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## **Annual Meeting of the Board of Commissioners**

*Agenda Updated 11-06-20*

**Date: Monday, November 9, 2020**

**Time: Noon**

*The meeting will be held via Zoom videoconference as an emergency measure to decrease the spread of the COVID-19 coronavirus. Please use the following information to access the meeting:*

To login using your computer's audio, please click on this link:

<https://us02web.zoom.us/j/673982739?pwd=WdVWk2FFVXNZOVRwaVJkbkszNUcxZ09>

OR

If you prefer to call into the meeting, please dial: (253) 215-8782. Then use meeting code **673-982-739** and password *514202*. There are no participant IDs so please press # to enter the meeting.

**-NOTE: Due to the high volume of remote work/meetings, there could be a chance that the phone number is busy. Please be patient and call again after a few seconds.**

Since many people will be on this remote meeting, we'd like everyone to follow two guidelines:

1. Put your phone or microphone on mute if you are not talking.
2. When you speak, please introduce yourself every time.

### **Roll Call**

### **Administration of Oath of Office to Commissioner Koren Smith**

### **Election of Officers**

1. Election of Chair
2. Election of Vice-Chair

### **Communications**

1. Report from Resident Council(s)
2. Other Communications

### **Public Comment**

### **Executive Director's Report**

**Approval of Minutes**

Special Meeting Held on September 28, 2020

1-5

**Consent Agenda**

Acceptance of Executive Director's Report on Write-offs of Tenant Accounts  
Receivable

6-8

**Item for Individual Consideration**

Resolution No. 1500 Approving Section 125 Cafeteria Plan for 2020  
(Wendy Blain)

9-10

**Policy Discussion**

**Adjournment**

Everett Housing Authority does not discriminate on the basis of disability in the administration of, or access to, its programs or activities. Requests for assistance or accommodations can be arranged by contacting Chris Neblett at (425) 303-1186, or [chrisn@evha.org](mailto:chrisn@evha.org).



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

**September 28, 2020**

**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 Allison Warren-Barbour at 12:10 p.m. on Monday, September 28, 2020. This meeting was held via Zoom videoconference as an emergency measure to prevent the spread of the COVID coronavirus.

**Commissioners Present at Roll Call:**

Chair Allison Warren-Barbour  
Vice-Chair George Perez  
Commissioner Chip Burgess

Commissioner Koren Smith  
Commissioner Benjamin Young  
Commissioner Tammy Williamson

**Commissioners Absent:**

None

**Also in attendance were:**

**Staff:**

Ashley Lommers-Johnson, Executive Director  
John Forsyth, Director of Housing Operations  
Wendy Blain, Director of Finance  
Jason Morrow, Director of Development  
Linda Manning, Director of Human Resources and Administration  
Wendy Westby, HCV Program Director  
Tony Nabors, Director of Diversity, Equity, Inclusion  
Kristen Cane, Temporary Real Estate Advisor to the Executive Director  
Janinna Attick, Senior Policy Analyst  
Chris Neblett, Hearing Officer/Administrative Coordinator  
Jaysen Garcia, Executive Assistant

**Guests:**

Becky McCrary, City of Everett

**Public Comment**

No public comment was offered. Chair Warren-Barbour noted the Policy Discussion segment was scheduled for an earlier spot on the agenda, to ensure the public hearing on

the proposed PHA Plans would begin no sooner than its advertised start time of 12:30 p.m. She also noted that the next scheduled meeting of the Board of Commissioners would be the annual meeting on Monday, November 9.

### **Executive Director's Report**

Executive Director Ashley Lommers-Johnson began by announcing the Housing Authority has been invited to apply for HUD's Moving to Work Demonstration Program (MTW), and he would provide more information about the MTW program after the public hearing on the PHA Plans. He then introduced Kristen Cane as a new addition to the senior staff. Ms. Cane previously served as the Director of Policy and Development for the Housing Authority of Snohomish County and has been hired as a temporary real estate advisor to the Executive Director. She is currently developing a recommended course of action to provide for the fiscal health and long-term capital needs of the HUD 202 properties, the most desirable of which will involve converting these properties to the Rental Assistance Demonstration Program.

