



Service
Integrity
Respect
Community
Leadership
Wisdom
Creativity

NOTICE OF SPECIAL MEETING

Notice is hereby given that the Board of Commissioners of the Housing Authority of the City of Everett, Washington will hold a Special Meeting at Noon on **Monday, October 29, 2018** at the Housing Authority's main office located at 3107 Colby Avenue, Everett, Washington.

The Agenda for the Special Meeting is attached to this Notice.

Dated this 18th day of October, 2018.


Maddy Metzger-Utt, Board Chair



Service
Integrity
Respect
Community
Leadership
Wisdom
Creativity

Special Meeting of the Board of Commissioners of the Housing Authority of the City of Everett	Date: Monday, October 29, 2018 Time: 12:00 p.m. Location: EHA Main Office 3107 Colby Avenue Everett, WA 98201
------------------------------------------------------------------------------------------------------------------	---------------------------------------------------------------------------------------------------------------------------

**AGENDA
Special Meeting**

<u>Luncheon</u>		
<u>Roll Call</u>		
<u>Public Comment</u>		
		Page No.
<u>Consent Agenda (to be adopted by a single motion)</u>		
<u>1)</u>	Approval of Minutes of the Special Meeting Held on September 24, 2018	1-6
<u>Items for Individual Consideration</u>		
<u>1)</u>	Resolution No. 1465 Authorizing Everett Housing Authority to Enter into Agreements with Bakerview/Grandview Affordable Housing, LLLP Relating to the Development of a Clubhouse and Housing Units at Grandview Homes	7-9
<u>2)</u>	Motion to Approve Contract with Foster Pepper PLLC to Provide Legal Services Relating to Development and Redevelopment Activities	10
<u>3)</u>	Motion to Approve Recommendation for Future Use of Baker Heights Property, Disposition Method(s), and Related Matters	Distributed Separately

Executive Session

To Review the Performance of a Public Employee Pursuant to RCW 42.30.110(1)(g)

Adjournment



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

September 24, 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 Chair Maddy Metzger-Utt following lunch, at 1:09 p.m. on Monday, September 24, 2018 at the Authority's main office, 3107 Colby Avenue, Everett, Washington.

Commissioners Present at Roll Call:

Chair Maddy Metzger-Utt	Commissioner Michele Rastovich
Vice-Chair George Perez, Jr.	Commissioner Todd Taylor
Commissioner John Mierke	Commissioner Allison Warren-Barbour

Commissioners Absent:

None

Also in attendance were:

Staff:

Ashley Lommers-Johnson, Executive Director
Rick Dorris, Director of Development
Steve Yago, Director of Acquisitions and Asset Mgmt.
Wendy Westby, HCV Program Director
Erica Dias, Relocation and Planning Manager
Chris Neblett, Hearing Officer/Administrative Coordinator
Krystal O'Mara, Executive Assistant

Guests:

Lorna Corrigan, Attorney
Steven Winterbauer, Attorney, Winterbauer & Diamond PLLC
Becky Ableman McCrary, City of Everett

Motion to Revise Meeting Agenda

Commissioner Rastovich motioned to add Public Comment as an item to the current meeting agenda. Commissioner Taylor seconded, and the motion passed unanimously.

Public Comment

Executive Director Lommers-Johnson proposed waiting to hear from members of the public who wished to give comment until later in the meeting, when a final recommendation on the disposition of Baker Heights would be considered. At the advice of Legal Counsel Lorna Corrigan, Chair Metzger-Utt first confirmed none of those present wished to comment on another matter, and public comment was postponed as requested.

Consent Agenda

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

1. Approval of Minutes of the Regular Meeting Held on August 27, 2018
2. Approval of Minutes of the Special Meeting Held on September 4, 2018
3. Section 8 Payments for the Months of July, August 2018
4. Summary of Vouchers for the Months of July, August 2018

Items for Individual Consideration

Resolution No. 1464 Updating Surplus Property Disposition Policy

Executive Director Lommers-Johnson said it was necessary to update the policy relating to the disposition of surplus agency equipment and supplies. This included changes to the method of disposition for such items based on their value, as well as a requirement that the Board approve the disposition of any item(s) valued at \$50,001 or more.

