



# TACOMA HOUSING AUTHORITY

## BOARD OF COMMISSIONERS MEETING MINUTES REGULAR SESSION WEDNESDAY, OCTOBER 24, 2018

The Commissioners of the Housing Authority of the City of Tacoma met in Regular Session at Dixon Village, 5420 S. Stevens, Tacoma, WA 98409 at 4:45 PM on Wednesday, October 24, 2018.

### 1. CALL TO ORDER

Chair Hodge called the meeting of the Board of Commissioners of the Housing Authority of the City of Tacoma (THA) to order at 4:50 PM.

### 2. ROLL CALL

Upon roll call, those present and absent were as follows:

PRESENT	ABSENT
<b>Commissioners</b>	
Chair Minh-Anh Hodge	
Vice Chair Derek Young (left early at 6:09 pm)	
Commissioner Arthur Banks (arrived late at 4:48 pm)	
Commissioner Stanley Rumbaugh (arrived late at 5:07 pm)	
Commissioner Shennetta Smith	
<b>Staff</b>	
Michael Mirra, Executive Director	
Sha Peterson, Executive Assistant	
April Black, Deputy Executive Director	
Ken Shalik, Finance Director	
	Toby Kaheiki, Human Resources Director
Frankie Johnson, Property Management Director	
Kathy McCormick, Real Estate Development Director	
Sandy Burgess, Administrative Services Director	
Julie LaRocque, Rental Assistance Director	
Cacey Hanauer, Client Support & Empowerment Director	

Chair Hodge declared there was a quorum present @ 4:51 and proceeded.

er or December staff hopes to present to the Board with the broad outline of the McCarver program expansion. At that time TPS superintendent and deputy superintendent will attend.

## **Rental Assistance**

Rental Assistance (RA) Director Julie LaRocque directed the board to her report. Last month the board approved two project based voucher contracts and the RA team is moving forward with this; getting contracts signed and put together. THA's landlord engagement specialist is having frequent meetings with property management companies to share the excitement about THA, and the Rental Association's regional meeting is scheduled for Friday.

Commissioner Rumbaugh inquired about the Tiki contract. ED Mirra said the contract has been submitted to the Tiki owner for review and a signed contract is expected this week. The contract contains accommodation to former Tiki residents who are currently homeless. The main uncertainty is whether the residents will be able to pass the screening criteria and pay the deposit. The owner is prepared to be flexible on other elements of the screening criteria. Commissioner Rumbaugh heard that some Tacoma Community College (TCC) students are already moving in to the Tiki apartments. ED Mirra and DED Black will meet with the TCC President to discuss staffing necessary for the program. According to ED Mirra, TCC's president expressed great support for the partnership.

Chair Hodge asked how the utilization rate compares to last month's. According to Director LaRocque, the utilization rate is up slightly and she is noticing more interest from landlords, especially after ED Mirra led a tenant protections meeting.

## **Property Management**

Property Management (PM) Director Frankie Johnson directed the board to her report. A couple of months back, she announced that Portfolio Manager Gretchen Sinkula will be leaving THA. PM is currently interviewing candidates for that position and also wrapped up their search for a maintenance lead. Director Johnson will introduce the new staff members at the November board meeting. Turn numbers are at 26 days this month and 19 days is projected for next month.

## **Real Estate Development**

Real Estate Development (RED) Director Kathy McCormick directed the board to her report. The RED team is focused on the Arlington Drive project and Director McCormick is hopeful that THA will receive documents back from the City by the end of this month. RED is also in conversations with the City on the set aside that ED Mirra was able to get for this project.

The Korean Women's Association (KWA) received funding from the City and County. The Metro Park's board unanimously voted to allow KWA to lease Portland Community Center.

There is a delay on the Alberta Canada building and RED is projecting the project to be completed by December 24, which is also the date to submit for tax credits.



The RED team is working on the planning process and showing vacant commercial property at James Center North. They are receiving great ideas on ways to activate the center. RED will need to meet with the development partners to discuss phases of the project.

## **8. OLD BUSINESS**

None.

## **9. NEW BUSINESS**

### **9.1 RESOLUTION 2018-10-24 (1) (Implementing Statutory changes to the Micro-purchases and Simplified Acquisition Thresholds)**

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

**WHEREAS**, The Housing Authority of the City of Tacoma (the "Authority") approved the update of THA's Procurement Policy (Resolution 2018-06-27 (2)); and

**WHEREAS**, In the course of revision of THA's Procurement Policy, the National Defense Authorization Acts raised the Micro-purchase and Simple Acquisition thresholds; and

**WHEREAS**, A revision to THA's Procurement Policy will implement the increases in the Micro-purchase and Simple Acquisition thresholds; now, therefore, be it

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

1. Revision to THA's Procurement Policy that increases the Micro-purchase threshold from \$3,000 to \$10,000 and raises the Simplified Acquisition threshold from \$150,000 to \$250,000.
2. This resolution shall be in full force and effective from and after its adoption and approval.

