



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

**August 26, 2019**

**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 Maddy Metzger-Utt following lunch, at 12:07 p.m. on Monday, August 26, 2019 at the Authority's main office, 3107 Colby Avenue, Everett, Washington.

**Commissioners Present at Roll Call:**

Chair Maddy Metzger-Utt  
Vice-Chair Allison Warren-Barbour  
Commissioner George Perez, Jr.

Commissioner Koren Smith  
Commissioner Benjamin Young

**Commissioners Absent:**

Commissioner John Mierke

**Also in attendance were:**

**Staff:**

Ashley Lommers-Johnson, Executive Director  
John Forsyth, Director of Housing Operations  
Wendy Abbey, Director of Finance  
Steve Yago, Director of Acquisitions & Asset Mgmt.  
Wendy Westby, HCV Program Director  
Tony Nabors, Director of Diversity, Equity, and Inclusion  
Brenda McLeod, Ass't. Director of Procurement & Contracts  
Chris Neblett, Hearing Officer/Administrative Coordinator  
Jaysen Garcia, Executive Assistant

**Guests:**

Kim Toskey, President/ CEO, Homes & Hope Community Land Trust  
FSS Program Participant Kaycee Skodje  
FSS Coordinator Abbey Karpowitz

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

Chair Metzger-Utt administered the oath of office to Commissioner Koren Smith, who will complete the term of former commissioner Todd Taylor that expires October 6, 2020.

## **Motion to Revise Agenda**

Chair Metzger-Utt called for a motion to postpone consideration of Resolution No. 1482 "Approving the Formation of a 501(c)(3) Corporation" (Individual Consideration Item No. 6 on the agenda) until a future special meeting. Commissioner Perez moved to revise the agenda as stated, Commissioner Warren-Barbour seconded, and the motion passed unanimously. Next, Chair Metzger-Utt called for a motion to amend the Policy Discussion section of the agenda, adding "Formation of a 501(c)(3) Corporation" after "Discussion re EHA Bylaws." Commissioner Warren-Barbour moved to revise the agenda as stated, Commissioner Young seconded, and the motion passed unanimously.

## **Public Comment**

None

## **Communications**

None

## **Executive Director's Report**

Executive Director Lommers-Johnson began by announcing Commissioner John Mierke was no longer able to attend meetings on account of his health and would not be seeking another term in office after his current term expires on October 6. Before recognizing three recent graduates of the Family Self-Sufficiency (FSS) Program -- Diana Mawudeku, Binta Jalloh, and Kaycee Skodje -- he introduced Family Self-Sufficiency Program Coordinator Abby Karpowitz and provided some background on EHA's FSS program and the nearly 60 Public Housing and Voucher participants it serves. He said the program was not currently receiving any funding from HUD, but the agency was waiting to hear back regarding a pending grant application. After explaining how the FSS program enables participants to achieve education or job training goals over a five-year period while building up an escrow account, the Executive Director introduced Ms. Skodje as one of the three recent FSS graduates who was able to attend today's meeting. Ms. Skodje said she was grateful and thankful for this program and the opportunities it presented, particularly with respect to financial literacy and homeownership. In conclusion, the Executive Director said that EHA will hire an additional FSS staff worker if the grant application is successful.

The Executive Director continued his report by addressing the topic of internal controls in place that ensure the agency is responsive to maintenance issues, partly in response to concerns a resident raised at the last Board meeting. He said management has since provided this resident with a detailed response to her concerns, which he also planned to share with the Board. Internal controls in place to ensure a timely and efficient response to resident's maintenance requests include a 24-hour call center, a software application that notifies staff in the field of open work orders, and a work order report that is delivered to senior property management staff each morning. The Executive Director said the ongoing

goal is to ensure that any non-emergency work orders are completed within three days. He had the daily work order report displayed on a screen to show how asset managers use this as a tool to meet this goal, then displayed a report showing maintenance staff has averaged 1.71 days to complete non-emergency work orders in 2019 and 2.15 days in previous years, going back to 2016.

The Executive Director continued his report by highlighting some of EHA's recent awards and achievements. These included two NAHRO National Awards of Merit: one for innovative relocation efforts at Wiggums Park Place, the other for the Voucher program's implementation of on-line recertifications. Mr. Lommers-Johnson said the latter award has since been nominated and selected to receive NAHRO's National Award of Excellence in October, one of just 24 such awards. He congratulated Voucher program director Wendy Westby and her staff for their efforts in implementing the on-line recertification system via Yardi Rent Café over the past two years, noting that the Housing Management department is now using this system for its own recertifications. The latest results of the Section Eight Management Assessment Program (SEMAP) were also announced, and for the second year in a row HUD has designated the Voucher program as a High Performer. This was especially welcome news, as it ensured that EHA would be eligible for the Moving to Work Demonstration Program at the point the agency was hopefully invited to apply in response to its pending letter of interest.

