



Service
Integrity
Respect
Community
Leadership
Wisdom
Creativity

Regular Meeting of the Board of Commissioners of the Housing Authority of the City of Everett	Date: Monday, June 25, 2018 Time: 12:00 p.m. Location: EHA Main Office 3107 Colby Avenue Everett, WA 98201
--	--

**AMENDED AGENDA
Regular Meeting**

<u>Luncheon</u>		
<u>Roll Call</u>		
<u>Public Comment</u>		
		Page No.
<u>Communications</u>		
<u>1)</u>	Reports from Resident Councils: Broadway Plaza Apartments	
<u>2)</u>	Other Communications	
<u>Executive Director's Report</u>		
Housing Levy Decision Need for a Retreat to Discuss Sale of Baker Heights Speaking to the Press		
<u>Consent Agenda (to be adopted by a single motion)</u>		
<u>1)</u>	Approval of Minutes of the Special Meeting Held on June 1, 2018	1-2
<u>2)</u>	Approval of Minutes of the Special Meeting Held on June 4, 2018	3-8

<u>Items for Individual Consideration</u>		
1)	Resolution No. 1460 Adopting Budgets for FY 2018-19 for EHA Programs	9-10
2)	Motion Approving HQS Inspections Contract with NMA Inspections, LLC	11-12
3)	Motion to Approve Terms of EHA's Letter of Intent Regarding Pepperwood Senior Apartments Debt Restructuring	13
<u>Policy Discussion</u>		
<u>Executive Session</u> Executive Session pursuant to RCW 42.30.110(1)(g) to review the performance of a public employee		
<u>Adjournment</u>		

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.



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

June 1, 2018

Meeting Called to Order

The Special Meeting of the Board of Commissioners of the Housing Authority of the City of Everett, held at the Authority's main office at 3107 Colby Avenue, Everett, Washington, was called to order by Chair Maddy Metzger-Utt, who participated via telephone, at 1:00 p.m. on Friday, June 1, 2018. Chair Metzger-Utt verified that a quorum was present by a roll call of commissioners conducted at the meeting location.

Commissioners Present at Roll Call:

Chair Maddy Metzger-Utt (via telephone)
Commissioner John Mierke
Commissioner George Perez, Jr.
Commissioner Michele Rastovich

Commissioners Absent:

Commissioner Allison Warren-Barbour
Commissioner Todd Taylor

Staff:

Ashley Lommers-Johnson, Executive Director
Chris Neblett, Hearing Officer/Administrative Coordinator

Guests:

Lorna Corrigan, Attorney
Janice Greene, observing on behalf of NAACP Snohomish County Branch
Sandra Palmer, observing on behalf of NAACP Snohomish County Branch

Executive Session

Chair Metzger-Utt called for a motion for the Board to convene in Executive Session until 1:25 p.m., pursuant to RCW 42.30.140 (4), to review the performance of a public employee. Commissioner Rastovich motioned as stated, Commissioner Perez seconded, and the Board convened in Executive Session at 1:01 p.m.

Reconvene Regular Session

At 1:25 p.m. the Board reconvened in public session with no action taken in Executive Session.

Request to Authorize the Chair to Execute a Contract with Special Counsel to Provide Legal Services to the Board of Commissioners with Respect to Certain Personnel Matters, with a Cap of \$20,000.00

Chair Metzger-Utt said she had interviewed three law firms over the past week with regard to the Housing Authority's need for special legal services to address certain personnel matters. She recommended hiring attorney Steve Winterbauer with the legal firm Winterbauer and Diamond, at a rate of \$385 per hour, based on his depth of experience in employment law and extensive work with public agencies. Chair Metzger-Utt called for a motion authorizing her to enter into a contract with Winterbauer and Diamond for the stated purpose, with a cap of \$20,000.

Commissioner Perez moved to authorize the Chair to execute a contract with Winterbauer and Diamond for special legal services as it pertained to certain personnel matters, with a cap of \$20,000. Commissioner Rastovich seconded the motion, which passed unanimously.

