



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

October 29, 2018

Meeting Called to Order

The Special Meeting of the Board of Commissioners of the Housing Authority of the City of Everett was called to order by Chair Maddy Metzger-Utt following lunch, at 12:05 p.m. on Monday, October 29, 2018 at the Authority's main office, 3107 Colby Avenue, Everett, Washington.

Commissioners Present at Roll Call:

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

Commissioners Absent:

Commissioner Todd Taylor
Commissioner Allison Warren-Barbour (arrived later)

Also in attendance were:

Staff:

Ashley Lommers-Johnson, Executive Director
Rick Dorris, Director of Development
John Forsyth, Director of Housing Operations
Steve Yago, Director of Acquisitions and Asset Mgmt.
Wendy Westby, HCV Program Director
Erica Dias, Relocation Manager
Linda Baines, Deputy Director of Housing Mgmt.
Brenda McLeod, Ass't. Director of Procurement & Contracts
Chris Neblett, Hearing Officer/Administrative Coordinator
Krystal O'Mara, Executive Assistant

Guests:

Lorna Corrigan, Attorney
Becky Ableman McCrary, City of Everett
Paul Pitre, Chancellor, WSU Everett Campus

Public Comment

^{Pitre} Paul Pitre, Chancellor of Washington State University, Everett Campus, thanked the Housing Authority for considering WSU as a potential purchaser of a portion of the Baker Heights property. He saw this a chance for the school to continue to grow and develop academic opportunities, especially within the field of engineering, for residents of the region. Although the sale of land to WSU will be subject to the legislative process, Mr. Pitre indicated lawmakers have expressed support for the idea.

Consent Agenda

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

1. Approval of Minutes of Special Meeting Held on September 24, 2018

Items for Individual Consideration

Resolution No. 1465 Authorizing Everett Housing Authority to Enter into Agreements with Bakerview/Grandview Affordable Housing, LLLP Relating to the Development of a Clubhouse and Housing Units at Grandview Homes

As explained by Director of Development Rick Dorris, this served as a modified version of a resolution (No. 1430) that was adopted in 2017, authorizing construction of a new clubhouse in the Grandview Homes neighborhood and the conversion of its existing community center back to two dwelling units. The earlier resolution provided for the Housing Authority to sublease the property from the Partnership for the execution of these construction activities; however, the State Housing Finance Commission was against this approach, as it conflicted with tax credit regulations. To overcome this issue, the current resolution provides for the Partnership to coordinate construction efforts, which the Housing Authority will finance. Chair Metzger-Utt inquired about the cost of the project, and Director Dorris said it will take the form of a zero-interest loan not to exceed \$1,750,000. He said the agreement has been structured to ensure any revenue generated by the project will go back to the Housing Authority.

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

Motion to Approve Contract with Foster Pepper PLLC to Provide Legal Services Relating to Development and Redevelopment Activities

Executive Director Lommers-Johnson said the Housing Authority had issued an RFP for a firm to provide legal services relating to the Housing Authority's development and redevelopment activities. Of the two responding firms, Ballard Spahr and Foster Pepper, the latter scored higher during the evaluation process. As such, management was recommending that the Executive Director be given authorization to execute a contract with Foster Pepper. Mr. Lommers-Johnson said the contract would be for a period of three years, with an annual cap of \$125,000, not to exceed a total cost of \$375,000.

Commissioner Mierke moved to authorize the Executive Director to execute a contract with Foster Pepper under the terms as stated. Commissioner Perez seconded the motion, which passed unanimously.

Motion to Approve Recommendation for Future Use of Baker Heights Property, Disposition Method(s) and Related Matters

Executive Director Lommers-Johnson reviewed a resolution (No. 1466) that was provided to the Board prior to the meeting. This resolution modified the terms for disposition of the Baker Heights site approved by HUD in July 2017 in several ways. First, it added the Wiggums Hollow Ballfield as part of the property to be sold; second, it sought to sell most of the site to Washington State University (WSU) at Fair Market Value (FMV) via negotiated sale, rather than offering it via public bid at FMV; third, it expanded the size and scope of development – from 60 units of Project-Based Voucher housing on a 3.61- acre parcel, to up to 200 units of mixed income (subsidized and unsubsidized) housing on an estimated additional two acres – on a portion of the site the Housing Authority will sell to an affiliated partnership for less than FMV.

