



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

February 24, 2020

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 Allison Warren-Barbour following lunch, at 12:04 p.m. on Monday, February 24, 2020 at the Authority's main office, 3107 Colby Avenue, Everett, Washington.

Commissioners Present at Roll Call:

Chair Allison Warren-Barbour
Vice-Chair George Perez, Jr.
Commissioner Chip Burgess

Commissioner Koren Smith
Commissioner Benjamin Young
Commissioner Designee Tammy Williamson

Commissioners Absent:

None

Also in attendance were:

Staff:

Ashley Lommers-Johnson, Executive Director
John Forsyth, Director of Housing Operations
Wendy Abbey, Director of Finance
Wendy Westby, HCV Program Director
Linda Baines, Deputy Director of Housing Mgmt.
Tony Nabors, Director of Diversity, Equity, and Inclusion
Paula Kennedy, Human Resources Mgr.
Brenda McLeod, Ass't. Director of Procurement & Contracts
Chris Neblett, Hearing Officer/Administrative Coordinator
Jaysen Garcia, Executive Assistant

Guests:

Gary Haddenham, Broadway Plaza Resident Council President
Liz Vogeli, City of Everett

Motion to Amend Meeting Agenda

Chair Warren-Barbour called for a motion to amend the meeting agenda, adding Public Comment after the swearing in of new commissioner Tammy Williamson. Commissioner Perez moved to amend the agenda as requested, Commissioner Young seconded, and the motion passed unanimously.

Administration of Oath of Office to Commissioner Tammy Williamson

Chair Warren-Barbour administered the oath of office to Tammy Williamson, appointing her to the position of resident commissioner. Ms. Williamson will complete the five-year term begun by the previous resident commissioner, Kevin Phan. Executive Director Lommers-Johnson spoke favorably of her qualifications to serve in this position and all attending today's meeting welcomed her aboard.

Public Comment

Adrienne Hulbert stated she had not heard anything in response to the issue she raised at the last Board of Commissioners meeting. This concerned her disagreement with the Housing Choice Voucher department's decision to deny a reasonable accommodation request she had made on behalf of her disabled son, to allow him to rent a unit she planned to construct at her residence. Ms. Hulbert reiterated her previously stated position, which was that a live-in aide was not a cost-effective or practical solution for her son's needs.

Executive Director Lommers-Johnson asked HCV program Director Wendy Westby to articulate the process used to evaluate reasonable accommodation requests. This included an interactive discussion regarding alternative solutions when a nexus is not found between the client's disability and the requested accommodation. Per the Board's request, the Executive Director and Director Westby agreed to have Ms. Hulbert's request reevaluated and to share those findings with her.

Communications

Broadway Plaza Resident Council President Gary Haddenham said management replaced the building's traditional locks with a key FOB system, and residents seemed to be handling this change well. He had nothing further to report.

Executive Director's Report

The Executive Director began his report by welcoming Liz Vogeli, a City Council member and champion of affordable housing who plans to attend Board meetings going forward as a liaison between the City Council and the Housing Authority. Next, the Executive Director gave an update on efforts surrounding the disposition and redevelopment of the Baker Heights neighborhood. Key points included a March 31 deadline for signing a purchase and sale agreement with Washington State University, which will provide for the sale of up to 10 acres of the site to the university at a cost of \$1.35 million per acre. The Housing Authority is making good progress towards closing the financing and permitting process for the first phase of its Baker Heights redevelopment project. The city, county and state have

committed \$4.5 million towards the total estimated cost of \$40 million for this project. The Executive Director anticipated that all would be ready to go by January 2021, with construction completed by mid-2022. He shared architectural renderings of the project, which included large open greenspaces, an amphitheater, and playgrounds.

Turning next to an update on the Scattered Sites disposition efforts, Mr. Lommers-Johnson said 19 of the 44 units remained occupied as of today. All households have been relocated with continued assistance through Housing Choice Vouchers. The sale price of these units has averaged 14 percent above the asking price, and sales proceeds are restricted to the development of replacement subsidized housing or community facilities. Once the last Scattered Site has been sold, the Housing Authority will request HUD to relinquish its interest in the Colby administrative and Facilities offices in order to complete the exit from the Public Housing program.