There being no further items on the agenda for discussion, Chair Metzger-Utt granted the floor to Executive Director Ashley Lommers-Johnson at his request. He expressed a desire for the Board to provide him with feedback concerning the series of executive sessions it had held over the past few months to discuss his performance. He was concerned about the negative message these sessions sent about EHA and his performance. Attorney Lorna Corrigan responded that the Board was not free to discuss the content of the executive sessions during special meetings, but it intended to address the Executive Director's concerns within a different context.

Adjournment

There being no further business, Chair Metzger-Utt called for a motion to adjourn. Commissioner Perez motioned as stated, Commissioner Mierke seconded, and the meeting was adjourned at 1:29 p.m.

Chair, Board of Commissioners

ATTEST:

Secretary



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

June 4, 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 Vice-Chair George Perez, Jr. following lunch, at 12:05 p.m. on Monday, June 4, 2018 at the Authority's main office, 3107 Colby Avenue, Everett, Washington.

Commissioners Present at Roll Call:

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

Commissioner Todd Taylor
Commissioner Allison Warren-Barbour

Commissioners Absent:

Chair Maddy Metzger-Utt

Also in attendance were:

Staff:

Ashley Lommers-Johnson, Executive Director
Rick Dorris, Director of Development and Acquisitions
John Forsyth, Director of Housing Operations
Steve Yago, Director of Acquisitions and Asset Management
Wendy Westby, HCV Program Director
Erica Dias, Relocation Manager
Linda Baines, Deputy Director of Housing Management
Wendy Abbey, Assistant Finance Director+
Brenda McLeod, Assistant. Director of Procurement & Contracts
Chris Neblett, Hearing Officer/Administrative Coordinator
Krystal O'Mara, Executive Assistant

Guests:

Lorna Corrigan, Attorney
Catherine Holdsworth, President, Broadway Plaza Resident Council
Rebecca Ableman McCrary, City of Everett
Michael Rainey, AFSCME Staff Representative

Appoint Vice-Chair Pro Tem

Vice-Chair George Perez, Jr. called for a motion to appoint Commissioner Michele Rastovich as Vice-Chair *Pro Tem*, for the purpose of conducting today's meeting, pursuant to Article II, Section 6 of the Housing Authority's Bylaws. Commissioner Taylor moved to appoint Commissioner Rastovich as Vice-Chair *Pro Tem* for the stated purpose. Commissioner Mierke seconded the motion, which passed unanimously.

Motion to Delete Item from Meeting Agenda

Vice-Chair *Pro Tem* Rastovich called for a motion to delete Individual Consideration item 8, "Motion Approving New Assistance (sic) Finance Director Position," from the agenda. Commissioner Taylor motioned as requested, Commissioner Mierke seconded, and the motion carried unanimously.

Public Comment

None

Communications

Broadway Plaza Resident Council President Catherine Holdsworth said tenants were happy that the thrift store had generated approximately \$700 in sales since reopening five weeks ago. She said a recent incident, in which a disruptive tenant caused property damage, had residents wondering if it was possible to re-hire a security guard for the property. Although she understood there was not room within the current budget to accommodate the residents' request, she wanted to make the Board aware of it.

Executive Director's Report

Before asking Relocation Manager Erica Dias to update the Board on the status of relocation efforts at Baker Heights and Wiggums Park Place, Executive Director Ashley Lommers-Johnson announced that the respective portfolios managed by Katrina Tucker and David Gizzi were 100 percent occupied as of last month, recognizing this as a great achievement and consistent with the Housing Authority's long-term goal of maximizing the use of public resources.

Relocation Manager Dias began her overview of relocation efforts with Wiggums Park Place. Families there were being temporarily relocated to apartments within the complex for 35-50 days while tax-credit funded interior renovations of their units took place. More than half of the 20 buildings were renovated at this point, with work scheduled to be finished by the end of the year. Ms. Dias said the contractor and her team were working effectively together, ensuring that units were turned on schedule while the relocation staff provided a variety of supportive services to residents to ensure their essential needs were met.