The Executive Director noted that this recommendation for future use of the Baker Heights site was a result of two years of planning efforts with the Housing Authority's partners and the Mayor's office. In addition, he said public meetings with local stakeholders, including the Delta Neighborhood organization, and residents have also been held, to discuss the proposed sale of the site and development of mixed income housing on a portion of it. Based on the most recent two such meetings, he sensed strong support from the community for WSU and the Housing Authority to steer the future use of Baker Heights. Mr. Lommers-Johnson said the adoption of Resolution No. 1466 would authorize him to take specific actions with respect to the disposition and redevelopment of Baker Heights. In summary, this included development of a Memorandum of Understanding with WSU regarding the terms of sale, to be finalized after an action of the state legislature; moving forward with financing and development plans for up to 200 units on a portion of Baker Heights, to include collaboration with the Everett School District to ensure homeless families with school children receive priority for the subsidized units; ensuring staff continue to consult with residents and other stakeholders in the design of the new housing development and potential relocation of the Friendship Garden; and finally, authorizing the Executive Director to seek HUD approval for all appropriate amendments to the disposition approval letter resulting from implementation of the resolution and following successful negotiation of a Purchase and Sale Agreement with WSU.

The floor was opened to questions from the Board regarding the proposed plan for the disposition and future use of Baker Heights. In response to Commissioner Rastovich's question, the Executive Director expected the total number of mixed income units and land used to develop those units will be contingent on the amount of the property WSU is able to purchase. Commissioner Perez asked the Executive Director if he thought the consultation with stakeholders and residents had been sufficient to warrant the current decision. Mr. Lommers-Johnson reiterated the support at the most recent public meeting for WSU's development plans and those of the Housing Authority. Chair Metzger-Utt and Commissioner Mierke echoed that assessment. In response to Chair Metzger Utt's question as to how soon WSU planned to move forward with development if the legislature approved funding for the purchase of a portion of Baker Heights, Chancellor Pitre said expanding

enrollment and programs at the Everett campus were such that a new facility would need to be completed within a maximum of three years.

Commissioner Perez moved to approve a recommendation for the future use of Baker Heights and its disposition as outlined in Resolution No. 1466. Commissioner Rastovich seconded the motion, which passed unanimously.

Executive Session

At 12:26 p.m. Chair Metzger-Utt announced the Board would convene into Executive Session to review the performance of a public employee, pursuant to RCW 42.30.110(1)(g). She noted that final action on the Executive Director's performance evaluation for 2017-18 may be taken when the Board reconvened in regular session at 12:55 p.m.

Reconvene Regular Session

The Board reconvened in regular session at 12:55 p.m. with no action taken in Executive Session. Chair Metzger-Utt said the Board had reviewed the Executive Director's performance evaluation for the period ending June 30, 2018 and called for a motion to approve it as written. Commissioner Perez motioned as stated and Commissioner Rastovich seconded. Speaking for the Board's Personnel Committee, Commissioner Warren-Barbour noted that this process had required some adaptation over the past year and recognized the Executive Director's flexibility in seeing the process through. Chair Metzger-Utt then asked Executive Director Lommers-Johnson if he had any comments.

Mr. Lommers-Johnson said says Nov. 1 will mark his sixth year at the Housing Authority, during which time he has enjoyed working with the team and fostering its development. He then cited some specific examples of the team's recent accomplishments, including the HCV department's rating as a "high performer" on the SEMAP, the overall 98.8% occupancy rate achieved by the Housing Management department, and the completion of renovations at Wiggums Park Place. He observed that over the past five years the Housing Authority has improved its net fiscal position from \$42 to \$132 million, expanded its total assets from approximately \$80 to \$320 million, and had numerous other achievements that have surpassed his expectations. He thanked the Board for giving him the opportunity to continue leading the agency and looked forward to more future achievements, particularly the transformation of Baker Heights.

Recognizing that the Board had already approved the Executive Director's written performance evaluation for 2017-18, Chair Metzger-Utt called for a recommendation regarding his salary compensation. Commissioner Warren-Barbour moved for approval of a 4% salary increase based on his performance evaluation, retroactive to July 1, 2018. Commissioner Perez seconded the motion, which passed unanimously. It was also noted that the results of a pending management compensation survey may have an impact on the Executive Director's salary, but that will be treated separately.

Adjournment

There being no further business, Chair Metzger-Utt adjourned the meeting at 1:09 p.m.



Chair, Board of Commissioners

ATTEST:


Secretary