noting that the Board had previously passed a resolution approving the submission of a Section 18 application to HUD for the demolition of Baker Heights. At that time it appeared demolition was the more viable option; however, HUD was now amenable, contrary to previous assumptions, to considering a disposition application without a buyer being identified in the application. Accordingly, the Housing Authority now planned to request HUD's approval for the disposition of the site, which was management's original plan.

Mr. Dorris said that City officials had been made aware of this change in plans, and tenants were informed at a public meeting held the week before the Board meeting. The public meeting had a significant turnout, and those attending learned that the timeline for a phased relocation of tenants from Baker Heights had not changed. Mr. Dorris said residents were also informed that the Housing Authority was considering retaining around three and one half acres at the south end of Baker Heights for future development of affordable housing.

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

Resolution No. 1417 Authorizing the Executive Director to Submit a Section 18 Application to HUD for the Disposition of the Public Housing Scattered Sites

Director of Development and Acquisitions Rick Dorris said this resolution sought approval to submit a Section 18 application to HUD for the disposition of most of the Public Housing Scattered Sites. Of the 44 Scattered Site located throughout Everett, the Housing Authority only wished to retain the three six-bedroom units, in order to have housing available for larger families. Mr. Dorris said that the collective value of these properties was close to \$9 million. It was hoped that the Scattered Site units approved for disposition could first be offered for purchase by Housing Authority residents, who had expressed their approval of that option at both preliminary informational meetings held to discuss the disposition plan. Mr. Dorris said proceeds from the sale of the Scattered Sites would be used to fund eligible

affordable housing activities, including replacement housing in conjunction with the disposition of Baker Heights and the Scattered Sites. He also observed that any units that were sold could be used to rent to Voucher holders.

Executive Director Ashley Lommers-Johnson concluded discussion of this action item by noting that maintenance costs and physical upgrades for these properties were expected to approach \$8 million over next 20 years, but HUD's Capital Fund would only provide around \$880,000 to address these needs. He acknowledged that HUD might not take such a long view and reject this Section 18 application, seeing no immediate justification for the disposition of these sites. In that event, he said the Housing Authority would continue to re-submit the application until it was approved.

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

Resolution No. 1418 Appointing Members to the Board of Directors for Pepperwood Senior Apartments

Executive Director Ashley Lommers-Johnson introduced this resolution in place of Director of Housing Management Steve Yago, who was absent. He said management had come up with a viable acquisition plan for Pepperwood Senior Apartments, the last holding from Senior Services of Snohomish County's former real estate portfolio still under that agency's control. Contingent on an amendment to the articles and bylaws of the non-profit corporation associated with Pepperwood, this resolution enabled a transfer of control by changing the composition of the corporation's current governing board to directors of the Housing Authority's choosing. Mr. Lommers-Johnson noted that the resolution appointed the same commissioners to the Pepperwood governing board as were appointed to the governing boards of the HUD 202 properties that were acquired from Senior Services earlier in the year: George Perez, Jr., Michele Rastovich, Lyle Ryan, and Todd Taylor.

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

Resolution No. 1419 Approving Section 8 Management Assessment Program (SEMAP) Certification for the Program Year Ending June 30, 2016

HCV Program Director Wendy Westby presented the Board with the results of the Section 8 Management Assessment Program (SEMAP) audit for the fiscal year ending June 30. HUD designed this self-assessed audit to measure a PHA's performance in 14 different program areas, or indicators, with a final assessment based on its overall score. This resolution certified the results of this year's SEMAP in advance of its transmittal to HUD. Ms. Westby noted that the Housing Authority was rated a standard performer for the second straight year; however, she also noted this year's SEMAP showed marked improvement in some of the higher scoring indicators, namely the one measuring accuracy in determining a program participant's adjusted income. She attributed these improved scores to increases in file audits, management staff, and access to training.

Ms. Westby concluded by recognizing some of the challenges that her department had faced over the past couple of years: an influx of newer staff members, increased complexity in administering the HCV program with the addition of the RAD PBV units, and changes to

waiting list selection procedures under the new Administrative Plan. She expected that increased communication with the Housing Management department and other targeted strategies would result in high performer designation for next year's SEMAP.

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

Resolution No. 1420 Authorizing Amendment #21 to the Interagency Agreement with Housing Hope Relating to the Commerce Building SRO Units

HCV Director Westby said this resolution approved renewal of the annual contract for Housing Hope to manage the Commerce Building. These 29 units of SRO housing were owned by the Housing Authority under HUD's Mod Rehab program.