Relocation Manager Dias next covered the Section 18 disposition of the Baker Heights neighborhood, which required relocating all 244 households to new permanent housing. She said this effort entailed comprehensive case management, taking a family's educational, employment, and other needs into account while working with them to find

their next place of residence and helping with moving expenses and other related costs (e.g., application fees, pet fees, security deposits). At this point there were 143 households left to relocate, with the relocation team on track to have the development completely vacated by September 2019.

Relocation Manager Dias continued her presentation with before and after photos of unit interiors at Wiggums Park Place, to show the extensiveness and quality of the work. She then provided some data points about households moving out of Baker Heights: e.g., 84 percent remain in Snohomish County, while those who go further away are generally motivated by employment opportunities or family circumstances. 34 percent move to apartments, 20 percent to single family homes; 6 percent to duplexes. Ms. Dias said this statistic showed that there are unit types besides apartments available within the Everett Area, and many local landlords have been eager to provide new housing. She concluded with some information about the relocation team of four that she oversees. She said that the need for a relocation team did not exist prior to 2015. Although the renovation of Broadway Plaza in 2012 provided a basic understanding of the relocation process to Ms. Dias and another member of the current team who was also involved in that effort at the time, the large-scale tax-credit funded renovations of developments converted to the RAD program in 2016 – which required relocating 457 families to hotels – provided the bulk of experience to the relocation team and showed the true scope of all that is involved in relocation. This was brought further into focus by the remodeling of 200 units at Lakewoods II and the Meadows the following year. Ms. Dias said the varied backgrounds and skill sets of the individual members of her team enables them to work together to perform the unique and special work of relocation.

Executive Director Ashley Lommers-Johnson concluded his report by saying the Housing Authority planned to nominate the relocation team and its work for a national award at the NAHRO conference at the end of next year. He also introduced Krystal O'Mara, who is serving as a temporary Executive Assistant with the departure of Katie Ulvestad from that position; Ms. O'Mara will be eligible to apply for this position once it is advertised.

Consent Agenda

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

1. Approval of Minutes of Regular Meeting Held on March 26, 2018
2. Approval of Minutes of Special Meeting Held on May 14, 2018
3. Approval of Minutes of Special Meeting Held on May 24, 2018
4. Section 8 Payments for the Months of February, March, April 2018
5. Summary of Vouchers for the Months of February, March, April 2018

Items for Individual Consideration

This meeting served as the first once at which Housing Authority staff did not provide introductions for individual consideration items, as comprehensive explanatory memos were included in agenda packets. However, commissioners had the option of requesting further clarification of these action items if necessary.

Resolution No. 1455 Revising Housing Choice Voucher Program Utility Allowances

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

Resolution No. 1456 Adopting Revised Payment Standards for the Housing Choice Voucher Program

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

Following voting on this item, Executive Director Lommers-Johnson noted that this increase to payment standards was a result of a 19 percent increase to area fair market rents over the past year. Fortunately, HUD increased funding for the HCV program by around 18.3 percent within the same period, absorbing the cost of the increased payment standards.

Resolution No. 1457 Authorizing Investment of Everett Housing Authority Monies in the Local Government Investment Pool

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

Resolution No. 1458 Authorizing the Disposal of Unserviceable/Obsolete Agency Equipment

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

Resolution No. 1459 Authorizing a Bond Extension for New Century Housing Apartments and Maple Leaf Meadows Apartments Projects

Vice Chair *Pro Tem* Rastovich requested some background information with respect to this item. Assistant Finance Director Wendy Abbey said in 2001 the Housing Authority served as a conduit for the issuance of two tax exempt bonds that facilitated the construction of two housing developments for Housing Hope. Housing Hope recently asked for a two-year extension on both sets of bonds, as it plans to refinance both properties. Ms. Abbey said the Housing Authority's bond attorney at Foster Pepper has advised that this extension does not expose the agency to any liability, and Housing Hope has agreed to pay all associated attorney fees.