Commissioner Rumbaugh motioned to approve the resolution. Commissioner Banks seconded the motion.

AYES: 5  
NAYS: None  
Abstain: None  
Absent: None

**Motion Approved:** October 24, 2018

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Dr. Minh-Anh Hodge, Chair

**9.2 Tacoma Housing Authority 2018-10-24 (2)**  
**(Authorization to Forgive Debt of Certain Existing THA-Controlled Entities)**

A **RESOLUTION** authorizing the Authority to forgive certain loans made by the Authority to Hillside Terrace Phase I Limited Partnership, Hillside Terrace Phase II Limited Partnership, Salishan One LLC, Salishan Two LLC, and Salishan Three, LLC; and providing for other matters properly related thereto.

**WHEREAS**, The Housing Authority of the City of Tacoma (the “Authority”) seeks to encourage the provision of long-term housing for low-income persons residing within the City of Tacoma, Washington (the “City”); and

**WHEREAS**, RCW 35.82.070 authorizes the Authority, among other things, to “prepare, carry out, acquire, lease and operate housing projects,” to “provide for the construction, reconstruction, improvement, alteration or repair of any housing project or any part thereof,” to “lease or rent any dwellings . . . buildings, structures or facilities embraced in any housing project,” and to lend money to aid in the development of housing projects; and

**WHEREAS**, The Authority is the sole general partner or managing member of, Hillside Terrace Phase I Limited Partnership, Hillside Terrace Phase II Limited Partnership, Salishan One LLC, Salishan Two LLC and Salishan Three LLC (each, a “LIHTC Entity”), and Tacoma Housing Development Group (“THDG”) is the sole limited partner or investor member of each LIHTC Entity; and

**WHEREAS**, The LIHTC Entities developed and operate the affordable rental housing properties in the City commonly known as Hillside I, Hillside II, Salishan One, Salishan Two and Salishan Three (collectively, the “Properties”); and

**WHEREAS**, The Authority has loans to the LIHTC Entities outstanding in the amounts of \$2,069,212 (Hillside Terrace Phase I), \$442,994 (Hillside Terrace Phase II), \$2,381,557 (Salishan One-Loan A), \$750,000 (Salishan One-Loan B), \$629,910 (Salishan One-AHP Loan), \$1,328,845 (Salishan Two-Loan A), \$400,000 (Salishan Two-Loan B), \$629,910 (Salishan Two-AHP Loan), \$3,868,514 (Salishan Three-Loan A), and \$629,910 (Salishan Three-AHP) (collectively, the “THA Loans”); and

**WHEREAS**, The sources of funds for the THA Loans were grants and/or program income received by the Authority that was required to be used to fund improvements at the Properties; and

**WHEREAS**, The Authority has outstanding “operating” or “partner” loans that it made to Hillside Terrace Phase I Limited Partnership and Hillside Terrace Phase II Limited Partnership pursuant to the terms of the partnership agreements for such LIHTC Entities (the “Operating Loans”); and

**WHEREAS**, Generally accepted accounting principles, as applicable to the Authority, require that each of the LIHTC Entities be financially consolidated with the Authority and that each of the THA Loans, Operating Loans and related interest be disregarded for financial reporting purposes; and

**WHEREAS**, To reduce the costs of operating the Properties, and aid the poor and infirm, the Authority finds and determines that it is desirable to forgive the THA Loans and the Operating Loans, including the related interest; now, therefore, be it

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

1. The Authority is authorized to forgive each of the THA Loans and the Operating Loans, as well as any unpaid interest to such loans. The Authority's Executive Director and Deputy Executive Director (each, an "Authorized Officer" and, collectively, the "Authorized Officers"), and each of them acting alone, are authorized on behalf of the Authority and each LIHTC Entity to (i) execute, deliver and file (or cause to be executed, delivered and filed), to the extent required by law, such agreements, certificates, documents and instruments as are necessary or appropriate in each Authorized Officer's discretion to give effect to this resolution and to consummate such acquisition; and (ii) take any other action that each Authorized Officer deems necessary and advisable to give effect to this resolution and consummate the transactions contemplated herein; *provided, however*, no regulatory agreement between THA and an LIHTC Entity shall be released in connection with the forgiveness of the THA Loans.
2. The Authority is authorized to amend and restate the partnership agreement or operating agreement, as applicable, for each LIHTC Entity. The Authorized Officers, and each of them acting alone, are authorized on behalf of the Authority to determine the form of any such amended and restated partnership agreement or operating agreement, and to execute and deliver such agreements.
3. The Authority's Executive Director and his designees are authorized to cause each LIHTC Entity to liquidate any reserves that the Executive Director or his designees determine are not required by the U.S. Department of Housing and Urban Development or by a lender.
4. Any actions of the Authority or its officers prior to the date hereof and consistent with the terms of this resolution are ratified and confirmed.
5. This resolution shall be in full force and effect from and after its adoption and approval.

