



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

February 22, 2021

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 at 12:03 p.m. on Monday, February 22, 2021. 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 Benjamin Young
Commissioner Chip Burgess

Commissioner George Perez, Jr.
Commissioner Tammy Williamson

Commissioner Koren Smith joined the meeting soon after roll call.

Commissioners Absent:

None

Also in attendance were:

Staff:

Ashley Lommers-Johnson, Executive Director
John Forsyth, Deputy Executive Director
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, Director of Asset Management
Janinna Attick, Senior Policy Analyst
Brenda McLeod, Asst. Dir. of Procurement and Contracts
Chris Neblett, Hearing Officer/Administrative Coordinator
Jaysen Garcia, Executive Assistant

Guests:

Becky Ableman McCrary, City of Everett
Ryan Weber, Chair, Delta Neighborhood Association

Public Comment

None.

Communications

None

Approval of Minutes

Chair Warren-Barbour called for a motion to amend the minutes of the Special Meeting held on January 4, 2021, adding City Council member Liz Vogeli as an attendee. Commissioner Young moved to amend the minutes as requested, Commissioner Perez seconded, and the motion carried unanimously. Chair Warren-Barbour next called for a motion to approve the amended minutes of the Special Meeting held on January 4, 2021. Commissioner Burgess moved for approval, Commissioner Perez seconded, and the motion carried 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 September-December 2020
2. Summary of Vouchers for the Months of September-December 2020

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

Executive Director's Report

Executive Director Ashley Lommers-Johnson began his report by relating some recent organizational changes at the senior staff level. This included John Forsyth's promotion to the position of Deputy Executive Director, where he will oversee the Housing Management, Maintenance, Resident Services, and Housing Choice Voucher departments over the next two years. HCV Director Wendy Westby will now report to Mr. Forsyth, as will Kristen Cane in her new role as Director of Asset Management. The Executive Director said these changes were intended to reduce the number of staff that report directly to him, allowing him time to focus on other matters, including his duties as President of the Association of Washington Housing Authorities (AWHA).

The Executive Director reported next on a recent initiative to provide residents and staff at the HUD 202 properties, as well elderly residents at other properties, the opportunity to be vaccinated against COVID-19. He thanked Senior Policy Analyst Janinna Attick for initiating this effort, which has been spearheaded by Deputy Executive Director Forsyth in coordination with the Snohomish County COVID Vaccine Task Force, using mobile vaccination clinics run by the Everett and South Snohomish County Fire Departments. Vaccinations began February 1, and to date, 757 of the Housing Authority's 1,032 units with an elderly household member had been provided access to a clinic. Most staff working at senior buildings had also been vaccinated in conjunction with this initiative.

Addressing legislative bills in process at the federal and state level targeted at COVID-related funding, the Executive Director said a Congressional bill likely to be approved in mid-March could include \$5 billion for new emergency Section 8 Vouchers. This would translate to an additional \$8 million in Voucher program funding for the Housing Authority, or enough to fund 600-700 new Vouchers. The Executive Director said he was working with Finance Director Blain and HCV Program Director Westby to plan for this possibility. At the state level, the Governor had released \$365 million in federal rental assistance, with additional funding pending passage of the federal COVID relief bill. The Executive Director noted that the Housing Authority will facilitate resident access to this emergency rental assistance, given that the agency has been subject to over \$150,000 in unpaid rent since April 2020.

The Executive Director concluded with an update on the Baker Heights redevelopment. The first phase of this undertaking, referred to as the Legacy project, was on target for a mid-April closing, with construction of 105 units to commence soon afterwards. Of these units, 67 will be subsidized and serve as replacement units for the 288 lost as a result of the disposition of Baker Heights and the Scattered Sites. The Executive Director said the Housing Authority's net cash investment for this project would total \$2 million, less than originally anticipated due to changes in the LIHTC regulations. Master planning for the remainder of the Baker Heights site was underway, with the first of three community meetings planned for the evening of February 23.

