



# TACOMA HOUSING AUTHORITY

## RESOLUTION 2009-2-25 (1)

**Date:** February 28, 2009  
**To:** THA Board of Commissioners  
**From:** Michael Mirra  
Executive Director  
**Re:** Conflict of Interest Plan re Potential Development with William M. Factory Small  
Business Incubator

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### Background

This resolution would devise a plan as required by THA Policy G-10, Ethics and Conflicts of Interest, § 7.10.3 to manage a potential conflict of interest. The William M. Factory Small Business Incubator is a nonprofit organization in Tacoma. It has its own Board. Its Executive Director has proposed a possible collaboration with THA to jointly redevelop the area of Tacoma around lower Portland Avenue near the Incubator's current campus (the "collaboration"). This collaboration could bring badly needed development to that part of Tacoma. The collaboration may entail a transfer of real property between the organizations, a project to develop property jointly, or THA acting as developer for the Incubator. The details are still unclear. I have not sought discussions on this matter because two of THA's Commissioners, Greg Mowat and Arthur Banks, had been serving on the Incubator's Board of Directors. They receive no pay for their service on either Board. They receive no financial benefit from the activities of either organization. They would receive nothing from any collaboration between the two organizations. Commissioner Mowat has since resigned from the Incubator board. This removes the conflict of interest pertaining to him. Commissioner Banks continues to serve on both boards. The purpose of this resolution is to eliminate that remaining conflict.

We have consulted with THA's attorney on this matter. On his advice, we conclude the following:

- the overlap of the two boards means that the collaboration between the two agencies would present a conflict of interest or an appearance of a conflict.
- this conflict or appearance of a conflict would preclude the collaboration unless we eliminate it.
- we can eliminate the conflict and the appearance of the conflict in one of two ways. **First**, the resignation of the Commissioner Banks from one of the boards would eliminate the conflict. His resignation from the THA board would allow the

collaboration after a year following the resignation. Resignation from the Incubator board would allow the collaboration right away. **Second**, Commissioner Banks may recuse himself from all THA Board deliberations and action about the collaboration and leave the room when the other commissioners discuss the matter or take action upon it. To avoid even the appearance of a conflict of interest, the Commissioner should similarly recuse and absent himself from discussions and action about the collaboration on the Incubator Board.

This resolution would address the conflict by adopting the second approach. It allows the discussion or action about the collaboration conditioned upon the recusal and absence of Commissioner Banks from discussion or action about the collaboration on either Board. The elements of the resolution would be the following:

- The resolution would constitute a public record of the disclosure of the conflict that Commissioner Banks has already acknowledged.
- It would direct the Board not to discuss the collaboration or take action on it unless Commissioner Banks recuses himself and is absent from the room whenever either the THA Board or the Incubator Board discusses the collaboration or takes action on it.

### **Recommendation**

I recommend that the Board adopt this resolution. It would allow THA and the Incubator to explore and possibly pursue the collaboration. It does this without requiring either Board to forego the service of Commissioner Banks. It would serve THA's policy that "THA staff and Commissioners, in the exercise of agency business, will seek to conduct themselves in accord with the highest ethical standards." THA G-10, Ethics and Conflicts of Interest, § 7.1.



# TACOMA HOUSING AUTHORITY

## RESOLUTION 2009-2-25(1)

### **Conflict of Interest Plan re Potential Development with William M. Factory Small Business Incubator**

A RESOLUTION of the Board of Commissioners of the Housing Authority of the City of Tacoma

**Whereas**, the William M. Factory Small Business Incubator is a private, nonprofit organization in Tacoma. Its staff proposed discussions with Tacoma Housing Authority for possible collaboration to jointly develop the area around the Incubator's campus on lower Portland Avenue in Tacoma.

**Whereas**, one of THA's commissioners, Rev. Arthur Banks, also serves on the Incubator's Board of Directors.

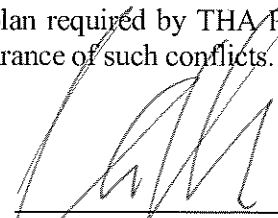
**Whereas**, this overlap of the two boards would create a conflict of interest or an appearance of a conflict should the two organizations consider or pursue such a collaboration.

**Whereas**, THA Policy G-10, Ethics and Conflicts of Interest, precludes this collaboration unless THA removes the conflict and the appearance of a conflict. One way to do this is for Commissioner Banks to recuse and absent himself from discussions and action by both boards about the collaboration.

***Resolved by the Board of Commissioners of the Housing Authority of the City of Tacoma, Washington as follows:***

1. The THA Board will not have any discussion or take any action about development collaboration between THA and the William M. Factory Small Business Incubator unless THA Commissioner Banks recuses himself from such discussion and action by both the THA Board and the Incubator Board and leaves the room when either of these boards undertakes such discussion or action.
2. The effect of this resolution shall end one year following the end of Commissioner Banks' service on the THA Board or immediately upon the end of his service on the Incubator Board.
3. This resolution shall constitute the plan required by THA Policy G-10, § 7.10.3 to address conflicts of interests or appearance of such conflicts.

Approved: February 25, 2009



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Ken Miller, Chairman