Next, the Executive Director provided a status update on the relocation of tenants at Baker Heights in preparation for the property's disposition. Just 10 of the 244 units remained occupied as of today's meeting, and of those, eight had submitted the paperwork required to move to a new unit, which the other two families planned to turn in today. It was anticipated that the property would be entirely vacant by the end of next month. Mr. Lommers-Johnson said he had brought up the possibility of including the Wiggums Hollow Ballfield as part of the sale of Baker Heights to Washington State University when he met with the Chancellor earlier this month, although it is not included in the current MOU. The MOU as written calls for sale of 10 or more acres of the property to WSU for \$1.35 million per acre; the state has allocated about \$10 million to WSU for this purchase. The Executive Director said negotiations of the final sale provisions would take place in October, and he hoped to have a final purchase and sale agreement ready for the Board's approval at the Annual Meeting in November. Once this has been signed, it will be necessary to submit amendments to HUD's disposition approval letter. These amendments will allow for a negotiated sale of the property at fair market value instead of offering it for public bid, and also permit EHA to retain a portion of Baker Heights for redevelopment. HUD has indicated that it will approve such amendments.

The Executive Director also reviewed the Baker Heights Replacement Plan, entailing the portion of Baker Heights that will be retained for redevelopment. Phase I calls for the construction of up to 105 tax credit units, up to 60 of which will be subsidized with Project-Based Vouchers and reserved for homeless families with children in Everett Public Schools. The County and City have committed \$1.5 million towards this project, and EHA's most recent estimate of its total cash investment was \$4.5 million. It was hoped that this project will close in May or June 2020, with construction commencing by end of summer and completed by December 2021. Phase II will consist of 60 tax credit units developed by a non-profit affiliate and using the design-build model. Given the potential speed of this development method, the completion of Phase II could coincide with that of Phase I.

The Executive Director concluded his report by introducing Tony Nabors, EHA's new Director of Diversity, Equity, and Inclusion, who was hired in July.

### **Consent Agenda**

Chair Metzger-Utt called for a motion to correct the minutes of the Regular Meeting held on June 24, 2019, amending these to show Director of Finance Wendy Abbey was in attendance. Commissioner Warren-Barbour moved to approve the corrected minutes, and Commissioner Perez seconded. Next, Chair Metzger-Utt called for approval of the Consent Agenda, which contained the following items:

1. Section 8 Payments for the Months of June, July 2019
2. Summary of Vouchers for the months of June, July 2019
3. Approval of Minutes of the Regular Meeting Held on June 24, 2019

Commissioner Warren-Barbour moved for approval of the Consent Agenda. Commissioner Young seconded and the motion carried unanimously.

### **Items for Individual Consideration**

#### ***Resolution No. 1477 Authorizing the Acquisition of Pepperwood Senior Apartments***

Executive Director Lommers-Johnson provided some background on this resolution, a request for authorization to acquire Pepperwood Senior Apartments, a 25-unit tax credit property and the last of the properties acquired from Senior Services of Snohomish County. Up to the present EHA has limited its role to managing the property, as cash flow issues made ownership untenable. The original plan to take over ownership through the board of the non-profit corporation that governs the property was determined unfeasible, due to liability concerns. Instead, EHA decided to purchase the property outright. Although Pepperwood's location is outside of the agency's jurisdictional area, the Lynwood City Council has indicated that it will adopt the required declaration of need, and HASCO fully supports EHA's acquisition of the property, having previously declined the offer to acquire it from Senior Services. Mr. Lommers-Johnson said the purchase price is \$1.36 million. After assuming existing loans on the property, EHA will pay \$738,000 cash, \$300,000 of which will come from restricted reserves, with the balance to be financed by Banner Bank.

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

#### ***Resolution No. 1478 Approving Section 8 Management Assessment Program (SEMAP) Certification for the Program Year Ending June 30, 2019***

HCV Program Director Westby provided some background on the SEMAP, the tool HUD uses to evaluate a PHA's performance in managing the Voucher program and the scoring system used to determine a PHA's rating. She explained that the SEMAP consists of 14 indicators that examine various aspects of the program – e.g., how applicants are selected from the

waiting list, how reasonable rents are determined, how inspections are conducted – six of which are self-audited and the rest based on information reported to HUD. Each indicator is weighted differently in determining a final score, and a percentage of 90% results in a High Performer designation. Director Westby was happy to report that EHA was assigned High Performer status following the most recent SEMAP, which covered the fiscal year ending June 30, 2019, and requested the Board to approve the SEMAP results via this resolution.