Public Hearing on Proposed 2021-22 PHA Annual Plan

At 12:19 p.m. Chair Warren-Barbour called for a motion to convene the public hearing on the Housing Authority's proposed PHA Annual Plan effective July 1, 2021. Commissioner Smith motioned as requested, Commissioner Burgess seconded, and the floor was opened to public comment on the proposed Plan. No comments were received, and Chair Warren-Barbour requested Hearing Officer/Administrative Coordinator Chris Neblett to provide some background on the Plan. Mr. Neblett said this represented the second annual update to the Five-Year Plan that was effective July 1, 2020. Major elements of the proposed Annual Plan included but were not limited to the agency's Moving to Work Demonstration program application and its initiatives related to diversity equity and inclusion. He said that the Plan was subject to the required 45-day review period prior to today's hearing, but no comments were received. A virtual meeting in December with the Resident Advisory Board did not result in substantive input for developing the Annual Plan, but the RAB's related questions were included as an attachment to the Plan. Mr. Neblett said the Plan will be reviewed a final time and submitted for the Board's approval at the March 22 regular meeting.

Chair Warren-Barbour called once more for public comment on the proposed Annual Plan, and receiving none, called for a motion to close the hearing. Commissioner Burgess moved to close the public hearing, Commissioner Williamson seconded, and the public hearing on the proposed Annual Plan effective July 1, 2021 adjourned at 12:25 p.m. [Note: a comment from the Chair of the Delta Neighborhood organization was received in the Zoom meeting chat box after the public hearing was concluded and will receive a response in the final version of the 2021-22 PHA Plan.]

Item for Individual Consideration

Resolution No. 1503 Approving Policy Changes Made During the COVID-19 Public Health Emergency

Executive Director Lommers-Johnson introduced this resolution as a successor to one the Board adopted in March 2020, which authorized the Executive Director or his designee to implement emergency measures or contingency plans in response to the COVID-19 pandemic. Rather than acting as a blanket mandate, the current resolution created a record of the policies and policy modifications that have been implemented over the course of the pandemic, each of which have been designed to keep residents and staff safe while maintaining essential operations.

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

Resolution No. 1504 Amending Everett Housing Authority's Personnel Policy Regarding Gift of Leave

Executive Director Lommers-Johnson explained that the Housing Authority's Personnel Policy currently provided for gifts of annual and sick leave, but such donations were limited to cases where an employee or their immediate family member was faced with severe or life-threatening illnesses. The resolution up for adoption amended this provision of the Personnel Policy by granting employees access to both types of donated leave in the event of the death of a parent, child, or spouse. The Executive Director said this change was precipitated by a recent case where an employee required extensive time off due to the death of an immediate family member, and this amendment to the gift of leave requirements seemed like an equitable solution. Commissioner Burgess voiced his support for this expanded benefit, calling the policy behind it smart and well put together.

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

Motion to Approve Group Medical, Dental, and Life Insurance Policies

Finance Director Wendy Blain said policies for employee medical, dental, and life insurance were set to renew at this time each year. She said management recommended continuing with Cigna as the medical and vision insurance carrier, as its proposed increase in premium costs of approximately 6.2% represented the most competitive bid. This recommendation also considered the reluctance of employees to change medical insurance providers, as has been expressed in past employee surveys. Director Blain said management recommended renewing the current dental and life insurance policies, as the rates for renewing those policies remained unchanged.

Commissioner Young moved for approval of the group insurance policies as recommended. Commissioner Perez seconded, and the motion passed unanimously.

Motion Authorizing the Executive Director to Execute a Purchase and Sale Agreement for Real Property

Director of Development Jason Morrow provided some background on this request for Board approval to execute a purchase and sale agreement on a parcel of land located at 3826 Rucker Avenue in Everett. He said management was excited about the development potential of the site, which was slightly more than an acre and zoned to accommodate up to 150 units, because it aligned well with the Housing Authority's 10-year Strategic Plan goal of creating 1,500 units of affordable housing over the next ten years, with a focus on housing for families with children and seniors.

Director Morrow said management was prepared to execute a purchase and sale agreement contingent on the Board's approval after some preliminary review and discussion with the seller. Key terms of this agreement included but were not limited to a purchase price of \$3.1 million, a due diligence review period of 90 days, and 30 days to close if the sale were finalized. Director Morrow said an architectural firm has been secured to perform the physical due diligence, and he planned to report back to the Board in 90 days with a recommendation to move forward with the purchase or back out. If this purchase were to go through, he anticipated the design and entitlement phase would take between 12 and 18 months and approximately two more years for construction and delivery of units, with full lease up around mid-2025. In response to questions from the Board regarding the site's current occupant, Director Morrow said Pacific Stone was leasing the site from the owner, and the purchase and sale agreement provided for this arrangement to continue during the entitlement phase if the Housing Authority were to purchase the site.

Commissioner Perez moved to authorize the Executive Director to execute a purchase and sale agreement for real property located at 3826 Rucker Avenue in Everett. Commissioner Smith seconded, and the motion passed unanimously.