The next topic in the Executive Director's report was the 2015-19 Five Year Plan in retrospect. Mr. Lommers-Johnson highlighted some of the Housing Authority's achievements over the past five years specific to each of the six goals contained within that Plan. For example, with respect to the goal related to maximizing the number of clients served with federally funded program resources, the Housing Authority has consistently maintained Voucher utilization rates near 100 percent and occupancy rates of 98.5 percent for housing that it manages. Or, with respect to the goal related to repositioning the remainder of its public housing to ensure long-term availability of subsidized housing to the community, the Housing Authority has negotiated the sale of Baker Heights to Washington State University, is in the process of selling the Scattered Sites, has obtained 288 Vouchers to replace units at both sites, and has renovated the remainder of its former Public Housing developments and most other properties with over \$60 million through private debt and equity.

The Executive Director concluded his report with an update on the federal funding picture. HUD has increased the level of Voucher program funding from \$38 million in 2019 to \$42 million in 2020, due to additional mainstream Vouchers HUD provided the Housing Authority at the end of last year. Because the Housing Authority has not disposed of all of its Public Housing, HUD continues to provide Capital Funding in the amount of \$640,000, which will be used for substantial renovations to the Colby office. Looking ahead, Mr. Lommers-Johnson said HUD has proposed a 15 percent cut to its budget for the fiscal year beginning October 1, eliminating the Public Housing Capital Fund, HOME and CDBG funding, and the Housing Trust Fund and Choice Neighborhoods Initiative. He said that although these proposed cuts are alarming on their face, it is unlikely that Congress will enact them, as similar proposals over the past three budget cycles have been unsuccessful.

Consent Agenda

Chair Warren-Barbour called for approval of the Consent Agenda containing the following items, to include the corrected minutes of the previous meeting:

1. Section 8 Payments for the Months of October-December 2019, January 2020
2. Summary of Vouchers for the Months of October-December 2019, January 2020
3. Approval of Minutes of the Annual Meeting Held on November 12, 2019

Commissioner Young moved for approval of the Consent Agenda. Commissioner Perez seconded and the motion carried, with Commissioner Williamson abstaining.

Public Hearing on the Proposed Five Year PHA Plan

At 12:44 p.m. Chair Warren-Barbour called for a motion to convene the public hearing on the Housing Authority's proposed Five Year PHA Plan. Commissioner Perez motioned to convene the hearing Commissioner Smith seconded, and the motion carried unanimously. Chair Warren-Barbour opened the floor to public comment on the proposed Plan. None was received, and Chair Warren-Barbour invited Hearing Officer/Admin Coordinator Chris Neblett to give a brief overview of the proposed Plan.

Mr. Neblett said the PHA Five Year Plan applies primarily to the Voucher and Public Housing programs. Although the Housing Authority is in the process of exiting the Public Housing program, it continues to receive a Capital Fund Grant. The proposed Plan consisted of several components, including but not limited to the Housing Authority's draft mission statement and goals and objectives for the next five fiscal years beginning July 1. It was subject to public review and comment for the required 45 days leading up to this public hearing, but no comment was received other than those from the Resident Advisory Board, which were included in the proposed Plan. As a next step, the Housing Authority will refine the draft mission statement and respond to the RAB's comments. The finalized Plan will then be presented to the Board for adoption at the March regular meeting and submitted for HUD approval after that.

Concluding discussion on the proposed Five Year Plan, Assistant Director of Procurement and Contracts Brenda McLeod noted that \$75,000 of the Capital Fund grant previously earmarked for Colby office renovations has been reallocated to Baker Heights environmental reviews per Director of Development Steve Yago. She also reported that as of today, the 2020 grant allocation has increased by \$30,000, to just under \$636, 554. Chair Warren-Barbour called for a motion to close the public hearing. Commissioner Burgess motioned as requested, Commissioner Young seconded, and the hearing closed at 12:50 p.m.