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

Motion Authorizing Everett Housing Authority to Dispose of Surplus Agency Vehicles

Executive Director Lommers-Johnson reminded the Board that the Housing Authority is currently in a contract with Enterprise to lease new vehicles for the agency fleet. This contract provides the option to have Enterprise sell the old vehicles as they are replaced, and management previously advised the Board it intended to exercise this option; however, it has since decided it would be more profitable for the Housing Authority to sell them.

Commissioner Rastovich moved to authorize management to dispose of the Housing Authority's obsolete vehicles pursuant to the agency's surplus property disposition policy. Commissioner Mierke seconded the motion, which passed unanimously.

Motion to Approve Agreement with Everett Police Department for Security Services at Baker Heights

Relocation and Planning Manager Erica Dias reported management has relocated over half of the households from the 244 units within the Baker Heights neighborhood, creating a need for a nighttime security patrol at the property to ensure the vacant units remained secure from entry by squatters and other unauthorized persons. A comparison of services offered by two security firms and the Everett Police Department (EPD) showed that only the latter could provide armed officers who were able to make arrests and enforce no trespass ordinances without need for staff to be there. Therefore, management was asking the Board to authorize the Executive Director to enter into a one-year agreement with EPD to provide security services at Baker Heights, at a cost of approximately \$109,200.

In response to Board Chair Metzger-Utt's inquiry, Ms. Dias said management would still be sealing, or "clear-boarding," units as they become vacant. She next clarified a few points for Commissioners Perez and Rastovich about the security services that the EPD would be providing, explaining that this would involve an off-duty officer patrolling on foot four hours a night, seven days a week. These shifts will be staggered to occur at different hours each night.

Commissioner Perez motioned to authorize the Executive Director to execute an agreement with the Everett Police Department for armed security services at Baker Heights for a period of one year, at a cost of approximately \$109,200. Commissioner Mierke seconded the motion, which passed unanimously.

Final Recommendation Regarding Disposition of Baker Heights

Executive Director Ashley Lommers-Johnson said a meeting to present the four options for disposition and future development of the Baker Heights neighborhood had taken place the previous Wednesday at Baker Community Center. He said the meeting was well attended by a broad spectrum of members of the community and stakeholders, including the Delta Neighborhood Association. Since then, he has met with the Mayor and her staff and found the City wanted more time to consider these various options. He informed the Board the construction of 200 mixed-income units on a portion of the site the Housing Authority will retain was the most cost-effective development option; however, given the need for continuing discussions with the Mayor's office over the scope of this project and potential alternatives, it seemed prudent to seek approval for the planned construction of *up to* 200 units of mixed income housing at the Baker Heights site, including the area south of 14th Street. He said a second-stage application for around \$1 million in HOME and REIT funding was due on October 12, and some CDBG funding through the City was also available, lending importance to the Board's approval of the requested action relatively soon.

Chair Metzger-Utt opened the floor to public comment on this action item, and Ryan Weber introduced himself as representing the Delta Neighborhood on the Council of Neighborhoods and through the Delta Neighborhood Association. Mr. Weber said he supported the Housing Authority's mission but asked the Board to delay action on this item,

as HUD had only approved the development of 60 units, and he felt the community was not given adequate time to provide input on the 200 units now proposed. He maintained that the Delta Neighborhood has a disproportionate share of the City's low-income housing, and he voiced support for the negotiated sale of the 15-acre parcel to Washington State University (WSU), as this would expand educational opportunities for everyone in the surrounding neighborhoods, including low-income residents. Citlali Zarate, a resident of the Delta Neighborhood, voiced support for WSU to acquire a portion of the site, saying this would provide her two children and other local youth the opportunity to attend college.