### **Approval of Minutes**

Chair Warren Barbour called for a motion to approve minutes of the regular meeting held on August 24, 2020, subject to one correction: Senior Policy Analyst Janinna Attick's last name was listed incorrectly as Richardson. Commissioner Smith moved for approval of the corrected minutes, Commissioner Burgess seconded, and the motion passed unanimously.

### **Consent Agenda**

Chair Warren-Barbour called for approval of the Consent Agenda, containing the following items:

1. Section 8 Payments for the Months of June, July 2020
2. Summary of Vouchers for the Months of June, July 2020

Commissioner Perez moved for approval of the Consent Agenda. Commissioner Young seconded and the motion passed unanimously.

### **Policy Discussion**

#### *Financial Statements for Quarters Ending March 31 and June 30, 2020*

After noting that she and the Executive Director had met the previous week with the Board's Finance Committee to review detailed versions of the financial statements, Finance Director Wendy Blain provided an overview of the financial performance of the Core Properties (affordable properties owned by the Housing Authority and the Public Housing program). A better than expected net increase in total income over the last two quarters of the fiscal year was attributed to conservative budgeting, the addition of CARES grant funding, and lower than expected capital improvement expenses for the affordable properties due to new CDBG grant funding.

Director Blain next reviewed the summary of financial statements for the Tax Credit Properties (Broadway Plaza, Bakerview/Grandview, Everett Affordable Housing Portfolio,

EHA Senior Housing, Pivotal Point, Wiggums Park Place), which run on a calendar year rather than a fiscal year (ending June 30) budget cycle. Developer fees and loan proceeds from tax credits associated with some of these properties resulted in an overall positive variance of \$229,575. Director Blain also noted rent collections at the tax credit properties have been better than expected despite the problem of COVID-related job losses; this was attributed to the fact that these properties are subsidized and as such, base tenant rents on income.

Director Blain concluded her presentation with an overview of the financial performance of the EHA Supporting Programs, a budget category that includes the Voucher Program, Grant Programs, and other Supporting Programs, including the CoCC. The Voucher Program was performing better than budgeted, with a \$5,072 positive variance, due to good management practices and a better than expected administrative fee from HUD. Director Blain pointed out that the Voucher Program continued to assist more families than HUD was able to fund – HCV Director Westby clarified around 100 additional families per month – because the Housing Authority absorbed this additional cost. Total income matched overall expenses for the Grant Programs, as both the Hope Options and FSS programs are entirely grant funded. The overall net cash flow of \$2,442,889 for the Supporting Programs was better than budgeted, with a positive variance of \$569,067.

Following Chair Warren-Barbour's call for a motion, Commissioner Smith moved to approve financial statements for the quarters ending March 31 and June 30, 2020. Commissioner Burgess seconded, and the motion carried unanimously.

### **Public Hearing on Proposed PHA Plans: 2020-24 Five Year (second version) and 2020-21 Annual Plan**

At 12:36 p.m. Chair Warren-Barbour called for a motion to convene the public hearing on the Housing Authority's proposed PHA Plans: the second version of the Five Year Plan and the Annual Plan, both of which were effective July 1, 2020. Commissioner Perez motioned as requested, Commissioner Young seconded, and the floor was opened to comment on the proposed Plans. No comments were received, and Hearing Officer/Administrative Coordinator Neblett reported none had been received over the required 45-day review period leading up to this hearing, which was extended to 60 days at the Housing Authority's discretion. The Resident Advisory Board also provided no substantive comment on either Plan.

Mr. Neblett provided some background on why it was necessary to submit a second version of the Five Year Plan and a separate Annual Plan. In keeping with past practice, the Housing Authority's original Five Year Plan, adopted by the Board in March, included information on how the agency would pursue its Five Year goals and objectives over the next fiscal year. However, HUD's Seattle field office subsequently directed that an Annual Plan template with these shorter term activities should have been submitted separate from the Five Year Plan. The Five Year Plan was subsequently revised, to omit information carried over to the Annual Plan template and add the Housing Authority's updated mission statement. Both Plans were subject to review and comment by the public and the Resident Advisory Board as required by HUD. As an emergency waiver related to the COVID pandemic, the deadline for submitting the Board approved Annual Plan was extended to October 17.

