



TACOMA HOUSING AUTHORITY

RESOLUTION 2016-03-23(8)

Date: March 23, 2016
To: THA Board of Commissioners
From: Michael Mirra, Executive Director
Re: Brawner & Company, Financial Advisor Services

This resolution would authorize the executive director to increase the contract with Brawner & company for financial services from \$650,000 to \$ 1 million.

Background

Tacoma Housing Authority (THA) contracted with Brawner & Company in 2014 (Resolution 2014-12-17(1)) for financial services on real estate development projects, the Rental Assistance Demonstration (RAD) conversion and for asset management services. The initial agreement was for \$200,000. THA expended this amount on Bay Terrace Phase II and the initial RAD conversion analysis. On April 22, 2015, the Board of Commissioners by Resolution 2015-04-22(2) increased it to \$400,000. On May 27, 2015, the Board of Commissioners by Resolution 2015-05-27(7) increased it again to \$650,000. This resolution would add an additional \$350,000 to this contract for a total contract amount of \$1,000,000. This amount will cover the additional costs related to the RAD transaction and implementation, as well as other pre-development costs for other projects in 2016. THA staff anticipates that this increase will suffice through 2017. Note that THA receives reimbursement for its predevelopment costs, including much of this work with Brawner, when a project is completed.

THA needs more services from Brawner & Company for several purposes. First, THA has significantly reduced its use of financial services from other contractors, such as CSG. It has relied more exclusively on Brawner. In this way, the increase in Brawner's contract denotes a shift in work from those other contracts. Second, THA is using more of these services, largely due to RAD. RAD has been delayed several times requiring more work from staff and Brawner. For example, these delays have required us to restructure and renegotiate the RAD transaction. In addition, the scope of services has expanded to include writing THA's relocation plan and adding a financial compliance scope of work. Also, THA will use Brawner for other mixed-finance real estate projects. Brawner's performance under the contract has been satisfactory.

Recommendation

Approve Resolution 2016-03-23(8) authorizing THA's executive director to increase the amount of the Brawner & Company contract from \$650,000 to \$1,000,000.



TACOMA HOUSING AUTHORITY

RESOLUTION 2016-03-23(8) (Brawner & Company, Financial Advisor Services)

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

WHEREAS, THA's contract with Brawner and Company for financial services for real estate development projects; and

WHEREAS, that contract has a limit of \$650,000; and

WHEREAS, THA is reaching this limit and will require more services from Brawner & Company for the RAD conversion project and other development projects; and

WHEREAS, THA staff anticipates that THA will need another \$350,000 of services from Brawner & Company through 2017; and

WHEREAS, Brawner & Company's performance under the contract has been satisfactory; and

WHEREAS, THA receives reimbursement for its predevelopment costs, such as the cost of services from Brawner & Company, when projects are completed, now, therefore, be it

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

THA's Executive Director is authorized to increase the amount of the contract with Brawner & Company from \$650,000 to \$1,000,000.

Approved: March 23, 2016



Stanley Rumbaugh, Chair