



TACOMA HOUSING AUTHORITY

BOARD OF COMMISSIONERS MEETING MINUTES REGULAR SESSION WEDNESDAY, JANUARY 23, 2019

The Commissioners of the Housing Authority of the City of Tacoma met in Regular Session at 3201 S. Fawcett Street, Tacoma, WA 98418 at 4:45 PM on Wednesday, January 23, 2019.

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
Commissioners	
Chair Minh-Anh Hodge	
Vice Chair Derek Young	
	Commissioner Arthur Banks
Commissioner Stanley Rumbaugh (arrived late at 5:01 pm)	
Commissioner Shennetta Smith	
Staff	
Michael Mirra, Executive Director	
Sha Peterson, Executive Administrator	
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 pm and proceeded.

3. APPROVAL OF MINUTES OF THE PREVIOUS MEETING

Chair Hodge asked for any corrections to, or discussion of the minutes for the Regular Session of the Board of Commissioners for Wednesday, December 12, 2018. Vice Chair Young moved to adopt the minutes; Commissioner Smith seconded.

Upon roll call, the vote was as follows:

AYES: 3
NAYS: None
Abstain: None
Absent: 2 (Commissioners Banks and Rumbaugh were not in attendance)

Motion approved.

4. GUEST COMMENTS

Janice Robinson, Fawcett Tenant

Ms. Robinson congratulated Tacoma Housing Authority for helping the University of Washington (UW) students with their housing crisis. (She is a UW alumna.) Her friend became homeless so she knows the challenges faced by students.

Kischa McGee, Salishan Tenant

Ms. McGee lives on the corner of 44th and R Street. According to her, it gets really dark behind her house, a safety concern especially to those walking. She asked if Tacoma Housing Authority (THA) can install lights. Property Management Director Johnson knows the area and agrees that it does get dark at times. She will get together with Ms. McGee after the board meeting.

Ms. McGee also informed the board that although she knows that THA offices are closed on Wednesdays, she feels that staff should make time to talk to tenants about their concerns. She feels there aren't enough maintenance staff to complete work orders, especially for leaks. She is asking for more communication regarding tenant work orders. Director Johnson will discuss that as well with Ms. McGee.

5. COMMITTEE REPORTS

Real Estate Development Committee—Commissioner Rumbaugh

Commissioner Rumbaugh was not yet in attendance.

Finance Committee—Chair Hodge and Vice Chair Young

Nothing to report.

Education Committee—Chair Hodge

Nothing to report.

Citizen Oversight Committee—Commissioner Banks

Commissioner Banks was not in attendance.

6. COMMENTS FROM THE EXECUTIVE DIRECTOR

Executive Director (ED) Michael Mirra directed the board to his report. The government's shutdown is scheduled to resume on February 15th. ED Mirra's report includes a proposal on how THA will manage the shutdown if it does resume. THA devised this proposal with the help and advice of its Landlord Advisory Group. He presented the proposal as follows:

ED Mirra provided the board some facts:

- THA requires between \$4.6M and \$5M a month for routine operations.
- THA is fully funded by Housing and Urban Development (HUD) for February.
- THA has \$22M in reserves but only \$6.8M is available to carry THA through the shutdown. THA also has a \$2M line of credit.
- \$2.8M pays landlords for Housing Assistance Program (HAP) payments, which is the biggest expense.
- Under THA's contracts with landlords, THA's failure to pay its share of the rent does not permit them to terminate a client's fixed-term tenancy.
- THA's landlords rely on THA's regular payment of rent; many of them are smaller landlords who cannot weather suspension of rent payments.

ED Mirra discussed THA's proposal for the Board to consider and approve:

- Authorize THA to spend \$6.8M of unrestricted reserves for operations in March 2019, should the government shutdown extend until then.
- If the government is still shut down on February 15th and THA cannot judge if the shutdown will end by February 28, THA will send a communication to clients, staff, its unions, landlords, contractors, community partners, and the media, informing them that THA is funded through February.
- The communication will also state that if in February THA cannot tell how long the shutdown will go, that it will start 50% HAP payments in March and give landlords an IOU for the missed payments. THA will tell people that the proposal comes to THA from the Landlord Advisory Group.
- THA will devise a plan on curtailing expenditures in anticipation of the shutdown lasting into April. The plan will be presented to the board at its February 27 meeting.

Commissioner Rumbaugh moved to approve THA's plan to reduce HAP payments to 50% in March and give landlords IOU for when THA receives its funding. Vice Chair Young seconded. The plan was approved unanimously.

7. ADMINISTRATIVE REPORTS

Finance

Finance Department (FD) Director Ken Shalik directed the board to the finance report. Finance is in the middle of closing books and everything is going well. Director Shalik will discuss the continued government shutdown later in the meeting. The Cash Balance report shows a \$14.5M in restricted reserves, \$8.5M for redevelopment of affordable

housing, which cannot be touched, and \$2.5M buyout for BFIM investment that will be in place until 2021. This leaves \$6.8M of unencumbered funds, and if the shutdown continues, will be used to carry THA through.