Chair Warren-Barbour called once more for public comment on the proposed PHA Plans, and receiving none, called for a motion to close the hearing. Commissioner Burgess moved to close the public hearing, Commissioner Smith seconded, and the public hearing on the proposed Plans adjourned at 12:40 p.m.

### **Item for Individual Consideration**

#### ***Resolution No. 1499 Adopting Five Year and Annual PHA Plans Effective July 1, 2020***

Based on the information presented at the public hearing, Chair Warren-Barbour called for a motion on this resolution to adopt the PHA Plans (second version of the Five Year and Annual) effective July 1, 2020.

Commissioner Young moved to adopt the resolution. Commissioner Smith seconded, and the motion passed unanimously.

### **Executive Director's Presentation on the Moving to Work Demonstration Program**

Picking back up with this topic from earlier in the meeting, Executive Director Lommers-Johnson provided a short presentation on the MTW Program. He explained how the MTW program was originally developed around three statutory objectives – cost effectiveness, increased housing choice, and work and self-sufficiency incentives – and that one of the original drafters of this legislation, Rod Solomon, has been hired as a consultant to assist in preparing the Housing Authority's MTW application, which is due to HUD by January 8, 2021.

After discussing some of the funding flexibilities the MTW program offers, Executive Director Lommers-Johnson explained that the Housing Authority will apply to be part of a cohort within the MTW program intended to study the effects of rent reform. If selected as one of 36 agencies applying for 10 slots within this cohort, the Housing Authority will opt to apply a tiered rent model, as that seems to be the one that will be least disruptive to our clients. Mr. Lommers-Johnson provided a more detailed explanation of this model, which calculates rents based on gross instead of adjusted income and requires clients to have their income recertified every three years rather than annually.

The Executive Director concluded his presentation with a timeline for developing the MTW application, which included plans to engage staff, residents, and the wider community. He advised the Board of some policy changes it will need to consider if the Housing Authority is chosen to participate in the MTW program. One policy issue was related to funding flexibility: i.e., should the Housing Authority serve fewer clients and divert that funding into developing new affordable housing; another policy issue revolved around the overall percentage of the Housing Authority's Vouchers that can be designated as project-based. Current regulations limit this to twenty percent of the overall pool, but under the MTW flexibilities, all of the Housing Authority's Vouchers could be Project-Based.

### **Executive Session**

At 12:58 p.m. Chair Warren-Barbour announced that the Board would convene in Executive Session pursuant to RCW 42.30.110(1)(g), to review the performance of the Executive

Director, for a period of 17 minutes. Prior to their adjourning, the Executive Director noted that he had emailed the commissioners his response to a question about customer service earlier in the day. The Board then adjourned into Executive Session in a separate breakout room of the Zoom videoconference platform.

At 1:15 p.m. Chair Warren-Barbour returned to the public session "Zoom Room" to announce the Board would remain in Executive Session for another 10 minutes.

### **Reconvene Regular Session**

At 1:25 p.m. the Board reconvened in public session, having taken no action in Executive Session. Chair Warren-Barbour asked Commissioner Young, a member of the Board's Personnel Committee, to bring a motion based on what she characterized as the Executive Director's fantastic performance over the past year. Commissioner Young moved to increase the Executive Director's base pay by 1% (retroactive to July 1), and to award a one-time bonus equal to 4% of his annual salary. Commissioner Perez seconded, and the motion carried unanimously.

Chair Warren-Barbour thanked the Executive Director for his leadership in making the Housing Authority a high performing agency, and she hoped that he would convey the Board's appreciation to the rest of the staff. In response, the Executive Director thanked the Board for its continued confidence in his leadership and praised his staff for their many accomplishments.

### **Adjournment**

There being no further business, Chair Warren-Barbour called for a motion to adjourn the meeting. Commissioner Young motioned as requested, Commissioner Burgess seconded, and the meeting adjourned at 1:30 p.m.

