

SUNSET AUDIT REPORT

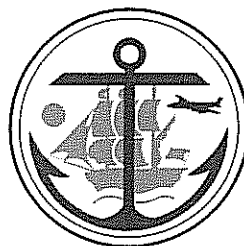
2014-S2

Housing and Neighborhood
Development Commission

Department of Health and Human Services

August 15, 2014

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Mayor Dan Sullivan

August 15, 2014

Honorable Mayor and Members of the Assembly:

I am pleased to present **Sunset Audit Report 2014-S2, Housing and Neighborhood Development Commission, Department of Health and Human Services**, for your review. A brief summary of the report is presented below.

In accordance with Assembly Ordinance Number 2011-64(S-1), Section 14, we have performed a sunset audit of the Housing and Neighborhood Development Commission. The objective of this audit was to provide information to the Mayor and Assembly to assist them in determining if the Housing and Neighborhood Development Commission should be reauthorized. Our audit included a review of meeting minutes, resolutions and agendas, and member authorization and participation.

Based on our review of meeting minutes, resolutions and attendance records, we recommend that the Housing and Neighborhood Development Commission be reauthorized.

The Housing and Neighborhood Development Commission will sunset on October 14, 2014 unless reauthorized by the Assembly.

Peter Raiskums, CIA, CFE, CGFM
Director, Internal Audit

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August 15, 2014

**Sunset Audit Report 2014-S2
Housing and Neighborhood Development Commission
Department of Health and Human Services**

Introduction. We have performed a sunset audit of the Housing and Neighborhood Development Commission (Commission) as required by Assembly Ordinance Number 2011-64(S-1), Section 14 which states:

“The Municipal Clerk shall notify the Assembly and the Mayor by assembly memorandum at least 120 days prior to the sunset of any board or commission, and an ordinance for reauthorization shall be introduced through the Assembly Chair with the assembly memorandum. The assembly memorandum shall include direction to the Office of Internal Audit to audit the board or commission under Anchorage Municipal Code section 3.20.110 D.3. and 4. The Office of Internal Audit shall report its findings to the Mayor and Assembly at least 60 days, prior to sunset, prior to vote by the Assembly on reauthorization.”

Objective and Scope. The objective of this audit was to provide information to the Mayor and Assembly to assist them in determining if the Commission should be reauthorized. Our audit included a review of meeting minutes, Commission resolutions and agendas, and Commission member authorization and participation.

The audit was conducted in accordance with generally accepted government auditing standards, except for the requirement of an external quality control review, and accordingly, included tests of accounting records and such other auditing procedures as we considered necessary in the circumstances. The audit was performed during the period of July through August 2014.

Overall Evaluation. Based on our review of meeting minutes, resolutions, and attendance records, we recommend that the Housing and Neighborhood Development Commission be reauthorized.

SUNSET FACTORS

The following factors were used in our evaluation and are presented for information to the Mayor and Assembly:

1. **Name of Commission.**

Housing and Neighborhood Development Commission

2. **Sunset Date.**

October 14, 2014

3. **The purpose and goal of the Commission.**

Anchorage Municipal Code (AMC) 4.60.260.B, Housing and neighborhood development commission, states "The purpose of this commission is to advise the mayor and the assembly on issues related to long- and short-term housing and community development needs in the municipality, and strategies to effect revitalization of lower-income and at-risk neighborhoods. The commission shall:

- 1. Review and make recommendations on the proposed allocation of all federal, state and municipal revenues targeted for housing and community development programs managed by the municipality.*
- 2. Identify and address long- and short-term housing issues in Anchorage, including strategies to stabilize and monitor the housing market, achieve a range of housing options*

for sale and for rent and cost-effective and socially responsible strategies to preserve or increase the supply of affordable housing.

3. *Advise the mayor and assembly as to policies, practices and legislation which affect housing and community development issues, neighborhood revitalization strategies, and progress related to plans and program goals.*
4. *Prioritize, in an annual action plan, strategies and activities to effect revitalization of lower-income and at-risk neighborhoods, for consideration during municipal budget cycles and in land-use decisions.*
5. *Advise the planning and zoning commission about relevant housing and community development issues and their connection with land use controls.*
6. *Participate in the development and implementation of the comprehensive plan, and the consolidated housing and community development plan by providing information and policy advice about the municipality's housing and community development needs and priorities.*
7. *Advise the mayor and assembly as to the infrastructure, facilities, transportation and public services needs of lower-income and at-risk neighborhoods.*
8. *Facilitate public participation in housing and neighborhood revitalization policies, plans, strategies and programs.*
9. *Perform such other duties as the assembly or mayor may delegate from time to time."*

4. **Have Commission members been appointed?**

AMC 4.60.260.A states "There is hereby established a housing and neighborhood development commission consisting of nine members.

1. *This commission shall include a minimum of two (2) members meeting the qualifications of Section 4.60.260 C.1. who shall serve on the Oversight Subcommittee on Homelessness as set forth in Section 4.60.260 C., and a minimum of four (4) members representing lower-income neighborhoods.*

2. *The remainder of the commission shall be composed of members who experience disabilities, and representatives of each of the following interests: the real estate industry, the banking industry, not-for-profit housing organizations, homebuilders, and residential shelter providers.*
3. *The director of health and human services or a designee selected by the mayor, shall act as executive secretary for the commission.”*

Audit Finding. Currently, the Commission is staffed with seven of the required nine members. However, the current Commission membership does not include at least two members meeting the qualifications of AMC 4.60.260.C.1 (members representative of the homeless, non-profit agencies, public safety, business, school district, government officials, the faith community, neighborhoods, or charitable organizations).

