



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

March 28, 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, March 28, 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.	Commissioner Todd Taylor

Commissioners Absent:

None

Also in attendance were:

Staff:

Ashley Lommers-Johnson, Executive Director
Jill Stanton, Deputy Executive and Finance Director
Steve Yago, Director of Housing Management
Erica Dias, Relocation Supervisor
Teena Ellison, Director of Resident Services
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
J. T. Dray, Member of the Public

Approval of Minutes

Chair Mierke called for approval of the minutes for the Regular Meeting of February 22, 2016. 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 unanimously and the minutes were approved.

Communications

None

Executive Director's Report

Executive Director Ashley Lommers-Johnson began with a funding update for the Housing Choice Voucher (Section 8) program. He said HUD recently agreed to provide additional shortfall funding needed to cover a \$1.2 million deficit in last year's HCV program budget, brought on by its decision to raise area FMRs by 31 percent over a sixteen month period. Mr. Lommers-Johnson said HUD's Voucher program allocation for this calendar year will include a 12 percent annual adjustment factor, or approximately \$2.8 million over the amount of funding provided last year. This would allow for 100 percent Voucher utilization in 2016, with a surplus of program funding that could be used to fund additional Vouchers, or to create a reserve fund to compensate for future shortfalls.

Executive Director Lommers-Johnson next discussed the recent agency audit by the State Auditor's office, covering fiscal year 2014-15. This audit resulted in no findings. The auditors commented on four minor issues at the exit interview, related to missing procedures or documentation, but these were easily remedied and did not carry any negative repercussions. Mr. Lommers-Johnson thanked Deputy Executive and Finance Director Jill Stanton for continuing this record of 24 years without an audit finding

The last item on the Executive Director's report was related to the Housing Authority's plans to acquire Pepperwood Apartments, a 25 unit development, from Senior Services of Snohomish County. This represented the last property in that organization's portfolio slated to come under the Housing Authority's control or ownership. The Housing Authority was not initially interested in acquiring this property, due to its location of Lynnwood and the fact it was currently running on a deficit. Mr. Lommers-Johnson said management now viewed this as a preservation effort that was endorsed by funders, county and state officials, and Senior Services. The equity investor and lender had expressed a willingness to restructure the existing debt, in order to get this development back into a positive cash flow status. As a next step, the Housing Authority would need to receive approval of this purchase from the city of Lynnwood, given that the property was within the Housing Authority of Snohomish County's (HASCO) jurisdiction. This was not expected to be an issue, since HASCO had previously passed on the opportunity to acquire the Senior Services portfolio. Mr. Lommers-Johnson said Pepperwood Apartments was within the vicinity of other 202 units under the Housing Authority's control, so its location would not hinder efficiency

and cost effectiveness from a maintenance standpoint. The Executive Director concluded his report by noting that he would keep the Board updated as matters progressed with this planned acquisition.

Consent Agenda

Commissioner Ryan moved to adopt the Consent Agenda, and Commissioner Taylor seconded the motion, which passed unanimously. The Consent Agenda contained the following items:

1. Section 8 Payments for the Month of February, 2016
2. Summary of Vouchers for the Month of February, 2016

Items for Individual Consideration

Resolution No. 1411 Adopting 2016 Annual Plan

Hearing Officer/Administrative Coordinator Chris Neblett said this resolution certified the Board's approval of the agency's Annual Plan prior to its submittal to HUD. He said the only change to this document since it was presented at a Public Hearing at the last regular meeting was the inclusion of the agency's response to the Resident Advisory Board's comments on the Annual Plan, which was effective July 1, 2016.

Before moving to the next agenda item, Executive Director Lommers Johnson commented briefly on the issue of the ratio of younger to older residents the Housing Authority's high-rises with mixed populations of elderly and disabled, Bakerview Apartments and Broadway Plaza. He said the Resident Advisory Board had expressed concerns about this issue in its comments on the previous year's Annual Plan, and management was planning to address it over the course of 2016-17. By way of example, he pointed out that younger disabled residents under the age of 62 now made up 69% of population at Broadway Plaza East. The activities of some of these younger disabled residents had a negative impact, causing some of the elderly residents to end their tenancies. The Executive Director said he planned to come to the Board with a recommendation to improve this imbalance later in the fiscal year beginning July 1; in the meantime, he had made the Hope Options staff available to help with the situation.

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

Resolution No. 1412 Authorizing the Executive Director to Submit a Section 18 Application to HUD for the Demolition of Baker Heights

Executive Director Lommers-Johnson said this resolution was intended to authorize the submittal of a Section 18 application to HUD, requesting approval to demolish Baker Heights and the issuance of Tenant Protection Vouchers for all occupied units. He recognized that the Board had previously approved such a resolution, but this action was rendered invalid because it was executed prematurely. Regulation required that a signed letter of approval from the Mayor be obtained before the Board approved this action by

resolution. Mr. Lommers-Johnson said the current resolution would need to be signed and dated after the Mayor's letter was received, which he expected to happen later in the week.

Commissioner Metzger-Utt moved for adoption of the resolution contingent on the Mayor's signed letter of approval. Commissioner Rastovich seconded the motion, which passed unanimously.

Motion to Accept Earthquake Insurance Proposal for Broadway Plaza East and West, and 12 Pines

Assistant Finance Director Wendy Abbey said the Housing Authority solicited bids for the annual renewal of earthquake insurance for the properties named in the resolution, through its broker, Levitt Group. She said of three bids received, only the one from Lloyd's of London met the required criteria. Lloyd's was the current insurance carrier, and its bid for renewed coverage represented a decrease of approximately 10 percent in the cost of the policy with no change in the terms of coverage.