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Chair, Board of Commissioners

ATTEST:

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Secretary

To: Board of Commissioners  
From: Wendy Blain, Director of Finance  
Re: Report on Write-Offs of Tenants Accounts Receivables  
Date: November 3, 2020

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Resolution No. 1083 (adopted February 2006) stipulates unpaid tenant account balances will be written off when a resident vacates their unit; it also requires an annual report from the Executive Director to the Board of Commissioners each year detailing these write-offs, a task which has been delegated to the Director of Finance. This memo serves as the annual report detailing tenant accounts that were written off during the fiscal years ending December 31, 2019 for our tax credit properties and June 30, 2020 for EHA's fully owned properties.

In prior years, collections received in the Section 8 Voucher Program from housing assistance payment (HAP) overpayments were accounted for in the period received as an offset to HAP expenses. This protocol changed in 2011, when HUD began requiring repayments from clients for overpaid housing assistance to be accounted for in the current period and treated as fraud recovery revenue. (Important note: HUD's expanded definition of "fraud recovery" revenue from Section 8 participants covers all retroactive adjustments, including when it is not yet known whether the overpayment of housing assistance resulted from a client's deliberate attempt to deceive). At the end of the fiscal year, each outstanding tenant account is analyzed for collectability and an appropriate percentage is written off as bad debt.

This report only includes bad debt written off through the most recent fiscal year, so the ongoing impact of the COVID-19 pandemic on rent collections is not reflected. We continue to monitor and comply with federal, state and local eviction laws and moratoriums which have been enacted due to COVID-19. Assuming eviction moratoriums will continue into 2021, we expect properties with unsubsidized units will be disproportionately impacted by a loss of rent revenue. The Finance Department continues to monitor outstanding tenant accounts on a monthly basis, and in compliance with Resolution 1083, writes off unpaid rents or other outstanding charges when a tenant vacates the unit.

The following schedules provide the total gross dollar amounts written off for the year in comparison to each of the three previous years.

	FY ENDING 6/30/2017		FY ENDING 6/30/2018		FY ENDING 6/30/2019		FY ENDING 6/30/2020	
PROPERTY	#	Gross Write-Off Amount						
Baker Heights	11	\$20,119.73	13	\$ 23,095.20	19	\$ 19,713.68	5	\$ 1,229.00
Scattered Sites	2	2,220.34	2	2,220.34	1	335.00	3	808.00
Pacific Square	-	-	2	3,157.12	-	-	1	143.00
Lakeview Terrace	-	-	2	10,007.20	-	-	2	6,296.94
Evergreen Cottages	-	-	-	-	-	-	-	-
Royal Dakes	1	467.48	1	1,220.23	1	27.68	1	5,123.00
<b>TOTAL EHA-OWNED PROPERTIES</b>	<b>14</b>	<b>\$22,807.55</b>	<b>20</b>	<b>\$39,700.09</b>	<b>21</b>	<b>\$20,076.36</b>	<b>12</b>	<b>\$13,599.94</b>
PROPERTY	#	Gross Write-Off Amount						
Broadway Plaza	7	\$2,789.97	14	\$ 7,257.48	16	\$ 17,136.33	8	\$ 12,600.85
Bakerview	9	12,051.32	9	10,137.22	18	20,911.23	8	3,795.93
Grandview	3	1,568.00	9	11,150.96	7	3,871.82	5	3,532.40
Pivotal Point	4	780.00	3	1,589.21	4	831.44	3	1,113.00
12 Pines	2	339.24	-	-	-	-	-	-
Bridge Creek	2	1,146.62	1	896.53	2	13,768.47	5	16,338.84
Douglas Grove	-	-	-	-	-	-	-	-
Madison Villa	2	1,200.82	5	14,664.31	3	4,888.69	-	-
Oakes	1	194.16	-	-	-	-	1	3,015.34
Pineview	3	1,172.60	-	-	-	-	2	1,810.16
Rainier Park	1	2,544.58	1	441.00	1	1,223.40	1	121.92
Rucker	2	511.33	1	2,608.40	1	112.66	-	-
Timber Hill	3	1,444.26	2	1,162.82	5	8,300.76	4	2,420.02
Meadows I	1	1,213.00	2	1,201.40	4	7,965.30	3	7,649.48
Meadows II	1	2,850.00	3	444.05	5	4,446.72	1	890.00
Meadows III	1	1,381.00	-	-	2	2,709.50	1	8,684.43
Wiggums Park Place	-	-	2	1,038.83	3	6,967.86	-	6,330.72
Section 8	40	8,051.31	27	11,496.29	34	13,309.45	38	14,164.94
<b>TOTAL EHA-MANAGED PROPERTIES</b>	<b>82</b>	<b>\$39,238.21</b>	<b>79</b>	<b>\$64,088.50</b>	<b>105</b>	<b>\$106,443.63</b>	<b>80</b>	<b>\$82,468.03</b>
<b>TOTAL ALL PROPERTIES</b>	<b>96</b>	<b>\$62,045.76</b>	<b>99</b>	<b>\$103,788.59</b>	<b>126</b>	<b>\$126,519.99</b>	<b>92</b>	<b>\$96,067.97</b>
<b>SUBSEQUENT COLLECTIONS - (RENTS ONLY)</b>								
For Current Year Write-Offs		\$ 2,441.67		\$ 5,254.86		\$ 2,319.53		\$ 320.61
For Prior Year Write-Offs		3,200.94		888.16		3,967.00		4,921.32
<b>TOTAL COLLECTIONS</b>		<b>\$5,642.61</b>		<b>\$6,143.02</b>		<b>\$6,286.53</b>		<b>\$5,241.93</b>

