



TACOMA HOUSING AUTHORITY

BOARD OF COMMISSIONERS MEETING MINUTES REGULAR SESSION WEDNESDAY, MARCH 27, 2019

The Commissioners of the Housing Authority of the City of Tacoma met in Regular Session at Bay Terrace, 2550 South G. Street, Tacoma, WA 98405 at 4:45 PM on Wednesday, March 27, 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 4:53 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 (arrived late at 5:00 pm)	
Commissioner Stanley Rumbaugh (arrived late at 5:05 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 @ 4:54, and proceeded.

3. APPROVAL OF MINUTES OF THE PREVIOUS MEETING

Chair Hodge asked for any corrections to, or discussion of minutes for the Regular Session of the Board of Commissioners for Wednesday, February 27, 2019. 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 Rumbaugh and Banks were not yet in attendance)

Motion approved.

Chair Hodge asked for any corrections to or discussion of minutes for the Special Session of the Board of Commissioners for Friday, March 15, 2019. 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 Rumbaugh and Banks were not yet in attendance)

Motion approved.

4. GUEST COMMENTS

Will Grimm
Ankrom Moisan Architects

Director McCormick introduced Will Grimm with Ankrom Moisan Architects. She also acknowledged Project Managers Joshua Jorgensen and Roberta Schur, who have been performing all the work associated with the James Center North project. THA acquired James Center because it was an underutilized retail center in a transit-oriented zone, across the street from Tacoma Community College. THA houses or pays to house TCC students who are homeless or near homeless. James Center is a location for this housing. THA also wanted to increase its presence on the west side of Tacoma. James Center North will be a transit-oriented development with high density housing serving a range of incomes. It will also have a mix of uses, both commercial and community. The RED team will host activities at James Center over the summer. James Center North's retail space is currently at 86% occupancy.

According to Grimm, there have been two open houses, advisory group meetings, and a series of meetings with local and regional developers to get an idea on the value of the property and to understand and design what is authentically west Tacoma. Commissioner Rumbaugh asked how many people attended the community charrettes. Grimm said about 20 showed up the first time and about double the next time because THA was showing design. Vice Chair Young inquired about feedback from the doctor's office. Jorgensen said the comments have been positive. Commissioner Rumbaugh asked about on-site storm water. Grimm said the design will likely include with a series of bio-swales. The team will also talk to the City about a regional storm water facility. The City has not confirmed if that is possible, but they want it because it reduces cost and burden on development. Landscape is a really big deal and the team talked to Metro Parks about a community park. Commissioner Rumbaugh asked about rooftop gardens and a bridge to cross Mildred Street. Grimm responded that there are rooftop gardens. They have looked into Mildred and there are a lot of things that can be done, including a bridge. Vice Chair Young asked if there is activation for the buildings facing Mildred. According to Grimm, the intent is to activate both sides of Mildred. Director McCormick added that staff want to make sure minority-owned businesses stay successful. RED will be coming back to the board with recommendations regarding phasing. Commissioner Rumbaugh asked if phasing would be complete before groundbreaking. Director McCormick said RED is looking at a development phasing schedule that is 5-10 years. ED Mirra asked how many phases can be built without disrupting any leases. The first two phases, responded Director McCormick.

5. COMMITTEE REPORTS

Real Estate Development Committee—Commissioner Rumbaugh

Commissioner Rumbaugh reported what we learned at the recent CLPHA meeting in Washington, D.C... He reported that the 2020 budget proposed by the Trump administration cuts the HUD budget by 16%. The bigger concern arises if Congress does not raise the sequestration budget caps. In that case, the present cap would trigger. It would govern any continuing resolution in the absence of a real budget. Under those lower caps, THA would experience a 17% cut. He conveyed the view of the congressional delegation that this is unlikely. Commissioner Rumbaugh noted THA's reputation nationally for its good work. He thanked THA staff.

Finance Committee—Chair Hodge and Vice Chair Young

Nothing to report.

Education Committee—Chair Hodge

Nothing to report.

Citizen Oversight Committee—Commissioner Banks

Nothing to report.

6. COMMENTS FROM THE EXECUTIVE DIRECTOR

Executive Director (ED) Michael Mirra had nothing more to add to the report he provided to the Board.