<u>Commission Member</u>	<u>Most Recent Assembly Confirmation</u>	<u>Term Expiration Date</u>
Andre Spinelli – Homebuilder/Real Estate Industry	11-8-11	10-14-14
Dewayne Harris – Represents Lower Income Neighborhoods	11-22-11	10-14-14
Margaret Evans – Persons Living with Disabilities	10-8-13	10-14-216
Tamas Deak – Real Estate Industry	11-8-11	10-14-14
Nikole Nelson - Represents Lower Income Neighborhoods	12-18-12	10-14-15
Claire Waddoup - Represents Lower Income Neighborhoods	12-18-12	10-14-15
Dean Williams - Represents Lower Income Neighborhoods	12-18-12	10-14-15
Vacant		
Vacant		

Source: Mayor’s Office

5. **Are the terms of the Commission members current?**

AMC 4.05.040, Terms, states "Except as otherwise specified in this Code, the regular term of each member of a board or commission is three years commencing on October 15 of the year in which appointed and ending three years thereafter on October 14, provided however, to avoid a vacancy until new appointments can be made and confirmed, an appointed member's term is extended until a new appointment is confirmed or a maximum of 120 days which ever occurs first. The terms of initial or subsequent appointments to a board or commission shall be staggered so that, as nearly as possible, a pro rata number of its members shall be appointed each year of the established regular term of office."

Audit Finding. The terms for the seven Commission members are current.

6. **Are positions deemed vacant after the maximum number of absences?**

AMC 4.05.060.A, Attendance requirements; vacancies, states "... a vacancy shall occur if a member during any 12-month period while in office:

1. *Is absent from three regular meetings without excuse;*
2. *Is absent from:*
 - a. *six regular meetings; or*
 - b. *eight regular meetings for members of the planning and zoning commission, platting board, or zoning board of examiners and appeals; or*
3. *Fails to attend a two-thirds majority of the regular meetings."*

Audit Finding. One member was absent from three regular meetings without an excuse within any 12 month period. The member has not been removed from the Commission.

No members were absent from six regular meetings within any 12 month period.

No members failed to attend two thirds of the regular meetings in any 12 month period from January 2013 through June 2014.

7. **Does the Commission meet regularly?**

4.05.090, Meetings, states "A board or commission shall hold regular monthly meetings at such time and place as may from time to time be designated by the board or commission, but meetings need not be held if no business is pending. Boards and commissions shall advise the public of their meeting schedules, or publicly advertise their meetings where necessitated by statutory requirements. The chairman of a board or commission, or the municipal employee who is designated as an ex officio member of the board or commission pursuant to section 4.05.140, or a majority of the board or commission, may call a special meeting of the board or commission. Meetings of all boards and commissions shall be open to the public, except for an executive session, from which the public may be excluded."

Audit Finding. From January 2013 and through June 2014, the Commission met 14 times. Meetings are publicly announced on the Commission's website and on the Municipality's Public Notices website.

8. **Are minutes taken and published?**

AMC 4.05.130, Reports, minutes and public hearing records, states "A board or commission shall keep minutes of the board or commission proceedings, and such minutes shall record the vote of each member physically present upon every question formally presented to the board or commissions for its consideration. The minutes shall be maintained in the custody of the municipal agency which supplies staff support to the board or commission and shall be a public record, open to inspection by any person."

Audit Finding. Yes, minutes were taken at each commission meeting. Department of Health and Human Services staff keeps a copy available for the public. In addition, Commission minutes are available on the Department of Health and Human Services' website.

9. Do meetings have action items or other business?

AMC 4.60.260.B Housing and neighborhood development commission, states "The purpose of this commission is to advise the mayor and the assembly on issues related to long- and short-term housing and community development needs in the municipality, and strategies to effect revitalization of lower-income and at-risk neighborhoods. The commission shall:

- 1. Review and make recommendations on the proposed allocation of all federal, state and municipal revenues targeted for housing and community development programs managed by the municipality.*
- 2. Identify and address long- and short-term housing issues in Anchorage, including strategies to stabilize and monitor the housing market, achieve a range of housing options for sale and for rent and cost-effective and socially responsible strategies to preserve or increase the supply of affordable housing.*
- 3. Advise the mayor and assembly as to policies, practices and legislation which affect housing and community development issues, neighborhood revitalization strategies, and progress related to plans and program goals.*
- 4. Prioritize, in an annual action plan, strategies and activities to effect revitalization of lower-income and at-risk neighborhoods, for consideration during municipal budget cycles and in land-use decisions.*
- 5. Advise the planning and zoning commission about relevant housing and community development issues and their connection with land use controls.*
- 6. Participate in the development and implementation of the comprehensive plan, and the consolidated housing and community development plan by providing information and policy advice about the municipality's housing and community development needs and priorities.*

7. *Advise the mayor and assembly as to the infrastructure, facilities, transportation and public services needs of lower-income and at-risk neighborhoods.*
8. *Facilitate public participation in housing and neighborhood revitalization policies, plans, strategies and programs.*
9. *Perform such other duties as the assembly or mayor may delegate from time to time.”*

Audit Finding. From January 2013 to June 2014, the Commission issued one resolution recommending submission of the Ten Year Plan on Homelessness to the Mayor and Assembly. We were unable to determine if the purposes and goals of the Commission specified in AMC 4.60.260.B were actually addressed during Commission meetings.