The number of accounts that were written off for the most recent fiscal year decreased by 27% from the previous year, from 126 to 92. In many cases the debt at each property is isolated to only a few tenants. The total dollar amount written off has decreased by 22% from the previous year's level, due in large part to smaller write offs of Baker Heights bad debt following the relocation of almost all tenants from that property. Now that all Baker Heights units are vacant, we should record no more bad debt at that property, although we may continue to receive revenue from collections into the future. Bridge Creek has the highest dollar amount of bad debt, which only five tenants were responsible for. Broadway Plaza has one of the highest dollar amounts of write-offs, but this is not a matter of concern, since it is one of our largest properties with 190 units.

EHA continues to pursue collection even after a tenant has vacated the unit. This reporting period shows over \$5,200 in previously written off debt was collected.

The following chart highlights *only rents*, leaving out maintenance, move-out charges, legal and other charges. It is intended to give the reader an idea of the amount of our write-offs of rent in comparison with the total rent charged during the year. It does not reflect any offsetting security deposits.

TOTAL RENTS CHARGED VS RENTS WRITTEN OFF FOR FYE 06/30/2020						FOR FYE 6/30/2019 (For comparison)	
PROPERTY	# of Units	Total Rents Charged	# of Write Offs	Net Rents Written Off	% Written off	# of Write Offs	Net Rents Written Off
Baker Heights	244	\$17,458	2	\$49	0.28%	4	\$1,410
Scattered Sites	44	144,808	0	-	0.00%	0	-
Pacific Square	8	113,300	0	-	0.00%	0	-
Lakeview Terrace	21	235,174	1	3,520	1.50%	0	-
Evergreen Cottages	20	207,237	0	-	0.00%	0	-
Royal Oakes	16	212,874	1	5,023	2.36%	0	-
<b>TOTAL EHA-OWNED PROPERTIES</b>	<b>353</b>	<b>\$930,851</b>	<b>4</b>	<b>\$8,592</b>	<b>0.92%</b>	<b>4</b>	<b>\$1,410</b>
TOTAL RENTS CHARGED VS RENTS WRITTEN OFF FOR FYE 12/31/2019						FOR FYE 12/31/2018 (For comparison)	
PROPERTY	# of Units	Total Rents Charged	# of Write Offs	Net Rents Written Off	% Written off	# of Write Offs	Net Rents Written Off
Broadway Plaza	190	\$2,448,875	6	\$6,032	0.25%	9	\$8,348
Bakerview	151	1,018,940	1	634	0.06%	3	1,549
Grandview	147	1,347,481	2	697	0.05%	2	180
Pivotal Point	20	306,972	0	-	0.00%	0	-
Bridge Creek	22	1,126,217	3	9,270	0.82%	2	9,100
Douglas Grove	10	280,303	0	-	0.00%	0	-
Madison Villa	22	136,964	0	-	0.00%	3	2,059
Oakes	12	249,222	1	1,356	0.54%	0	-
Pineview	34	152,942	1	1,442	0.94%	0	-
Rainier Park	14	306,299	0	-	0.00%	1	603
Rucker	15	172,543	0	-	0.00%	0	-
Timber Hill	30	159,020	2	936	0.59%	2	4,280
Meadows I	50	420,647	1	2,286	0.54%	2	1,563
Meadows II	50	519,624	1	195	0.04%	1	345
Meadows III	50	498,118	1	54	0.01%	0	-
Lakewoods II	51	531,741	0	-	0.00%	0	-
Wiggums Park Place	80	463,519	2	1,029	0.22%	2	255
<b>TOTAL EHA-MANAGED PROPERTIES</b>	<b>948</b>	<b>\$10,139,428</b>	<b>21</b>	<b>\$23,931</b>	<b>0.24%</b>	<b>25</b>	<b>\$28,027</b>