Mary Fosse, Chair of the Delta Neighborhood Association and representative on the Council of Neighborhoods, read a letter from the Association's Vice-Chair, Molly Deardorff, who was unable to attend today's meeting. Ms. Fosse said she agreed with many points of the letter, which asked the Board to delay its vote out of concern that the previous week's public meeting to present the options for disposition and redevelopment of Baker Heights did not provide stakeholders and neighborhood residents enough time to get involved in the process. Ms. Deardorff's letter supported the two options that included disposition of the largest portion of the site to WSU via negotiated sale, with the remaining portion to be developed by the Housing Authority. In the event the Board was to vote in favor of one of the two options involving disposition of a portion of the site to private developers, Ms. Deardorff's letter asked that the Delta Neighborhood be allowed to enter into a development agreement with the Housing Authority or the developer prior to the sale. It concluded by urging the Board to maintain the southern portion of Wiggums Hollow as park space.

Chair Metzger-Utt asked City representative Becky Ableman McCrary, who was in attendance, if she had any comments. Ms. McCrary said she was aware that the Mayor wanted to have more time to discuss the options for disposition and redevelopment of Baker Heights with both Housing Authority staff and stakeholders. Commissioner Warren-Barbour advocated for this approach, indicating she was personally against rushing to a decision based purely on funding exigencies. Commissioner Rastovich questioned what effect missing next month's funding deadline would have on plans to build replacement housing at Baker Heights, and the Executive Director responded this would delay the project for another year, unless the Housing Authority bore the financial burden on its own. He noted that development costs operate on an economy of scale – \$150,000 per unit for 50 to 60 units, versus \$60,000 per unit for 200 units – and said there would be money left to purchase replacement housing in other locations if the maximum number of units were built. He concluded by observing that the units the Housing Authority is proposing to build at Baker Heights would consist of a mix of subsidized and tax-credit units, serving households with income levels of up to 80% AMI, not just low-income households. Referencing plans to provide housing and services to 80 homeless families in partnership with the City, Mr. Lommers-Johnson said it remained to be determined whether all of these families would be housed at Baker Heights, which he planned to discuss with the Mayor; however the Board's authorization to build up to 200 units of mixed income housing at the site was a necessary first step in plans for developing replacement housing, even if some of those units were ultimately located elsewhere.

Chair Metzger-Utt asked if the Housing Authority could submit a grant application that left the size of the project at Baker Heights open-ended, requesting funding for 60 units initially, with the flexibility to build more units later. Director of Acquisitions and Asset Management Steve Yago said political realities were such that only larger projects were

selected for HOME and REIT funding. He and the Executive Director stressed that it was in the Housing Authority's best interest to move forward with the application process for this and any other time-sensitive or transitory funding opportunities. Commissioner Rastovich asked whether the push-back from some within the community to the construction of 200 units on a portion of the Baker Heights site was based on the size of the project, or the issue of low-income housing. Delta Neighborhood representative Ryan Weber said both were issues, but the latter was of greater concern, given that there is already a large concentration of low-income housing in the area. He wondered whether the Housing Authority might be willing to compromise and build 100 units instead, but Director Yago explained the agency would be eligible for more outside funding, including 4% tax credits, by building more units that could serve a broad array of the population: homeless families with children, seniors, and households earning up to 80% of AMI.

Members of the Board provided their respective thoughts regarding whether to move forward with a vote on this matter, or to delay it. The Executive Director reminded the Board that the requested action did not commit to building 200 units, providing instead the flexibility to build up to that number. He respectfully submitted to members of the community present at today's meeting that the Baker Heights neighborhood had maintained a low crime rate when all 244 units were occupied with low-income households, and redevelopment plans call for a maximum of 80 low income units. In response to a question from Commissioner Rastovich as to the City's role in the ultimate decision-making process, the Executive Director said the Housing Authority has worked with the current and former Mayor to reach a common vision on future use(s) of the Baker Heights site. He said parties are in favor of WSU acquiring a portion of the property, and it remained to work out the details regarding the Housing Authority's plans to redevelop a portion: i.e. how many units, number of subsidized versus mixed income units, etc.