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

Motion Approving Retroactive Renewal of Contracts with Groundworks for Landscaping Services at North and South Properties

Commissioner Warren-Barbour moved to accept, Commissioner Taylor seconded, which passed unanimously.

Motion Approving the Use of Proceeds from Reserves Offset Lawsuit for Construction of Grandview Resident and Staff Facility

Executive Director Lommers-Johnson explained this action, as a memo was not provided prior to today's meeting. He said the Housing Authority was awarded \$591,514 for its part in the class action lawsuit against HUD for illegally capturing Public Housing reserve funds several years ago. He said management was advocating for applying these funds towards construction of a clubhouse at Grandview, which will have a total cost of between \$800,000 and \$900,000. He said this development has over 547 residents, including 257 children, who need space for after school activities and other resident services programs. This facility will also feature staff offices and space to keep tools and equipment for the maintenance staff. The balance of construction costs will be covered using restricted funds from the sale of the Scattered Site units.

Commissioner Warren-Barbour asked what effect this decision had on the agency's existing reserve policy. The Executive Director responded that the Housing Authority had sufficient reserves to operate its programs for more than three months in the event of dire financial circumstances, as well as investments; but he hoped to meet with the Board in the Fall to discuss this topic further. Commissioner Taylor asked if management had considered any other options for using the lawsuit proceeds. The Executive Director said that some other ideas for using this money were discussed, but the consensus was that a new clubhouse would serve as a physical representation of the Housing Authority's commitment to residents of one of its largest developments. Mr. Lommers-Johnson said he could arrange a presentation at a later date to provide more details about this undertaking. The Board agreed that such a presentation would be beneficial.

Commissioner Perez moved to approve use of proceeds from the reserves offset lawsuit for the construction of a resident and staff facility at Grandview. Commissioner Mierke seconded, which passed unanimously.

Policy Discussion

Assistant Finance Director Wendy Abbey provided an update on the status of FY 2018-19 Agency Budgets. She said some minor adjustments to these budgets were currently in process, and she would be ready to review them with the Board's Finance Committee at a meeting the following week. The Committee will then bring its recommendations when the Board is asked to approve these budgets at the regular meeting at the end of the month. Executive Director Lommers-Johnson noted that the creation of this budget was a collaborative team effort, as it was the first one prepared without the expertise of Jill Stanton, who used to oversee this process.

Adjournment

There being no further business, Vice-Chair Pro Tem Rastovich called for a motion to adjourn. Commissioner Mierke moved to adjourn, Commissioner Taylor seconded, and the meeting concluded at 12:42 p.m.

Chair, Board of Commissioners

ATTEST:

Secretary

Resolution No. 1460
Adopting Budgets for FY 2018-19 for EHA Programs

WHEREAS, the Housing Authority of the City of Everett adopts budgets controlling its revenues and expenditures each year; and

WHEREAS, the Board of Commissioners has reviewed the attached budgets and determines them to be necessary and appropriate;

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

Section 1: The budgets for the following Housing Authority funds and programs, as attached to the original of this Resolution, are hereby approved and adopted:

Low Rent Public Housing Programs: Baker Heights Scattered Sites	Commerce Building – Mod Rehab Program Section 8 Housing Choice Voucher Program
Affordable Housing Properties Funds Pacific Square Apartments Lakeview Terrace Apartments Silver Lake Cottages Royal Oakes	Property Management Fund Central Office Cost Center Property Development Fund Hope Options Program

Section 2: The Chair or, in his/her absence, the Vice Chair is authorized to execute on behalf of the Board Form HUD-52574, including certifying therein to the statements required to be made in connection with the approval of the budgets for the Public Housing Programs.

Section 3: This Resolution shall take effect immediately.

Adopted by the Board of Commissioners of the Housing Authority of the City of Everett, Washington, this 25th day of June 2018.