Items for Individual Consideration

Motion to Approve Renewal of Employee Medical Insurance

Finance Director Wendy Abbey thanked Human Resources Manager Paula Kennedy for spearheading this year's efforts to renew employee insurance benefits. Negotiating through its insurance broker, the Housing Authority was able to renew its existing employee medical group coverage plan with Cigna beginning March 1, at an increased rate of 9.1 percent. Director Abbey said this was considerably lower than Cigna's initial offer of an 18 percent renewal rate, and the insurance broker advised it was unlikely a comparable plan could be obtained by soliciting new bids for a medical insurance provider. When surveyed earlier in the year, a large majority of employees said they were satisfied with the current medical insurance plan and would rather not change providers or switch to a new plan. When presented with management's proposal regarding employee medical insurance for the upcoming year, both employee unions were also in favor of renewing with Cigna.

Commissioner Smith moved to approve Cigna’s proposal for renewal of the employee medical insurance group coverage provider policy effective March 1, 2020. Commissioner Perez seconded and the motion passed unanimously.

Policy Discussion

Updated Mission Statement/Draft 5 Year Strategic Plan

Executive Director Lommers-Johnson began by reporting management did not yet have a draft of the new mission statement for the Board to review but expected to have this at the next meeting. This updated statement will include three elements: affordable housing, a commitment ensuring successful outcomes for our clients, and undoing institutional racism. The Executive Director then presented the agency’s four overarching goals contained in the PHA Five Year Plan, which will also serve as the Housing Authority’s ten-year strategic objectives. These were developed from a framework of strategic initiatives the Board provided at last year’s retreat with the management team, and are as follows: 1) Create 1,500 EHA-owned or supported housing units by 2030 primarily through new development; 2) Direct our resources towards creating diverse, healthy communities of opportunity where children and adults flourish; 3) Foster a workplace where every employee is proud of their contribution to EHA’s mission; 4) The race – as well as other physical or social characteristics or sexual orientation – of any client or staff will have no impact on how they are in EHA’s programs or their potential in the organization. The Executive Director then requested feedback from the Board on these objectives as written. The general consensus was favorable, with one commissioner suggesting that first goal could have an additional objective, stating that the Housing Authority will seek out socially and environmentally responsible contractors when developing new housing.

Pierce County H.A. Fraud & Financial Controls

Finance Director Abbey provided the Board with a presentation on risk management protocols the Housing Authority has in place to safeguard the agency against internal fraud. These measures were implemented well before the State Auditor’s discovery last year that the Pierce County Housing Authority’s finance director had defrauded that agency of \$6.5 million in misappropriated funds. Director Abbey outlined the Housing Authority’s internal controls as adopted from the Treadway Commission’s five components of COSO: control environment, risk assessment, effective communications, monitoring activities, and existing control activities.

Using the published findings from the State Auditor’s report as a reference point, Director Abbey explained the means by which Pierce County Housing Authority’s finance director misappropriated money: i.e., initially through misuse of agency credit cards and later through more sophisticated means such as directing ACH and wire transfers to false accounts. She then discussed the internal controls the Housing Authority has in place to safeguard against internal fraud. These include preventative controls (e.g., limits on the amount per wire transfer, separation of duties for generating and reconciling all types of transactions, etc.) and detective controls (e.g., internal audits between departments, Board oversight). Director Abbey concluded by noting that the Board can do its part to lessen the

possibility of internal fraud by attending the State Auditor’s entrance and exit conferences, ensuring its Finance Committee continues to be engaged at periodic meetings to review the Housing Authority’s financial statements, and promoting a culture of accountability within the agency by modeling ethical behavior (i.e., setting the “tone at the top.”)

Financial Reports for Quarters Ending September 30, 2019 & December 31, 2019

This item was postponed until the next meeting due to time constraints posed by the impending State Auditor’s exit interview.

Adjournment

As the Executive Director will be out of the country at the time of the March 23 regular Board of Commissioners meeting, he requested to reschedule this meeting as a March 25 special meeting. All commissioners except for Commissioner Burgess indicated that they would be able to attend the rescheduled meeting as proposed.

There being no further business, Chair Warren-Barbour called for a motion to adjourn. Commissioner Perez motioned as requested, Commissioner Young seconded, and the meeting adjourned at 1:34 p.m.


Allison Warren-Barbour (Mar 25, 2020)

Chair, Board of Commissioners

ATTEST:



Secretary