Commissioner Smith moved to ratify the payment of cash disbursements totaling \$5,611,723 for the month of December 2018. Vice Chair Young seconded.

Upon roll call, the vote was as follows:

AYES:	4
NAYS:	None
Abstain:	None
Absent:	1

Motion Approved.

Client Support and Empowerment

Client Support and Empowerment (CSE) Director Cacey Hanauer directed the board to her report. She recounted the discussions with legislators seeking the appropriations that Arlington will need. The Arlington launch on January 4th was a really great event. There are a lot of continued positive feedback, testament to the good work by Adam Ydstie. CSE is working to collaborate with other agencies to improve systems.

Rental Assistance

Rental Assistance (RA) Director Julie LaRocque directed the board to her report. Highland Flats completed the renovation of ten more units that will be leased up soon; THA is expecting more every couple of weeks. The voucher utilization report shows that THA is doing well.

RA added a shoppers chart on the report, which breaks down shoppers by program and average days. It also shows a lot of people shopping for Housing Opportunity Program (HOP) and how long it takes to get people leased up. Last year THA merged HOP and site-based waiting lists to prevent people from waiting too long to get housed. The report not only shows 61 people newly housed, but also shows where everyone is and what happened to them. Commissioner Rumbaugh inquired about the special programs rate for Tacoma Community College (TCC), specifically the 2/3 under utilized. According to Director LaRocque THA set aside units for the program but people are finding it hard to lease up. TCC is opening the waiting list again to get a new list of shoppers and she is hoping this will help. Some TCC students are going to Highland Flats. RA is trying to be creative and are thinking of possible shared housing. CSE and TCC are helping people with this. At a recent meeting, THA wanted to see if TCC's Foundation and other agencies can assist students with security costs because unless they can afford rent, the voucher will not be sufficient.

The board had already approved another \$500K to supplement the rental subsidy for HOP people and Director LaRocque was asked if THA has used it yet. She said it has not been used yet. ED Mirra thinks now is the time. ED Mirra wanted to know if

students are being housed at Highland Crest or Outrigger. Yes, responded Director Burgess, but she isn't sure how many.

Property Management

Property Management (PM) Director Frankie Johnson directed the board to her report. Due to lost staff hours, turn days this month is 27. PM completed 545 work orders in December. There is a slow down in work orders at Salishan because staff are preparing for REAC for Sals 1, 3, and 4. Commissioner Rumbaugh asked if there is a differentiation in data that would account for exceptional work orders requiring a lot of time and parts to be ordered. He wanted to know if the length of time it takes to complete work orders are tracked; some may take longer because of the nature of the work. According to Director Johnson, work orders are categorized as emergency (completed within 24 hours), urgent (addressed within 72 hours), and routine (addressed within 10 days). Director Johnson will provide additional information at the next board meeting.

Director Johnson's report includes a full description of the Water Heater Project for Sal 1. THA was the test case for this collaboration with Tacoma Public Utilities (TPU) and Bonneville Power Administration (BPA). THA received a portion of the rebate and will receive a check for \$19K next week, totaling just under \$25K for the project. Tenants did not notice any difference. Director Johnson is hoping that BPA and TPU will try this again at the other Sals.

Director Johnson introduced PM's new Portfolio Manager Jamila Saidi.

Real Estate Development

Real Estate Development (RED) Director Kathy McCormick directed the board to her report. RED is planning to have Ankrom present in March regarding James Center.

She reported that Troy Christensen is no longer with the Korean Women's Association (KWA). She explained that THA is trying to understand the reason for the change in leadership at KWA and what it means for the contemplated THA-KWA collaboration at Hillside Heights. For this purpose, she and ED Mirra will meet with KWA's Board Chair.

Commissioner Rumbaugh noted that he has been receiving unsolicited very positive comments universally regarding the Arlington celebration. Director McCormick said that staff will present a resolution in February to approve the Arlington Drive lender and investor. Due to the government shutdown, THA may have problems accessing CDBG funds from the City and County. The project could be delayed because there are no Housing and Urban Development (HUD) staff to review the disposition application for Arlington Drive and G Street.

The 1800 Hillside Project will have 20% of its units (13 units) for homeless persons and 20% for people with disability. THA is going to the City to request funding for services. Commissioner Rumbaugh asked if THA considered tiny houses that are permanent housing. Director McCormick said that she was hesitant to invest in tiny homes because

150-200 units in one location will be too many in one place. THA is already pushing the limit at Arlington with 58 units. According to Commissioner Smith, Tacoma School District Commissioner Ushka is also working with something similar with students from Lincoln and Stadium High Schools. RED is looking at construction techniques—panelist systems, reuse containers for fast housing for homeless. Commissioner Rumbaugh thinks this is an idea worth exploring. Director McCormick will provide an update in April or May.