7. ADMINISTRATIVE REPORTS

Finance

Finance Department (FD) Director Ken Shalik directed the board to the finance report. THA currently has \$20M in cash. While that may seem like a lot, he reminded the Board that much of it is restricted in uses. Unrestricted reserves total \$5.6M. THA is preparing to close on Arlington and 1800 Hillside in the next couple of months. According to Director Shalik, THA is in good financial position and there are no issues for 2019. THA is anticipating being able to close on Tacoma Rental Assistance Demonstration (RAD). THA will receive more cash at that time for the last developer fee and cash flow since THA closed in 2016.

Vice Chair Young moved to ratify the payment of cash disbursements totaling \$4,497,170 for the month of February 2019. Commissioner Smith seconded.

Upon roll call, the vote was as follows:

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

Motion Approved.

Administrative Services

Administrative Services (AS) Director Sandy Burgess directed the board to her report. Property Management and Asset Management are working together to reduce Per Unit Per Year (PUPY). The actual PUPY is provided on the report. The Chart shows that in most cases for 2018, THA still might not be hitting its budget but the discrepancy is going down. The team will focus on what those expenses are and their impact on THA's ability to develop and borrow.

Chart 2 shows cash flow, and in most cases THA is cash flowing better than budgeted. Vice Chair Young stated that the chart shows a shopping list of expenses that might be excessive and asked if there are any that stood out. According to Director Burgess, the dues that THA pays to the Salishan community association is \$1,200 per unit per year. She also listed the expense of unit-turns. The issue is that THA has high standards and whether THA can afford them. Another expense is security. When THA has a security issue in a building, it puts in additional security. That too shows our high standards.

Risk Management staff are focused on workshops and trainings at the request of staff and issues with portfolio, including elevator outages. Trauma and mental health trainings

have been provided. An Incident Report Group and Safety and Security Task Force have been formed in response to situations in the community that are impacting the agency.

An Insurance Claims Report is included in the AS report, which shows that THA is trending to have fewer incidents; there have been only two for 2019. No fire or water insurance claims this year, which were big issues last year. Risk Management is doing everything to prevent high cost claims.

Client Support and Empowerment

Client Support and Empowerment (CSE) Director Cacey Hanauer directed the board to her report. CSE hired current THA staff person Kendra Peischel to oversee data for CSE. CSE also hired Martha Matthias as the community builder focusing on senior disabled properties. Director Hanauer reported the budget news from the state legislative session. The state and house capital budgets include \$800,000 for Arlington. The state House operations budget is published. It includes \$1.2 million for Arlington Drive's services. The Senate operations budget will be out soon. ED Mirra said there are a lot of people to thank. He asked that commissioners thank the legislators if they are in a position to do so, in particular Sen. Darneille, Sen. Zeiger, Rep. Chopp, Rep. Jenkins, and Rep. Fey.

Rental Assistance

Rental Assistance (RA) Director Julie LaRocque directed the board to her report. RA staff continue to meet with special program partners regarding issues with utilization, most recently with the Department of Social and Health Services (DSHS). Veterans Affairs (VA) have set a goal to have all of their vouchers in use by the end of May. The RA team will keep a close eye on that. Director LaRocque recently had a meeting with Tacoma Community College, so they should have more students leased up. Commissioner Rumbaugh asked why there is tension with the VA when there should be enough homeless vets out there. According to Director LaRocque, the VA did not have enough case managers to identify and refer veterans. Commissioner Rumbaugh asked what Director LaRocque perceives as the path forward. According to Director LaRocque, the RA team will meet with the VA every other week for updates.

Highland Flats should be finished by late April. Vice Chair Young asked for an update on the 15 vouchers assigned to the Olympus Hotel. The data show that three remained unused. According to Director LaRocque, THA it will take them a while to use all the vouchers as vacancies. The same will be true for Realto Apartments. Commissioner Rumbaugh noted the increase in utilization rates and asked if it has improved with market changes. Director LaRocque said there have been minimal changes on the market. She sees signs that things are getting better, but does not see rents going down.

Property Management

Property Management (PM) Director Frankie Johnson directed the board to her report. PM is still missing their unit turn goal of 20 days but are trending in the right direction with 47 days this month. The PM team has been putting a lot of emphasis on turn work as it relates to PUPY cost. PM has brought a lot of services in house that used to be contracted out. During this period, there has been an increase in work orders because properties were preparing for the REAC inspections. REAC scores were amazing and positive. Commissioner Rumbaugh asked for the average work orders. Director Johnson said at the end of last year, there were 4,500, and it is up for this quarter due to REAC. Commissioner Rumbaugh asked if this indicates that turn rate numbers are trending down and if it is anticipated to continue. Director Johnson believes that the May report will be good. Vice Chair Young asked if it will be going back up again in December. Director Johnson said the facilities manager will be asked to centralize scheduling for the holidays to help gear up for the fall.