Chair, Board of Commissioners

Attest:

Secretary

PHA Board Resolution
Approving Operating Budget

U.S. Department of Housing
and Urban Development
Office of Public and Indian Housing -
Real Estate Assessment Center (PIH-REAC)

OMB No. 2577-0026
(exp. 07/31/2019)

Public reporting burden for this collection of information is estimated to average 10 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. This agency may not collect this information, and you are not required to complete this form, unless it displays a currently valid OMB control number.

This information is required by Section 6(c)(4) of the U.S. Housing Act of 1937. The information is the operating budget for the low-income public housing program and provides a summary of the proposed/budgeted receipts and expenditures, approval of budgeted receipts and expenditures, and justification of certain specified amounts. HUD reviews the information to determine if the operating plan adopted by the public housing agency (PHA) and the amounts are reasonable, and that the PHA is in compliance with procedures prescribed by HUD. Responses are required to obtain benefits. This information does not lend itself to confidentiality.

PHA Name: Housing Authority of the City of Everett

PHA Code: WA 006

PHA Fiscal Year Beginning: July 1, 2018

Board Resolution Number: 1460

Acting on behalf of the Board of Commissioners of the above-named PHA as its Chairperson, I make the following certifications and agreement to the Department of Housing and Urban Development (HUD) regarding the Board's approval of (check one or more as applicable):

DATE

Operating Budget approved by Board resolution on: 06/25/2018

Operating Budget submitted to HUD, if applicable, on:

Operating Budget revision approved by Board resolution on:

Operating Budget revision submitted to HUD, if applicable, on:

I certify on behalf of the above-named PHA that:

1. All statutory and regulatory requirements have been met;
2. The PHA has sufficient operating reserves to meet the working capital needs of its developments;
3. Proposed budget expenditure are necessary in the efficient and economical operation of the housing for the purpose of serving low-income residents;
4. The budget indicates a source of funds adequate to cover all proposed expenditures;
5. The PHA will comply with the wage rate requirement under 24 CFR 968.110(c) and (f); and
6. The PHA will comply with the requirements for access to records and audits under 24 CFR 968.110(i).

I hereby certify that all the information stated within, as well as any information provided in the accompaniment herewith, if applicable, is true and accurate.

Warning: HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties. (18 U.S.C. 1001, 1010, 1012.31, U.S.C. 3729 and 3802)

Print Board Chairperson's Name: Maddy Metzger-Utt	Signature:	Date: 06/25/2018
--	------------	---------------------



To: Board of Commissioners
FROM: Brenda McLeod-Assistant Director of Procurement and Contracts
DATE: June 12, 2018
Subject: Approval of contracted services for HQS Inspections with NMA Inspections, LLC

In partnership with Pierce County Housing Authority (PCHA), Everett Housing Authority (EHA) solicited proposals from highly qualified and insured firms to provide Housing Quality Standards (HQS) inspections pursuant to Housing Choice Voucher (HCV) program regulations. The Director of the Housing Choice Voucher Program at each respective agency will oversee administration of the selected vendor contract.

The bid solicitation for HQS inspection services was advertised in the local paper, PCHA and EHA's respective websites, OMWBE, 22 vendors that had expressed prior interest, and the PCHA's membership for the MRSC Consultant Roster.

The bid proposal included the following criteria for selection and ongoing monitoring upon award of the contract:

- The selected firm must furnish sufficient organization, personnel and management staff with the necessary skill and judgment to perform all the duties and responsibilities normally associated with the Inspection function (including scheduling, notification, inspections, quality control, reporting).
- The rates quoted shall include all fringe benefits, profit, overhead, and general and administrative costs.
- Inspections will be scheduled based on EHA's and PCHA's inspection scheduling tools in a way to maximize efficiency and minimize inspectors travel through the day.
- All inspections for EHA will be conducted using the *Yardi Software Inspections Application* and will be properly documented in Yardi.
- All inspections for PCHA will be conducted using the *HAB/WinS8 Inspect Software Application* and all inspections will be properly documented in HAB.
- EHA and PCHA will continuously monitor the quality of the service being provided. EHA and PCHA expect that Quality Control Audit inspections have a 95% agreement rate or pre-existing conditions.
- Landlords, clients, EHA and PCHA staff will be polled regarding their customer service experience with all aspects of the firm's provided service. As a part of SEMAP, enforcement of HQS, adherence to regulation and policy must be demonstrated in at least 98% of files surveyed.