**Comments:** Commissioner Rumbaugh wondered how these loans have been carried on THA books. According to Director Shalik, the loans show as receivable and payable, basically a wash. When the loans were originally set-up, they were never intended to be paid. This resolution will help Salishan funds come back unrestricted and increase equity of the property.

Vice Chair Young motioned to approve the resolution. Commissioner Banks seconded the motion.

Upon roll call, the vote was as follows:

AYES: 5  
 NAYS: None  
 Abstain: None  
 Absent: None

**Motion Approved:** October 24, 2018

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 Dr. Minh-Anh Hodge, Chair

**9.3 RESOLUTION 2018-10-24 (3)  
 (Proposed Revisions to Tacoma Housing Authority’s Administrative Plan  
 and Continued Occupancy Plan re: Waiting List Management)**

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

**WHEREAS**, The Administrative Plan relates to the administration of the Housing Choice Voucher program and is required by HUD; and

**WHEREAS**, The Admissions and Continued Occupancy Plan (ACOP) relates to the administration of the Public Housing program and is required by HUD; and

**WHEREAS**, The Administrative Plan and ACOP establish policies for carrying out programs in a manner consistent with HUD requirements and local goals and objectives contained in THA’s Moving to Work plan; and

**WHEREAS**, Changes to the Administrative Plan and ACOP must be approved by THA Board of Commissioners; now, therefore, be it

***Resolved by the Board of Commissioners of the Housing Authority of the City Of Tacoma, Washington, that:***

Staff is authorized to adopt the following updates to the Administrative Plan to reflect the proposed policy changes.

<b>Policy / Process Proposal</b>	<b>Applicable THA Policy Requiring Revision</b>
Continue to use THA’s property waiting lists	No changes to Administrative Plan or ACOP
Remove property selection option	No changes to Administrative Plan or ACOP
Continue consolidated (combined) waiting list for the portfolio and the HOP Program	No changes to Administrative Plan or ACOP
Require applicants to check in quarterly (This requirement will begin when THA can send them reminders at appropriate intervals and when the online portal is	<u>Admin Plan</u> 4-II.F. “Updating the Waiting List” “Remove from Waiting List”



<p>active and staff have decided it is ready for client use)</p>	<p>Remove if household fails to check in once a quarter according to the calendar year.</p> <p><u>ACOP</u></p> <p>4-II.F. "Updating the Waiting List" "Purging the Waiting List"</p> <p>Remove if household fails to check in once a quarter according to the calendar year.</p>
<p>Refine the definition of "housed" and remove THA "housed" households from THA waiting list when their name comes to the top.</p>	<p><u>Admin Plan</u></p> <p>4.II.F. "Removal from the Waiting List"</p> <p>Remove if already housed by THA through a housing subsidy or in a unit subsidized by THA at the time they are eligible for an offer (even if housed in a property they did not originally apply for).</p> <p><u>ACOP</u></p> <p>4.II.F. "Removal from the Waiting List"</p> <p>Remove if already housed by THA through a housing subsidy or in a unit subsidized by THA at the time they are eligible for an offer (even if housed in a property they did not originally apply for).</p> <p>5-II.A. "Overview"</p> <p>PHA will offer the first available unit(s) based on eligible bedroom size only if the household is not already housed by THA in a unit or through a housing subsidy.</p>
<p>Limit and redefine "Good Cause" to decline a unit</p>	<p><u>ACOP</u></p> <p>5-II.A. "Overview"</p> <p>PHA will offer the first available unit based on eligible bedroom size.</p> <p>5-II.B. "Number of Offers"</p> <p>PHA will remove an applicant from the wait list who without good cause declines an offer or a unit or the voucher. If the applicant declines the first offered unit offer for "good cause", they can stay on the waiting</p>

without penalty. For check-in, Commissioner Rumbaugh mentioned that there is an indication that sending text or robo calls prior to meetings helps and he wondered if THA has given this some thought. Yes, according to DED Black, but there is still quite a bit of work to do. This requirement will not be commence without the ability to send reminders according to ED Mirra. DED Black acknowledged and thanked Department Manager Karen Bunce for her work on this project.

Commissioner Banks motioned to approve the resolution. Commissioner Rumbaugh seconded the motion.