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

Resolution No. 1421 Approving Selection of Project Based Voucher Proposals

HCV Director Westby said this resolution served to notify the Board that all three housing providers who submitted proposals in response to an RFP advertised in May had been selected to receive Project Based Vouchers. The RFP called for proposals related to rehabilitated and newly constructed studio and one bedroom units. While the units were not solely for individuals with disabilities, they will constitute a significant increase in supportive housing for such households. The following proposals were selected to receive Project Based Vouchers: 1) Cocoon House, up to 8 studio units within a larger 32 unit project scheduled for completion in November, 2018; 2) Housing Hope, up to 57 studio and one bedroom units -- 15 of which will be targeted at homeless youth -- at HopeWorks Station 2, scheduled for completion in December, 2018; 3) Catholic Housing Services, up to 70 studio and one bedroom units of low barrier housing for chronically homeless adults in a project scheduled for completion in October, 2018. Ms. Westby said the next step in the process would be to enter into an agreement authorizing the execution of a HAP contract with each of these housing providers, provided that each project met its other regulatory obligations.

Commissioner Metzger-Utt moved that the resolution be adopted, and Commissioner Perez seconded the motion. Upon being put to a vote, with Commissioner Ryan abstaining, the resolution was adopted.

Motion to Approve Contract for Water Service Replacement at 12 Pines Apartments

Assistant Director of Procurements and Contracts Brenda McLeod presented this item for the Board's approval. It related to the need for replacement of the water lines from the street to each individual unit at 12 Pines Apartments, which a consultant estimated would cost \$248,930. Four firms responded to a bid solicitation for this work, with the most favorable coming in at \$256,237.80, from B&L Utility. Ms. McLeod said a check of this firm's references resulted in no adverse findings, resulting in a recommendation to enter into a contract with that firm for the replacement of water lines at 12 Pines.

Commissioner Rastovich moved to accept the proposal from B&L Utility for the 12 Pines water service replacement project, authorizing the Executive Director to execute a contract with that firm for the work as proposed. Commissioner Metzger-Utt seconded the motion, which passed unanimously.

Policy Discussion

Security at Broadway Plaza (and Bakerview)

Executive Director Lommers-Johnson picked back up with this topic, which grew out of a larger policy discussion regarding issues with the mix of elderly and younger disabled populations at the Housing Authority's two high-rises, from the previous Board meeting. He reported back his findings following subsequent conversations with management staff at both Bakerview and Broadway Plaza. In the case of Bakerview, management staff had conveyed that the presence of caretakers and security cameras provided a sense of security among both staff and residents.

On the other hand, staff at Broadway Plaza expressed concerns about suspicious activity in and around the building that was not necessarily related to the residents. Following an investigation of various security options, the Executive Director believed a viable option may be to replace Broadway Plaza's caretakers with contracted security services. He said management was in the process of developing a scope of work for a RFP, with hopes that a contract proposal could be ready for the Board's consideration at November's Annual Meeting.

Upcoming Changes to EHA Personnel Policy

The Executive Director said the Housing Authority's Personnel Policy had not been updated since the last major overhaul in 2013. Policy items that needed to be addressed included stipulating the role of the newly created Deputy Executive Director position as one of two staff that can serve in an acting Executive Director in his absence, the use of on-line recruitment services instead of newspaper advertising, and the employee incentive payment plan, among others. Mr. Lommers-Johnson said the goal was to have the updated Personnel Policy updated by January, 2017. He was open to having a consultant work on this, rather than having it done in-house.

Executive Session

At 1:20 p.m. Chair Mierke announced the Board would convene into Executive Session for a duration of approximately 10 minutes, in order to discuss the Executive Director's annual performance review.


Reconvene Regular Session

The Board reconvened in public session at 1:29 p.m. Commissioner Perez announced that the commissioners were pleased with the Executive Director's performance over the past year and had decided to increase Mr. Lommers-Johnson's annual salary to \$171,720 per year, which included an amount in lieu of a car allowance. This salary increase was retroactive to July 1, 2016.

Adjournment

There being no further business, Chair Mierke called for a motion to adjourn the meeting. Commissioner Perez moved to adjourn, Commissioner Rastovich seconded, and the meeting was adjourned at 1:30 p.m.


Chair, Board of Commissioners

ATTEST:

Secretary