



TACOMA HOUSING AUTHORITY

BOARD OF COMMISSIONERS MEETING MINUTES REGULAR SESSION WEDNESDAY, DECEMBER 11, 2019

The Commissioners of the Housing Authority of the City of Tacoma met in Regular Session at 902 South L. Street, Tacoma, WA 98405 at 4:45 PM on Wednesday, December 11, 2019.

1. CALL TO ORDER

Chair Young called the meeting of the Board of Commissioners of the Housing Authority of the City of Tacoma (THA) to order at 4:52 PM.

2. ROLL CALL

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

PRESENT	ABSENT
Commissioners	
Chair Derek Young	
Vice Chair Stanley Rumbaugh (arrived late at 4:56 pm)	
Commissioner Dr. Minh-Anh Hodge	
Commissioner Dr. Arthur C. Banks (Arrived late at 5:03 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 Young declared there was a quorum present @ 4:53 pm and proceeded.

3. APPROVAL OF MINUTES OF THE PREVIOUS MEETING

Chair Young asked for any corrections to, or discussion of minutes for the Regular Session of the Board of Commissioners on Wednesday, September 25, 2019. Commissioner Hodge moved to adopt the minutes; Commissioner Smith seconded.

Upon roll call, the vote was as follows:

- AYES: 3
- NAYS: None
- Abstain: None
- Absent: 2 (Vice Chair Rumbaugh and Commissioner Banks were not yet in attendance)

Motion approved.

4. GUEST COMMENTS

None.

5. COMMITTEE REPORTS

Real Estate Development Committee—Vice Chair Rumbaugh

The Real Estate Development Committee met to discuss Tacoma Housing Authority’s interest in getting Gault Middle School and other properties. The committee also discussed the Hilltop partnership with Horizon and what measure of control to retain.

Finance Committee—Commissioner Hodge and Chair Young

Nothing to report.

Education Committee—Commissioner Hodge

Nothing to report.

Citizen Oversight Committee—Commissioner Banks

Nothing to report.

6. COMMENTS FROM THE EXECUTIVE DIRECTOR

Executive Director (ED) Michael Mirra directed the board to his report. He noted that the federal government is on a Continuing Resolution (CR) until midnight, December 21. By then Congress needs to extend the CR or pass a real budget to avoid another governmental shut down. Our hope is that Congress will agree on a real Housing and Urban Development (HUD) budget because the House and Senate versions of that budget may be good for HUD programs. ED Mirra reviewed the various predictions from our congressional offices and CLPHA and our DC liaisons.

The Employee Appreciation Luncheon is scheduled for Friday, December 13, at the Tacoma Elks Lodge. ED Mirra expressed hope that the commissioners could attend.

Finally, ED Mirra stated that the staff appreciate THA's Board of Commissioners very much. The commissioners' support allows staff to undertake the hard work of the agency.

7. ADMINISTRATIVE REPORTS

Finance

Finance Department (FD) Director Ken Shalik directed the board to the finance report. There are three months of expense reports to approve – September through November. THA finally had its financial and single audit exit conference. The only issue this year concerns THA's use of a vendor without checking to see if the vendor was on HUD's debarment list. The vendor was not on the list but THA should have checked. Otherwise, the audit went well. Finance is getting ready to close the books to audit 2019.

Last month, Director Shalik submitted the financial report for the third quarter, which is provided in the board packet. THA is in good shape and projected to have a small surplus. On the income side, THA received \$2.9M more in section 8 Housing Assistance Program (HAP) than originally budgeted. THA will have money held at HUD at the end of the year. Developer Fee Income and Other Revenue are significantly under amounts budgeted. THA was supposed to receive \$4M for finalizing Renew Tacoma financing, but only received \$1M. THA will receive the balance in 2020 when environmental issues resolve. Under Other Revenue, THA has not yet received \$2M in cash flow payments it had expected. They will arrive in 2020.