Real Estate Development

Real Estate Development (RED) Director Kathy McCormick directed the board to her report. She passed out information for Design the Hill for Hilltop and acknowledged Program Specialist Chris Govella for leading the work. Director McCormick went to a workshop last night, which is one of the most inspiring events she has been to. The topic was how to increase black owned businesses in the Hilltop by 80%. It conveyed the message that we are more than just a housing authority; that we provide access to people across the community. She was inspired and added that the folks who were present were talking about how to make things happen. She acknowledged Roberta Schur and her team for their work. The next step is a design workshop at the former Key Bank. RED is wrapping up this planning process which should be finished in June.

Alberta Canada is complete and the team is just doing finishing touches. Tacoma Public Utilities will pay to fix the road. Commissioner Rumbaugh inquired about the utility box. According to Director McCormick, Tacoma Power fixed it and will pay for it. THA will just do the ramps.

RED is also closing in on Rental Assistance Demonstration (RAD) for Arlington Drive and 1800 Hillside and should be able to convert late April. RED submitted permits and getting bid documents ready to go out in early May. Boston Capital will be here next week and will tour the site. They have not done a project in Tacoma so the RED team will showcase projects in Tacoma. RED is shooting to close in early June. Commissioner Rumbaugh asked if the projects are linked. Director McCormick said the two have the same investor and lender with the same timeline. Commissioner Rumbaugh asked if tax credit have to be obligated but not expensed in the year. Director McCormick responded in the affirmative. RED requested 5% bond back for Arlington and 1800 block.

8. OLD BUSINESS

None.

9. NEW BUSINESS

**9.1 RESOLUTION 2019-03-27 (1)
(Extension of Project Based Voucher Contract: Salishan Five)**

WHEREAS, THA has provided project based voucher assistance to Salishan Five, LLC’s property Salishan Five since 2009; and
WHEREAS, Salishan Five provides housing for low-income families in the community; and

WHEREAS, A fifteen year extension will allow THA and Salishan Five to continue to provide housing assistance to low-income families in the community; and

WHEREAS, Failure to extend this contract would lead to a loss of affordable housing units; now, therefore, be it

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

The Board authorizes an extension of THA’s PBV HAP Contract with Salishan Five, LLC for fifteen (15) years.

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

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

Motion Approved: March 27, 2019

Dr. Minh-Anh Hodge, Chair

**9.2 RESOLUTION 2019-03-27 (2)
(Approval of Capitalization Policy)**

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”) is the recipient of Federal funding through various instruments issued by the Department of Housing and Urban Development (“HUD”); and

WHEREAS, HUD has adopted 2 CFR 200, which includes certain administrative requirements, cost principles, audit requirements, and requirements for procurements conducted by recipients of Federal funding; and

WHEREAS, Public Housing Authorities, including the Authority, are required to adopt policies that meet the requirements of 2 CFR §200; and

WHEREAS, Following an audit that HUD conducted between July 31 and August 4, 2017, HUD raised a concern about the lack of a capitalization policy; and

WHEREAS, A proposed Capitalization policy that satisfies and adopts the requirements of 2 CFR §200 is attached as Attachment A; now, therefore be it

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

1. The THA Capitalization Policy F-40 dated March 27, 2019, as provided in Attachment A, is hereby adopted by the Authority.
2. This resolution shall be in full force and effect from and after its adoption and approval.

Comments: Commissioner Rumbaugh stated that THA has never had issues with keeping track of amortization. According to Director Shalik, that is because THA did not have a formal policy to state what it is doing and the request came from a Housing and Urban Development (HUD) audit a year ago.

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: March 27, 2019

Dr. Minh-Anh Hodge, Chair

9. COMMENTS FROM COMMISSIONERS

None.

10. EXECUTIVE SESSION

None.

11. ADJOURNMENT

There being no further business to conduct the meeting ended at 6:12 PM.

APPROVED AS CORRECT

Adopted: April 24, 2019


Dr. Minh-Anh Hodge, Chair