

INTERNAL AUDIT REPORT

2019- S7

Housing, Homeless, and Neighborhood Development
Commission

Anchorage Health Department

August 9, 2019

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Municipality of Anchorage

Ethan Berkowitz, Mayor

Internal Audit Department

August 9, 2019

Honorable Mayor and Members of the Assembly:

I am pleased to present **Sunset Audit Report 2019-S7, Housing, Homeless, and Neighborhood Development Commission, Anchorage Health Department**, 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, Homeless, 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, Homeless, 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, Homeless, and Neighborhood Development Commission be reauthorized. It should be noted that the term for one Housing, Homeless, and Neighborhood Development Commission member expired on October 14, 2016, but he continued to serve on the Housing, Homeless, and Neighborhood Development Commission. This Housing, Homeless, and Neighborhood Development Commission member was reappointed on July 23, 2019.

The Housing, Homeless, and Neighborhood Development Commission will sunset on October 14, 2019, unless reauthorized by the Assembly.

Michael Chadwick, CIA, CICA
Director, Internal Audit



Municipality of Anchorage

Ethan Berkowitz, Mayor

Internal Audit Department

August 9, 2019

**Sunset Audit Report 2019-S7
Housing, Homeless, and Neighborhood Development Commission
Anchorage Health Department**

Introduction. We have performed a sunset audit of the Housing, Homeless, 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, resolutions and agendas, and member authorization and participation.

We conducted this performance audit in accordance with generally accepted government auditing standards, except for the requirement of an external quality control review. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained

provides a reasonable basis for our findings and conclusions based on our audit objectives. The audit was performed during the period of June through July 2019.

Overall Evaluation. Based on our review of meeting minutes, resolutions, and attendance records, we recommend that the Commission be reauthorized. It should be noted that the term for one Commission member expired on October 14, 2016, but he continued to serve on the Commission. This Commission member was reappointed on July 23, 2019.

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, Homeless, and Neighborhood Development Commission

2. **Sunset Date.**

October 14, 2019

3. **The Purpose and Goal of the Commission.**

Anchorage Municipal Code (AMC) subsection 4.60.260B., Housing, homeless and neighborhood development commission, states "The purpose of this commission is to advise the mayor and assembly on issues related to long- and short-term housing, homelessness, 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. *Advise the planning and zoning commission about relevant housing and community development issues and their connection with land use controls.*
5. *Participate in the development and implementation of the housing and community development consolidated plan by providing information and policy advice about municipality's housing and community development needs and priorities.*
6. *Advise the mayor and assembly as to the infrastructure, facilities, transportation and public services needs of lower-income and at-risk neighborhoods.*
7. *Facilitate public participation in housing and neighborhood revitalization policies, plans, strategies and programs.*
8. *Coordinate with the Anchorage Continuum of Care in the development and implementation of the Anchorage plan to address homelessness.*
9. *Advise the mayor and assembly on issues related to homelessness.*
10. *Report to the mayor and assembly on the progress of the Anchorage plan to address homelessness. The report shall be presented on or before June 1 of each year and shall include recommendations for specific actions to implement the plan.*
11. *Perform such other duties as the mayor or assembly may delegate from time to time."*

4. Have Commission members been appointed?

AMC subsection 4.60.260A. states “There is hereby established a housing, homeless and neighborhood development commission consisting of nine members.

- 1. This commission shall include a minimum of four members who represent the homeless population, non-profit agencies, public safety, businesses, the school district, government officials, the faith community, lower-income neighborhoods, or charitable organizations.*
- 2. The remainder of the commission shall be composed of members who experience disabilities, and representatives of the following interests: the real estate industry, the banking industry, the multi-family development industry, non-profit housing organizations, homebuilders, or supportive housing providers.”*

Audit Finding. Currently, the Commission is staffed with six of the required nine members.

<u>Commission Member</u>	<u>Most Recent Assembly Confirmation</u>	<u>Term Expiration Date</u>
Douglas B. Lamkin* (Multi-Family Development Industry)	9-9-14	Expired 10-14-16
Noel D. Rea (Businesses)	2-27-18	10-14-19
S. Jarret Klein (Lower-Income Neighborhoods)	2-27-18	10-14-19
John Kim (Lower-Income Neighborhoods)	7-31-18	10-14-20
Chelsea Owens (Homeless Population)	7-31-18	10-14-20
Niki A. Burrows (Lower-Income Neighborhoods)	11-7-18	10-14-21
Vacant		
Vacant		
Vacant		

Source: Assembly Memorandums

*This Commission member was reappointed on July 23, 2019.

5. Are the terms of the Commission members current?

AMC section 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 five of the six Commission members are current. The term for the remaining Commission member expired on October 14, 2016, but he continued to serve on the Commission. This Commission member was reappointed on July 23, 2019.

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

AMC subsection 4.05.060A., Attendance requirements; vacancies, states “The office of a member of a board or commission member shall become vacant if the member:

- 1. Ceases to meet the qualifications prescribed for the office;*
- 2. Resigns;*
- 3. Dies;*
- 4. Is judicially determined to be incompetent;*
- 5. Is convicted of a felony;*
- 6. Is removed from office for breach of the public trust; or*
- 7. During any 12-month period while in office:*
 - a. Is absent from three regular meetings without excuse;*
 - b. Is absent from:*
 - i. Six regular meetings; or*

- ii. *Eight regular meetings for members of the planning and zoning commission, urban design commission, platting board, or zoning board of examiners and appeals; or*
- c. *Fails to attend a two-thirds majority of the regular meetings without excuse.”*

Note: Attendance requirements found in AMC subsection 4.05.060A. were amended on April 24, 2018, by Assembly Ordinance Number 2018-31, as amended and shown above. According to Assembly Counsel, this ordinance is effective prospectively. As a result, we evaluated attendance from May 2018 to the end of June 2019.

Audit Finding. No members were absent from three regular meetings without an excuse during any 12-month period from May 2018 through June 2019.

No members were absent from six regular meetings during any 12-month period from May 2018 through June 2019.

No members failed to attend two-thirds of the regular meetings without an excuse during any 12-month period from May 2018 through June 2019.

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

AMC section 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 2018 through June 2019, the Commission met 18 times. Meeting dates are publicly announced on the Commission’s website and most meetings are publicly announced on the Mayor’s Boards and Commissions Events website.

8. Are minutes taken and published?

AMC section 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. Meeting minutes were taken at each Commission meeting. Anchorage Health Department staff keeps a copy available for the public. In addition, most of the meeting minutes are available on the Commission’s website.

9. Do meetings have action items or other business?

AMC subsection 4.60.260B., Housing, homeless and neighborhood development commission, states “The purpose of this commission is to advise the mayor and assembly on issues related to long- and short-term housing, homelessness, 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.*
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 10. *Report to the mayor and assembly on the progress of the Anchorage plan to address homelessness. The report shall be presented on or before June 1 of each year and shall include recommendations for specific actions to implement the plan.*
 11. *Perform such other duties as the mayor or assembly may delegate from time to time."*

Audit Finding. From January 2018 through June 2019, the Commission issued two resolutions. One resolution supported “. . . the Nine Star agency’s job search assistance program called ‘Fighting Homelessness with The Net and Ladder’” and asked for assistance with finding funding for the program. The other resolution supported and endorsed the goals of the 2018-2021 Anchored Home Plan. Finally, AMC subsection 4.60.260B.10. requires the Commission to provide a report to the Mayor and Assembly by June 1 of each year regarding “. . . the progress of the Anchorage plan to address homelessness." No report has been provided.