Expenses have been under budget all year long, except for Project Utilities for 3rd-party properties. The same is true for Maintenance, which is a little over budget and also has to do with 3rd-party properties. THA is still projected to end the year with a surplus. ED Mirra wanted to know if the present THA utilization rate is an over expenditure because THA budgeted at 95% utilization. Director Shalik said finance put in an additional \$500K to increase utilization in the year. Utilization is higher than intended but averages 95-97%. Vice Chair Rumbaugh asked for the rationale for the \$500K. Director Shalik explained that it was to help THA voucher and HOP families in a hard rental market. Vice Chair Rumbaugh noted that the market will continue to present challenges going into the next year. Director Shalik stated that if THA receives \$2.9M additional this year, it will be in very good shape. In projections, THA will be bringing in Koz on Puyallup for the College Housing Assistance Program (CHAP) and received a grant from Kresge Foundation. Vice Chair Rumbaugh asked if THA tracks per project when it acquires properties for the purpose of gaining revenue. Director Shalik confirmed. Vice Chair Rumbaugh asked for periodic reports that show whether THA's projections forecasted at time of acquisition have been proven in real time. Director Shalik added that Highland Flats, James Center North, and others, are providing cash flow. The only consistent problem is Prairie Oaks. Finance will initiate the necessary conversations in 2020. Chair Young asked how many units were at Prairie Oaks. Director Shalik replied that there are 15 units.

THA is doing well with Cash Position. Unencumbered cash is at \$6.5M, which will increase when THA receives Renew Tacoma funds. At last month's board meeting, the board asked for a resolution restricting THA funds. According to Director Shalik, there are ways he thinks THA can do this. In THA's Moving to Work (MTW) agreement when it was renewed in 2016, the letter noted a 4-month safe harbor as far as sweeping of accounts. Director Shalik will ask that part of it be a safe harbor amount that THA designates internally to ensure THA has operating funds in case of an emergency. This will be another internal document to safeguard reserves.

Vice Chair Rumbaugh moved to ratify the payment of cash disbursements totaling \$4,848,123 for the month of September 2019; \$4,841,677 for October 2019; and \$4,892,195 for November 2019. Commissioner Hodge seconded.

Upon roll call, the vote was as follows:

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

Motion Approved.

Policy, Innovation and Evaluation

Policy, Innovation and Evaluation (PIE) Director April Black directed the board to her report. Staff within Tacoma Housing Authority and Tacoma Public Schools (TPS) have done community consultations to expand the Tacoma Schools Housing Assistance Program (TSHAP), formerly named the Elementary School Housing Assistance Program (ESHAP). Director Black spoke to the board in June about investing in a Rapid Rehousing (RRH)-like program called TSHAP. THA asked Pierce County (PC) to waive the administrative fee and it has agreed. THA is now just waiting for the service commitment and plans to start working on a contract with PC to administer the program. THA staff is also working with funders at the City and County levels to support the implementation and operation of the TSHAP. Director Black feels it is worth the risk to move forward with the contract. TSHAP will serve 160 families a year with a total budget of \$600K. Vice Chair Rumbaugh asked if third-party administrators will be paid by the County. According to Director Black, THA will provide \$400K to Pierce County. Commissioner Smith asked if TSHAP is a program for families currently going through homelessness. Director Black responded that the program is for McKinney Vento families through TPS. Vice Chair Rumbaugh asked if Director Black has a sense of the percentage of individuals who would qualify for the program and would be provided assistance. Director Black responded that TPS identified 750 McKinney Vento students and expects that number will grow throughout the school year. ED Mirra requested a quarter million dollars a year for the first two years from the City and double that once THA gets to a million. The Mayor was supportive and ED Mirra is optimistic the City will provide funds, eventually.

The expansion of the College Housing Assistance Program (CHAP) with Koz continues concurrent with negotiations for the new building, Koz at the Dome. THA is writing an agreement to include Tenant-Based and Property-Based investments and will be designing program manuals. The manuals would provide documents that are understandable and simple. Vice Chair Rumbaugh inquired about the Department of Corrections (DOC) and Tacoma Community College (TCC) discussions. According to Director Black, the program is not going as well as she had hoped. DOC assigned somebody who seems to be committed to the program. According to Vice Chair Rumbaugh, DOC has a program where individuals are released in the community early and provided housing as long they are in school, which should be an encouragement for individuals because if they fail, they go back to prison.