After engaging in more discussion as to whether to vote on the proposed action, the Board decided to table it until a future meeting, pending further discussions with the Mayor's office and other relevant stakeholders, notably the Delta Neighborhood Association. Commissioner Rastovich said she did not agree with this decision but would not stand in the way of it. Commissioner Perez motioned to table the final recommendation regarding disposition of Baker Heights until the next Board meeting. Commissioner Warren-Barbour seconded the motion, which passed unanimously.

Executive Session

At 2:10 p.m. Chair Metzger-Utt called for a motion for the Board to convene in Executive Session for one hour and fifteen minutes, pursuant to RCW 42.30.110(1)(g), to review the performance of a public employee. Commissioner Taylor motioned as stated, Commissioner Mierke seconded the motion, and the Board convened in Executive Session at 2:05 p.m., with attorneys Lorna Corrigan and Steve Winterbauer requested to attend.

Extended Executive Session

At 3:25 p.m. the Board Chair exited the meeting room to publicly announce that the Executive Session would extend for an additional 15 minutes.

Reconvene Regular Session

At 3:40 p.m. Vice-Chair Perez reconvened the meeting in regular session, announcing no action was taken in Executive Session. Chair Metzger-Utt was called away on other business following the Executive Session.

Review Status of an Employee Grievance

Commissioner Warren-Barbour said the Board has decided to involve the Executive Director in the resolution of this employee grievance, within the context of the results of two employee compensation surveys, one specific to an outside agency and the other specific to the Housing Authority. Commissioner Rastovich inquired when the results of the Housing Authority survey would be available, and the Executive Director said by the end of the third week of November, so long as the consultant received the requested data timely. Commissioner Warren-Barbour recommended a motion to resolve the employee grievance through a process that would involve a review of the employee compensation surveys in conjunction with working with the Executive Director. Vice-Chair Perez called for such a motion. Commissioner Taylor motioned as stated, Commissioner Rastovich seconded and the motion passed unanimously.

Adjournment

There being no further business, Vice-Chair Perez adjourned the meeting at 3:43 p.m.

ATTEST:

Chair, Board of Commissioners

Secretary



Service
Integrity
Respect
Community
Leadership
Wisdom
Creativity

TO: Board of Commissioners
FROM: Rick Dorris, Director of Development
RE: Resolution No. 1465 Authorizing Agreement w/Bakerview-Grandview Affordable Housing LLLP
DATE: October 1, 2018

In May 2017 EHA's Board of Commissioners approved a resolution (No. 1430) authorizing the Housing Authority to sublease land at Grandview Homes from Bakerview/Grandview Affordable Housing LLLP, the partnership that controls its namesake properties since their conversion to project-based units under the RAD program. The purpose of this action was to enable the construction of a new clubhouse at Grandview, and to restore two dwelling units on the property that had been converted to a community center back to their original function. Although HUD approved of this plan, the Washington State Housing Finance Commission (WSHFC) did not, citing a conflict with tax credit regulations. Since then, the need for a new, expanded space for tenant functions and staff offices is greater than ever.

Since the plan to sublease a portion of the property was deemed unfeasible, the Housing Authority has developed a new approach to facilitating the renovation of the former community center back to dwelling units and construction of a new clubhouse at Grandview. This will entail a direct loan or capital contribution to Bakerview/Grandview Affordable Housing LLLP, an action which the equity investor, Royal Bank of Canada (RBC), has approved. Future rental income from the reconverted dwelling units will help to cover construction costs.