The Department of Ecology provided THA with a no-action letter for Wright Street. RED staff asked RBC to close out this project even though all the work has not been completed. RBC is open to this and open to providing THA all equity and developer fee. RBC has been a good partner throughout this process, according to Director McCormick. The project will be wrapped up by the end of March.

Human Resources

Human Resources (HR) Director Toby Kaheiki directed the board to his report. THA recently transitioned to a new healthcare program under the Public Employees Benefit Board (PEBB). After the first year, THA only experienced 1.8% increase to its medical coverage rates, which typically increases by 10%. HR worked with finance to ensure THA is prepared for the changes in compliance with the new Washington State Paid Family Leave law. Staff can start utilizing the medical leave in 2020. Total premium cost is .4%, 2/3 of which is paid by the employee.

Director Kaheiki's report includes information regarding THA staff demographic. Chair Hodge is intrigued by the breakdown with the ethnicity of THA staff; every single category for minority group decreased from the previous year. She asked if THA collects ethnicity of tenants—she is curious to see the comparison between staff and tenants. Tacoma Public Schools reflects the diversity of staff and students. Director Kaheiki will acquire the data. ED Mirra commented that there are more persons of color among THA clients than staff; he asked that Director Kaheiki show a chart to display the comparison. Vice Chair Young would like to see real numbers vs. percentages.

8. OLD BUSINESS

None.

9. NEW BUSINESS

9.1 RESOLUTION 2019-01-23 (1) (Approval to Submit a Disposition Application to HUD for the Sale of the Arlington Land to Arlington Youth Campus LLLP)

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") seeks to encourage the provision of long term housing for low income persons residing in the City of Tacoma, Washington (the "City"); and

WHEREAS, The development of the Arlington Youth Campus will result in the building of a community to support youth and young adults experiencing homelessness; and

WHEREAS, The development will include new rental apartment units, new infrastructure and new community facilities and allow for future development on the remaining property; and

WHEREAS, Ownership of the land for the apartments will be converted via a long-term lease from Tacoma Housing Authority to a tax credit ownership entity, Arlington Youth Campus LLLP; and

WHEREAS, The development of the Arlington Youth Campus Apartments and disposition of the land will result in additional affordable rental units and benefit low and very low income young adults, experiencing homelessness; and

WHEREAS, Housing for homeless has been identified as a priority by the City of Tacoma; and

WHEREAS, There is a continuing need for affordable housing within the City of Tacoma as identified in the City's consolidated plan; 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 and directed to complete and submit the disposition application for the Arlington Youth Campus and upon approval by HUD, initiate development activities.

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

AYES: 4
NAYS: None
Abstain: None
Absent: 1

Motion Approved: January 23, 2019

Dr. Minh-Anh Hodge, Chair

**9.2 RESOLUTION 2019-01-23 (2)
(Approval of Property Based Subsidy Contract)**

WHEREAS, Tacoma Housing Authority (THA) has held a competitive process for property-based subsidies;

WHEREAS, CWD Investments was the highest scoring respondent and will be awarded subsidies for nineteen (19) units; and

WHEREAS, The effective date of each contract will be up to the discretion of the Executive Director; and

WHEREAS, Each contract will be negotiated with the property and will be in effect for up to seven (7) years; now, therefore, be it

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

THA's Executive Director is authorized to negotiate, and if those negotiations are successful, to execute a Property Based Subsidy payment contract with CWD Investments based on the terms set forth in the resolution memo.

Comments: According to DED Black, the owner is offering the units first to those with no vouchers. Commissioner Rumbaugh wanted to know what would happen if there are units that are dilapidated but the people do not qualify for assistance. DED Black responded that THA will need to be creative with its proposal. ED Mirra added how this will be a notable addition to the Tacoma Community College portfolio.

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

AYES: 4
NAYS: None
Abstain: None
Absent: 1

Motion Approved: January 23, 2019

Dr. Minh-Anh Hodge, Chair

9. COMMENTS FROM COMMISSIONERS

- Commissioner Rumbaugh repeated what a great outcome the Arlington Drive event had. ED Mirra thanked Commissioner Rumbaugh for his great speech.
- Commissioner Smith thanked THA staff for their plan during the shutdown.
- ED Mirra shared his recent discussion with a barista at a coffee shop. The barista asked him where he worked. When she found out he worked at THA, she informed him that she just moved in to Highland Flats. She is a full time TCC student who didn't have a place to live for the last four months. She said Highland Flats saved her and it has been the best thing that has happened to her in a long time.

10. EXECUTIVE SESSION

None.

11. ADJOURNMENT

There being no further business to conduct the meeting ended at 6:34 PM.

APPROVED AS CORRECT

Adopted: February 27, 2019


Dr. Minh-Anh Hodge, Chair