The commissioners opened a wider discussion, beginning with the potential impact the focus on diversity and inclusion as a five-year strategic goal might have on the agency's commitment to retaining High Performer status on the SEMAP. Director Westby thought these aims were complementary. Executive Director Lommers-Johnson said EHA prioritizes its commitment to serve as many in need as possible over matters of rote compliance, but this has not presented a conflict to date. He said the 5 Year Strategic Plan in process will contain several initiatives related to diversity, equity, and inclusion. If the agency is ultimately chosen to participate in the MTW demonstration program, the resulting programmatic flexibilities could be used to further these initiatives, particularly with respect to providing traditionally underrepresented populations the ability to relocate to higher opportunity areas. The consensus was that, although such an initiative would likely result in resistance from certain quarters, EHA will remain firm in its commitment to undoing institutional racism.

Commissioner Young moved that the resolution be adopted. Commissioner Warren-Barbour seconded the motion, which passed unanimously.

***Resolution No. 1479 Authorizing Amendment #24 to the Interagency Agreement with Housing Hope Relating to the Commerce Building SRO Units***

HCV Director Westby said this resolution documents EHA's relationship with Housing Hope regarding the Commerce Building, a 29-unit SRO building under HUD's Mod Rehab program. EHA passes along the funding it receives from HUD to Housing Hope, for the purpose of managing the building. As written, this agreement must be amended on an annual basis.

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

***Resolution No. 1480 Amending the Surplus Property Disposition Policy***

Director of Finance Wendy Abbey said management did not think to include real property as something that would be subject to the agency's surplus property disposition policy when it revised that policy last year. The recent decision to sell Jade Park to a local non-profit for less than fair market value makes it necessary to amend this policy to include real property, to ensure EHA has a basis in policy for that action.

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

***Resolution No. 1481 Authorizing Sale of Jade Park to Homes and Hope Community Land Trust***

In presenting this resolution to approve the sale of Jade Park to Homes and Hope Community Land Trust, Executive Director Lommers-Johnson introduced its President and CEO Kim Toskey. He said EHA has wanted to dispose of this 10+ acre lot south of SE Everett Mall Way for many years, having found plans to develop affordable housing on the site untenable because of environmental restrictions and access issues. Director of Acquisitions and Asset Management Yago was able to facilitate the sale of the property to the Land Trust for less than fair market value, subject to a restrictive covenant that only permits the development of housing for persons at 80% AMI or less for the next 20 years. Ms. Toskey said a preliminary review showed that it would be possible to develop some larger, low-density affordable townhomes for families on the site. She said the Land Trust would seek to acquire an adjacent lot in the future, in order to enable the development of more affordable housing in that area.

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

**Policy Discussion**

*Discussion re EHA Bylaws*

Executive Director Lommers-Johnson said EHA's Bylaws are subject to some discretionary revision within the confines of the Housing Authorities Law (RCW 35.82). For example, the agency may choose to have five rather than six commissioners, so long as a resident commissioner slot is reserved for a Public Housing or Voucher program participant. Another section of the Bylaws that could be revised concerns the frequency with which officers are elected. Currently officers are elected annually, but the terms of the Chair and Vice-Chair could be extended to two years. Mr. Lommers-Johnson said the Board may wish to consider whether the current provision authorizing the hiring of outside personnel to exercise its powers, duties, and functions is adequate in its current form, or if it needs to be expanded further. He concluded by observing that the Bylaws do not address the matter of removal of a commissioner under certain circumstances, such as when a commissioner does not attend meetings regularly. Further points of discussion not raised by the Executive Director included the possibility of commissioner term limits and whether the Bylaws needed to identify the day in November for the annual meeting, rather than stating just the month when it should be held. Mr. Lommers-Johnson said he would write up his recommendations on possible revisions to the Bylaws for the Board's consideration at a later date.

*Formation of a 501(c)(3) Corporation*


Moving to the next policy discussion topic, Executive Director Lommers-Johnson explained the rationale for forming a 501(c)(3) corporation. Although the design-build model can reduce development costs by up to 40%, State law requires housing authorities to obtain a waiver in order to go this route, which is overly time consuming and administratively burdensome. As an alternative, a 501(c)(3) could serve as the agency's development arm without the same restrictions. The Executive Director said he was originally prepared to have the Board approve the formation of a 501(c)(3) at today's meeting, but the members

of the governing board for this entity had yet to be identified. Commissioner Warren-Barbour wondered if any existing 501(c)(3) corporations could fulfill this function. In response, the Executive Director noted that this would not be feasible from an administrative standpoint, given that developer fees and loans will be transferred between the non-profit and the Housing Authority on a regular basis. Further discussion ensued regarding the advantages of forming a 501(c)(3) as a vehicle for development, now and in the future. The Executive Director said a special meeting will be held in October to adopt the resolution authorizing its formation.

**Adjournment**

There being no further business, Chair Metzger-Utt adjourned the meeting at 1:46 p.m.

  
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Vice-Chair, Board of Commissioners

ATTEST:  
  
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Secretary