RECOMMENDED ACTION: Adopt Resolution No. 1465 authorizing Everett Housing Authority to enter into agreements with Bakerview/Grandview Affordable Housing, LLLP relating to the development of a clubhouse and housing units at Grandview Homes.



**HOUSING AUTHORITY OF THE CITY OF EVERETT
RESOLUTION NO. 1465**

A RESOLUTION authorizing the Authority to enter into agreements with Bakerview/Grandview Affordable Housing LLLP relating to the development of a clubhouse and housing units at the Grandview Homes project, and determining related matters.

BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE HOUSING AUTHORITY OF THE CITY OF EVERETT as follows:

Section 1. Recitals and Findings. The Board of Commissioners (the "Board") of the Housing Authority of the City of Everett (the "Authority") finds and determines that:

(a) The Authority is authorized by the Housing Authorities Law (chapter 35.82 RCW) to, among other things: (i) "prepare, carry out, acquire, lease and operate housing projects; to provide for the construction, reconstruction, improvement, alteration or repair of any housing project or any part thereof" (RCW 35.82.070(2)); (ii) "lease or rent any dwellings . . . buildings, structures or facilities embraced in any housing project" (RCW 35.82.070(5)); (iii) "make and execute contracts and other instruments" (RCW 35.82.070(1)); and (iv) "delegate to one or more of its agents or employees such powers or duties as [the Authority] may deem proper" (RCW 35.82.040). The phrase "housing project" is defined by RCW 35.82.020 to include, among other things, any undertaking to provide decent, safe and sanitary living accommodations for persons of low income, which "may include buildings, land, equipment, facilities and other real or personal property for necessary, convenient or desirable . . . community, health, recreational, welfare or other purposes."

(b) Pursuant to a Lease Agreement dated as of September 1, 2014, between the Authority and Bakerview/Grandview Affordable Housing LLLP (the "Partnership"), the Authority leased to the Partnership the land, buildings and other improvements in Everett, Washington, that comprise the Grandview Homes project (the "Project").

(c) The Authority and the Partnership have discussed plans to (i) renovate an existing building located at the Project to provide affordable rental housing for persons of low income, and (ii) construct, furnish, equip and operate a clubhouse for use by residents of the Project (collectively, the "Additional Improvements"). The Additional Improvements will provide for the necessary support of the poor.

(d) On June 15, 2015, the Board passed a motion authorizing the Authority's Executive Director to enter into architectural, engineering and construction contracts regarding the Additional Improvements. On May 22, 2017, the Board adopted its Resolution No. 1430 authorizing the Authority to sublease property on which the Additional Improvements would be developed, and to make the Additional Improvements. Subsequent to the adoption of said resolution, the Authority and the Partnership determined that it would be appropriate for the Partnership to develop the Additional Improvements.

(e) The costs of developing the Additional Improvements are expected to be approximately \$1,750,000. The Partnership does not have available cash in sufficient amounts to pay such costs. The Partnership has requested that the Authority either lend or contribute funds to the Partnership to pay such costs. Any loan or capital contribution provided by the Authority to finance the Additional Improvements is important for the Project's feasibility and is necessary to enable the Authority to carry out its powers and purposes under the Housing Authorities Law.

Section 2. Approval of Financing. The Authority is authorized to lend money to the Partnership and/or make a capital contribution to the Partnership in the aggregate amount of \$1,750,000 to fund the costs of acquiring, constructing, installing and equipping the Additional Improvements. The Chair of the Board and the Executive Director of the Authority, and their respective designees (each, an "Authorized Officer" and, collectively, the "Authorized Officers"), and each of them acting alone, are authorized and directed to determine, on behalf of the Authority (acting on its own behalf or as general partner of the Partnership) whether to cause such money to be lent or contributed to the Partnership. If the Authorized Officers, or

either of them, determine that the Authority should lend all or a portion of such funds to the Partnership, then the Authorized Officers, and each of them acting alone, are authorized and directed to execute, deliver and, if applicable, file (or cause to be executed and delivered and, if applicable, filed) on behalf of the Authority (acting on its own behalf or as general partner of the Partnership) such documents as are necessary or desirable to evidence such loan.