Upon roll call, the vote was as follows:

AYES: 5  
NAYS: None  
Abstain: None  
Absent: None

**Motion Approved:** October 24, 2018

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Dr. Minh-Anh Hodge, Chair

**9.4 RESOLUTION 2018-10-24 (4)  
(THA's Hilltop Parcels Use of Restricted Funds)**

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

**WHEREAS**, On November 1, 2014, THA received a letter from HUD approving the sale of 7.489 acres in Salishan Area 2B to DR Horton for the price of \$3268,000; and

**WHEREAS**, On June 8, 2016, THA received a letter from HUD approving the sale of 16.19 acres in Salishan to DR Horton for the price of \$295,000; and

**WHEREAS**, The total net proceeds and bank interest for these funds currently equals \$3,441,676; and

**WHEREAS**, On July 3, 2018, Tacoma Housing Authority (THA) staff issued a Request for Qualifications (RFQ) from firms interested in providing architectural and engineering services for the redevelopment of THA's Hilltop Parcels; and

**WHEREAS**, THA staff expect to use \$1,440,000 for predevelopment and development costs associated with the Hilltop; and

**WHEREAS**, HUD restricts the use of these funds to increase affordable housing through Project Based Vouchers and requires HUD approval to use the funds; and

**WHEREAS**, At least seven (7) of the resulting units must be dedicated to the creation of affordable housing with Project Based Vouchers and/or Public Housing units; and

**WHEREAS**, THA staff expect to be able to meet this requirement with the resulting development; now, therefore, be it



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

Apply to HUD for permission to use \$1,440,000 of restricted funds for the use of predevelopment and development of THA's Hilltop Parcels for at least seven (7) units dedicated to affordable housing.

Commissioner Banks motioned to approve the resolution. Commissioner Rumbaugh seconded the motion.

Upon roll call, the vote was as follows:

AYES: 5  
NAYS: None  
Abstain: None  
Absent: None

**Motion Approved:** October 24, 2018

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Dr. Minh-Anh Hodge, Chair

**9.5 RESOLUTION 2018-10-24 (5)  
(THA's 1800 Hillside Terrace Use of Restricted Funds)**

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

**WHEREAS**, On November 1, 2014, THA received a letter from HUD approving the sale of 7.489 acres in Salishan to DR Horton for the price of \$3268,000; and

**WHEREAS**, On June 8, 2016, THA received a letter from HUD approving the sale of 16.19 acres in Salishan to DR Horton for the price of \$295,000; and

**WHEREAS**, The total net proceeds and bank interest for these funds currently equals \$3,441,676; and

**WHEREAS**, On March 22, 2018, Tacoma Housing Authority (THA) Staff issued a Request for Qualifications (RFQ) from firms interested in providing architectural and engineering services for the redevelopment of THA's 1800 Hillside project; and

**WHEREAS**, THA staff expect to use \$2,000,000 for predevelopment and development costs associated with the Hilltop; and

**WHEREAS**, HUD restricts the use of these funds to increase affordable housing through Project Based Vouchers and requires HUD approval to use the funds; and

**WHEREAS**, At least nine (9) of the resulting units must be dedicated to the creation of affordable housing with Project Based Vouchers and/or Public Housing units; and

**WHEREAS**, THA staff expect to be able to meet this requirement with the resulting development; now, therefore, be it

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

Apply to HUD for permission to use \$2,000,000 of restricted funds for the use of predevelopment and development of THA's 1800 Hillside Terrace project for at least nine (9) units dedicated to affordable housing.

Commissioner Banks motioned to approve the resolution. Vice Chair Young seconded the motion.

Upon roll call, the vote was as follows:

AYES: 5  
NAYS: None  
Abstain: None  
Absent: None

**Motion Approved:** October 24, 2018

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Dr. Minh-Anh Hodge, Chair

**9. COMMENTS FROM COMMISSIONERS**

A couple of weeks ago, ED Mirra invited Chair Hodge to an Urban League event and she commented how great the event was in terms of opportunity for people to come together and recognize an organization that has done so much for the community.

Commissioner Rumbaugh just came back from Washington, D.C. for the CLPHA meeting and mentioned a couple of good meetings with Congressional staff where he heard some news about the 2019 budget.

Commissioner Smith also attended the CLPHA meeting and she felt really proud to stand between ED Mirra and Commissioner Rumbaugh, both of whom she considers very wise. She added that it was an honor to represent THA at the meeting.

Commissioner Banks attended the Eastside Community Center Ribbon Cutting and noted how great the event was.

**10. EXECUTIVE SESSION**

None.

**11. ADJOURNMENT**

There being no further business to conduct the meeting ended at 6:11 PM.

**APPROVED AS CORRECT**

**Adopted:** November 14, 2018

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Dr. Minh-Anh Hodge, Chair