Commissioner Metzger-Utt moved to accept the proposal for earthquake insurance coverage for Broadway Plaza East, Broadway Plaza West, and 12 Pines submitted by Lloyd's of London. Commissioner Perez seconded, and the motion passed unanimously.

Policy Discussion

Executive Director Lommers-Johnson expounded on the concept of deconcentration of poverty within the Housing Authority's jurisdiction, specifically as it applied to the City's recent proposal to develop 70 units of low barrier housing in the Delta Neighborhood, but also to lay the groundwork for a future, broader discussion of this topic within the context of the Housing Authority's strategic plan. He began by explaining that a measure HUD used to evaluate a housing authority's performance in administering the Housing Choice Voucher (HCV) Program was the number of families it moved from high poverty census tracts into areas with lower concentrations of poverty. He went on to explain that HUD also put restrictions on the percentage of Project-Based Vouchers that could made up a housing authority's total Voucher allocation (20 percent), and the limit set on the percentage of units that could be project-based within an individual development (25 percent). An exception to this rule was made when supportive services were attached to a Project-Based Voucher unit. Mr. Lommers-Johnson said HUD expected housing authorities to implement policies to ensure that Housing Choice Vouchers were dispersed throughout the community, in order to increase educational and employment opportunities and avoid concentrations of poverty that sometimes characterized the public housing program. He went on to explain how the Housing Authority had followed that policy, by avoiding project-basing units of its own housing occupied by tenant-based families; instead, it had converted developments to Project-Based Vouchers (12 Pines, Broadway Plaza) from HUD's Multifamily Program, as well as the RAD PBV conversion of three former Public Housing developments.

The Executive Director said the the HCV Administrative Plan contained policy limiting the number of approved Project-Based Vouchers in neighborhoods with poverty concentrations of 20 percent. In the case of Baker Heights and the surrounding area designated for the Choice Neighborhoods Initiative Planning grant, the poverty concentration was twice that amount. The Housing Authority subsidized approximately 800 units in the Delta Neighborhood, something Mr. Lommers-Johnson said needed to be kept in mind and

balanced against some of the exceptional circumstances whereby HUD would permit project-basing of units in high poverty areas – for example, areas that have seen a decline in overall poverty over a five-year period, or where meaningful opportunities for educational or economic advancement exist – when evaluating plans for new Project-Based housing in this area.

Mr. Lommers-Johnson said EHA's 5 Year Plan called for maximizing the allocation of Project-Based Vouchers, especially in areas with low concentrations of poverty. He went over past and present HUD initiatives designed to deconcentrate poverty and create mixed income neighborhoods, from the Hope VI program to the Obama administration's Choice Neighborhoods Initiative. He next cited a recent reevaluation of data gained from HUD's Moving to Opportunity Demonstration program of the 1990's. Although it was originally determined that families did not show appreciable gains in self-sufficiency when moved to areas of higher opportunity, a new Harvard study of this data showed this demonstration program resulted in better outcomes for children under 13. Based on these findings, HUD signaled its intent to emphasize educational opportunities for children as a goal when the next grouping of Moving to Work Demonstration (MTW) program slots was available. Mr. Lommers-Johnson said one of the Housing Authority's 5 Year Plan goals was to apply for the MTW program.

Executive Director Lommers Johnson concluded the policy discussion portion of the meeting by explaining why the Housing Authority had opposed the City's recent proposal to develop 70 units of low barrier housing in the Delta Neighborhood, near Baker Heights. He and Commissioner Metzger had attended a meeting with the Mayor and his staff to explain how the location of this development was inconsistent with the Housing Authority's 5 year goal to deconcentrate poverty. On the other hand, the Housing Authority was supportive and willing to provide Project Based Vouchers for this development at an alternative location.

Public Comment

Everett resident J. T. Dray voiced support for the Housing Authority's position regarding the City's proposed low barrier housing development, saying he did not think another social service enterprise would benefit the Delta Neighborhood.

Executive Session

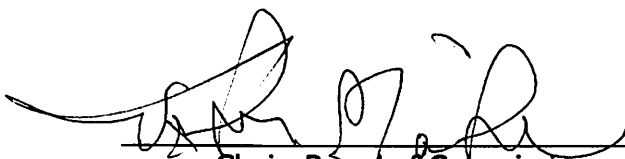
At 1:20 p.m. Chair Mierke announced the Board would convene into Executive Session for a duration of approximately 10 minutes, in order to discuss the Executive Director's annual performance review. Commissioner Metzger-Utt moved to convene for that purpose; Commissioner Ryan seconded the motion, and the Board convened in Executive Session.

Reconvene in Public Session

The Board reconvened in Public Session at 1:30 p.m.. Commissioner Metzger-Utt moved that the Personnel Committee prepare a draft report regarding the evaluation, salary, and goals for Executive Director Ashley Lommers-Johnson's performance review. Commissioner Ryan seconded the motion, which passed unanimously.

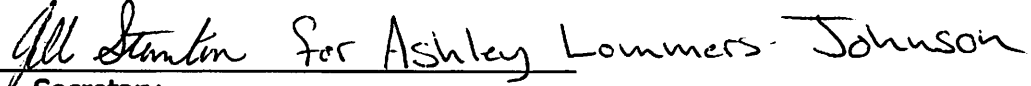
Adjournment

Chair Mierke called for a motion to adjourn the meeting. Commissioner Metzger-Utt motioned, Commissioner Perez seconded, and the meeting was adjourned at 1:33 p.m.



Chair, Board of Commissioners

ATTEST:



Secretary