Section 3. Approval of Partnership Documents. The Authorized Officers, and each of them acting alone, are authorized and directed to execute, deliver and, if applicable, file (or cause to be executed and delivered and, if applicable, filed) on behalf of the Authority (acting on its own behalf or as general partner of the Partnership) (i) such agreements with (or in favor of) the U.S. Department of Housing and Urban Development, the Partnership's existing lenders, and the Partnership's limited partners as are required to allow the Additional Improvements to be financed and developed, including (but not limited to) amendments to the Partnership's limited partnership agreement, an agreement regarding post-conversion improvements, and subordination agreements, and (ii) such other documents reasonably required to be executed by the Authority or the Partnership to carry out the transactions contemplated by this resolution.

Section 4. Ratification and Confirmation. All actions of the Authority and its officers prior to the date hereof and consistent with the terms of this resolution are ratified and confirmed.

Section 5. Effective Date. This resolution shall be in full force and effect from and after its adoption and approval.

ADOPTED by the Board of Commissioners of the Housing Authority of the City of Everett at special meeting held on October 29, 2018.

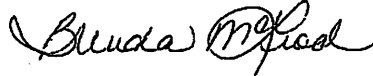
HOUSING AUTHORITY OF THE CITY OF
EVERETT

Chair, Board of Commissioners

ATTEST:

Secretary-Treasurer

To: Board of Commissioners
From: Brenda McLeod-Facilities and Procurement Administrator
Date: October 8, 2018
RE: Approval of Specialized Legal Services Contract



On August 13, 2018, the Housing Authority issued a solicitation for legal services (RFP) relating primarily to development and redevelopment activities. The selected firm will be expected to provide Housing Authority staff with legal advice and assistance on an as needed basis for specific projects and tasks, including but not limited to the following:

- Local, state, and federal statutory and regulatory matters, including but not limited to Federal and state procurement and mixed finance development, low-income housing tax credits and tax-exempt bonds.
- Specific development and/or revitalization plans, and provide as requested guidance on ownership structure, management plan, capital financing and operating budgets to ensure that the project is in compliance with all applicable statutory, regulatory, and /or administrative requirements.
- Structure various entities and associated agreement(s) necessary to effectuate the EHA's plans, including, but not limited to, the creation of the limited partnerships and/or limited liability corporations, affiliates and/or instrumentalities.
- Applicable zoning matters, including review of comprehensive permit applications.
- Financing of real estate acquisition and redevelopment projects.

The RFP directed interested firms to submit a statement of qualifications that addressed their experience with asset repositioning, development and redevelopment activities (including strategic planning, financing, and regulatory requirements), and interdepartmental projects. Responding firms were also asked to provide supporting documentation demonstrating a track record of relevant work experience, expertise in public housing regulations and procedures (both state and federal), and excellent written and communications skills.

A team of four staff members reviewed and scored submittals from the two firms that responded to this RFP -- Ballard Spahr LLP and Foster Pepper PLLC -- based on the scoring criteria outlined in the RFP. Foster Pepper earned an average score of 72.5 among the reviewers, compared with Ballard Spahr's average score of 71. Additional considerations include Foster Pepper's superior service since it was previously awarded this contract for a five-year term, as well as no adverse information with the State of Washington's Labor and Industries Contractor Detailed Information and HUD's Debarment and Limited Participation Lists that would bring the firm's present responsibility or integrity into question.

RECOMMENDED ACTION: Motion to Authorize the Executive Director to execute a contract with Foster Pepper PLLC for a term of three (3) years, subject to an annual cap of \$125,000 and renewal at the discretion of the Housing Authority on an annual basis, for a duration not to exceed three (3) years, including extensions, unless otherwise required by the needs of an ongoing project, and not to exceed a total cost of \$375,000.