For this year, write-offs of rents charged increased to .29% from .28% in the prior year. Most rents written off came from three properties, Broadway Plaza, Bridge Creek, and Royal Oakes. These delinquent accounts have been sent to collections at the Credit Bureau or are under repayment agreements.

**RECOMMENDED ACTION:** Accept the Executive Director’s report on write-offs for fiscal years ending December 31, 2019 and June 30, 2020.

**RESOLUTION NO. 1500**

APPROVING SECTION 125 CAFETERIA PLAN FOR 2021

WHEREAS, the Housing Authority of the City of Everett has previously adopted a Section 125 Cafeteria Plan for EHA employees; and

WHEREAS, the Plan is normally revised annually;

NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE HOUSING AUTHORITY OF THE CITY OF EVERETT:

Section 1. That the form of Amended Section 125 Cafeteria Plan effective January 1, 2021, presented to this meeting (Exhibit "A") is hereby approved and adopted and that the proper officers of the Employer are hereby authorized and directed to execute and deliver to the Administrator of the Plan one or more counterparts of the Plan.

Section 2. That the Administrator shall be instructed to take such actions that are deemed necessary and proper in order to implement the amended Plan, and to set up adequate accounting and administrative procedures to provide benefits under the Plan.

Section 3. That the proper officers of the Employer shall act as soon as possible to notify the employees of the Employer of the adoption of the amended Plan by delivering to each employee a copy of the summary description of the Plan in the form of the Summary Plan Description presented to this meeting, which form is hereby approved.

Adopted by the Board of Commissioners of the Housing Authority of the City of Everett, Washington, this 9<sup>th</sup> day of November, 2020

\_\_\_\_\_  
Chair, Board of Commissioners

Attest:

\_\_\_\_\_  
Secretary

# Certificate of Resolution (2021)

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**For Housing Authority of the City of Everett**

**Section 125 Premium Only Plan**

**Plan Year Ending December 31, 2021**

The undersigned Secretary or Principal of **Housing Authority of the City of Everett** (the Employer) hereby certifies that the following resolutions were duly adopted by the board of directors of the Employer on ~~January 1, 2021~~, and that such resolutions have not been modified or rescinded as of the date hereof: November 9, 2020

**RESOLVED**, that the form of Amended Section 125 Cafeteria Plan effective **January 1, 2021**, presented to this meeting is hereby approved and adopted and that the proper officers of the Employer are hereby authorized and directed to execute and deliver to the Administrator of the Plan one or more counterparts of the Plan.

**RESOLVED**, that the Administrator shall be instructed to take such actions that are deemed necessary and proper in order to implement the amended Plan, and to set up adequate accounting and administrative procedures to provide benefits under the Plan.

**RESOLVED**, that the proper officers of the Employer shall act as soon as possible to notify the employees of the Employer of the adoption of the amended Plan by delivering to each employee a copy of the summary description of the Plan in the form of the Summary Plan Description presented to this meeting, which form is hereby approved.

The undersigned further certifies that true copies of the Adoption Agreement, Plan Document, and the Summary Plan Description, approved and adopted in the foregoing resolutions, are attached herewith.

By See Board Resolution  
Secretary/Principal