Proposals from NMA Inspections, LLC and Landmark Inspection Services, LLC were received in response to the bid solicitation and reviewed by a three-person evaluation panel. The evaluation assigned NMA Inspections a score of 88 and Landmark a score of 68. The scoring was very close in some respects, but tilted in favor of NMA based on its significantly lower per inspection cost: i.e., \$34.80 versus \$65.00 for an annual inspection. We anticipate that NMA will complete at least 900 annual inspections at an estimated cost of \$31,320.00 per year, but the number of required inspections could be as many as 2,000, at annual cost of approximately

Mailing: P. O. Box 1547 Everett, WA 98206-1547
Headquarters: 3107 Colby Avenue Everett, WA 98201



\$69,600.00. Costs for other types of inspections and associated services will also be incurred at the below rates, on an as needed basis. Given that our need for these additional services is unpredictable, we are unable to estimate their total annual cost.

<u>Inspection Service</u>	<u>\$ Cost Per</u>
Annual plus admin fee:	34.80
Initials:	26.00
Annuals:	26.00
Specials:	22.00
Failed:	22.00
No shows:	14.00
Abatement Notification:	30.80
Rent Comparability:	6.95
Hearing costs:	100.00 per hour
Admin Fee for annuals and re-inspections	8.80
Admin fee for Initials and Specials:	10.80
Email tenant notifications	3.00 each
Tenant Mailings USPS:	at cost

Management is requesting authorization to enter into a contract with NMA Inspections, LLC for a three-year period. The projected cost for annual inspections will exceed the Executive Director's \$100,000 limit on signature authority over that period, Board approval is required.

RECOMMENDED ACTION: Motion to authorize the Executive Director to execute a contract with NMA Inspections, LLC, in amount not to exceed \$250,000 over a three-year term. If this cap is exceeded during the term of the contract, the Board will be asked to approve the overage.



Service
Integrity
Respect
Community
Leadership
Wisdom
Creativity

TO: Board of Commissioners
FROM: Steve Yago, Director of Acquisitions and Asset Management
RE: Letter of Intent Regarding Pepperwood Debt Restructuring
DATE: June 14, 2018

On August 22, 2016, the Board adopted Resolution 1418 authorizing a change of control in the managing entity for Pepperwood Senior Apartments, from Homage Senior Services to Everett Housing Authority (EHA). Since then, EHA has put this undertaking on hold until it could position itself to finance the existing debt on the property with Section 18 restricted funds from the sale of the Scattered Sites. Homage Senior Services has agreed to carry EHA's note with the Department of Commerce until these funds become available, but this requires a Letter of Intent (LOI) outlining terms for restructuring Pepperwood's existing debt. This will in turn facilitate transfer of control of the property from Homage to EHA. All stakeholders have provided preliminary approval of the proposed terms of the LOI; however, the Department of Commerce may require further negotiation with respect to the percentage of the debt that is forgivable.

We are seeking the Board's approval of a Letter of Intent with the following terms:

Purchase Price of approximately \$1.3MM

- ❖ Financing Sources of \$1.3MM comprised of the following:
 - \$300K EHA Sponsor Loan
 - \$255K Private Debt
 - \$371K Commerce a portion will be soft debt and the balance forgivable
 - \$249K Snohomish County Forgivable Loan
 - \$75K Enterprise
 - \$50K HOMAGE
- ❖ HOMAGE will carry EHA's \$300K Note until Section 18 Proceeds are received
- ❖ Closing estimated to be October 2018
- ❖ EHA will provide 10 PBV subsidies in all of Pepperwood's 1BR Units.

RECOMMENDED ACTION: Motion to approve terms of a Letter of Intent as outlined above for Pepperwood Senior Apartments debt restructuring, thereby enabling transfer of control from Homage Senior Services to EHA.