Policy Discussion

Baker Heights Phase Two Master Planning

Due to time constraints, Executive Director Lommers-Johnson requested Director of Development Morrow to postpone his presentation on this policy discussion item.

HUD 202 Conversion and Recapitalization

Director of Asset Management Kristen Cane began this segment of the policy discussion with an overview of the Housing Authority's HUD 202 portfolio. This consists of eleven properties in four cities within the Housing Authority's jurisdictional area, which provide supportive housing for low-income elderly (62+) residents. In 2014 the Housing Authority assumed sponsorship and management of these properties, each of which is owned by a nonprofit corporation. Nine of the HUD 202 properties are funded through a Project Rental Assistance Contract (PRAC) with HUD, which restricts the average amount of monthly rent for each unit to \$650, or about half of the average market rent. This is insufficient to cover the capital needs of these properties, which average 21 years in age.

Director Cane continued with some background and context on the HUD 202 program since its inception. Starting in 1990, HUD replaced the low interest loans to fund capital needs for HUD 202 properties with replacement reserve account grants, and Project-Based Section 8 rental assistance contracts were replaced with Project Rental Assistance Contracts. Nine of the 202 properties in the Housing Authority's portfolio were constructed

after this transition, and this has led to a number of issues: i.e., underfunded capital needs, unpredictable operating and capital budgets, a lack of access to outside financing sources, and administratively burdensome compliance requirements.

Director Cane provided some background on the Rental Assistance Demonstration (RAD) program, which HUD introduced in 2012 as a new tool to address the capital needs of federally funded properties. In 2019 HUD expanded the RAD program to include PRAC 202 properties. The Housing Authority was actively seeking to convert the 202 PRAC properties within its portfolio to the RAD program as a way to achieve the following goals: address capital needs, convert to a more flexible and stable funding mechanism, streamline agency compliance, enable direct ownership, and create net operating revenue. This new funding platform would continue to provide affordable rents to residents while also providing the flexibility of portability after the first year of tenancy.

Director Cane concluded her presentation with an overview of the process for converting the nine PRAC 202 properties to the RAD program. A confirmation of interest has been submitted to HUD, and she was working with a transaction manager on subsequent steps in the application process. She anticipated that the nine properties would be converted to the RAD program sometime in 2022, at which time the next step would be to pursue asset recapitalization. This final step will include making capital improvements at the PRAC 202 properties, to be funded via the LIHTC program, tax exempt bonds, or FHA loans. Director Cane opened the floor to the Commissioners for questions, but there were none.

Board Committee Appointments

Chair Warren-Barbour said this final policy discussion item concerned the need to appoint commissioners to one of the standing committees provided for by the Housing Authority's bylaws. Currently the Finance Committee was staffed by the Chair and Commissioner Smith, and the Personnel Policy Committee was staffed by Commissioners Perez and Young, but the Housing Policy Committee was unstaffed. Chair Warren-Barbour said the bylaws specified that the Chair make these appointments, but she felt it would be helpful to that process if the Executive Director were to provide more information about the role of these Board committees.

Executive Director Lommers-Johnson explained the function of these committees was to meet with Housing Authority staff periodically, in order to discuss matters of policy that Board meetings did not allow adequate time to cover. These committees were not meant to serve as decision making bodies; rather, their role was to make recommendations to the Board based on information received. The Executive Director felt it would be ideal for each committee to meet quarterly with staff. Each committee should be composed of no more than three commissioners, in order to avoid the public meeting requirements posed by a quorum.

The Executive Director recommended Commissioner Tammy Williamson for the Housing Policy Committee, and she agreed to be appointed to this committee. Chair Warren-Barbour asked any other commissioners to speak up or contact her later if they wanted to serve on the Housing Policy Committee, or any other committee in addition to the one they currently served on. She noted that Commissioner Burgess does not currently serve on a committee and therefore might be a good fit for the Housing Policy Committee, but he had to leave the meeting early and was unable to respond to this invitation. Chair Warren-

Barbour said she would work with the Executive Director to appoint one or two additional members to the Housing Policy Committee.

Adjournment

Chair Warren-Barbour announced that the next scheduled meeting would be at noon on March 22. There being no further business, she adjourned the meeting at 1:18 p.m.


Allison Warren-Barbour (Mar 22, 2021 20:36 PDT)

Chair, Board of Commissioners

ATTEST:



Secretary