Client Support and Empowerment

Client Support and Empowerment (CSE) Director Cacey Hanauer directed the board to her report. Director Hanauer is ironing out a few things with Commerce regarding Arlington Drive funding. CSE has had numerous planning and coordination meetings with the YMCA. CSE staff are at a conference in San Diego regarding a new grant called Economic Security for All. Today is the final day of door decorating judging at seven senior and disabled properties. There will be pictures at the January report. Vice Chair Rumbaugh asked if THA is connected with the juvenile court, specifically for emergency housing. Director Hanauer confirmed that it is.

Rental Assistance

Rental Assistance (RA) Director Julie LaRocque directed the board to her report. THA hit 100% utilization in December and the number of shoppers has gone way down. RA has made a good plan for future project-based units to keep utilization in the right place. THA was awarded 60 additional mainstream vouchers and staff are working on applications for 75 Family Unification Program (FUP) vouchers. Vice Chair Rumbaugh remarked that there seems to be a little hiccup in the property based subsidy area. He asked who is paying, and what assurance THA has that owners will pay subsidies. According to Director LaRocque, if THA finds that owners owe subsidies, THA will hold back. RA and Property Management met with property owners who brought plans to ensure this will not happen in the future. THA will be stricter with requirements; our landlord partners understand now how important it is for them to get this right. Vice Chair Rumbaugh added that this is a new innovative program and getting it off the ground won't be without hiccups.

Property Management

Property Management (PM) Director Frankie Johnson directed the board to her report. THA maintained 99% occupancy throughout the year. PM had three hires—two in maintenance and one in administration. The leasing project, and turn and lead pilots were a success. Maintenance staff showed what they can do in the 6-month lead pilot; PM will announce the successful candidate to star in the beginning of the year. Marquis Jenkins

moved as the property manager for Bay Terrace and Shannon Smith has been hired for Marquis' former positions. Shannon comes from King County Housing Authority (KCHA). Vice Chair Rumbaugh asked how THA collected 135% of the rents for 2019, as the report shows. According to Director Johnson explained that when tenants vacate, sometimes they pay outstanding balances and those payments go to the property. There are also overpayments. Some tenants also use their payments as a savings account and pay ahead. All this shows as excess rent. Vice Chair Rumbaugh asked what happens when tenants die. Director Johnson responded that reconciliation takes place and over payment will go to the tenant's next of kin. She added that PM will drill down and provide specifics to the board.

Real Estate Development

Real Estate Development (RED) Director Kathy McCormick directed the board to her report.

- Renew Tacoma—staff completed all remediation work on K and Wright Streets. Now it has to get tested again and submitted to the Department of Ecology and staff is working with them to expedite the process. Staff is also talking with RBC and City Bank. RED has to put covenant on Ms. Woods' property adjacent to Wright Street. THA will provide compensation for the impact on the property. Staff is hoping to have it all completely done by March at the latest.
- RED staff are in conversations with Inland Development and their partner Horizon Housing for their development of the Mr. Mac site. Staff have to issue an RFP for PBVs; RFPs went out yesterday. RED may need a special board meeting in January to award a contract in anticipation of the 9% tax credit. Horizon Housing, THA and Mercy Housing are in conversations; it is a great collaborative relationship.
- Both Arlington and the Rise @ 19th are under construction; framing is up on Crisis Residential Center (CRC). CRC should be completed end of May or early part of June. Arlington is coming along just fine. Roof will be able to go in right after Christmas holiday. Korsmo is really staying on top of it.
- Forterra acquired the Rite Aid building, but instead of handing it over to THA as originally planned, they decided to keep the property. Staff are talking with them about THA developing affordable housing on the site. Staff are in consultation with them and they are eager to learn. Vice Chair Rumbaugh asked if they are supposed to be owner occupied. Director McCormick confirmed.

8. NEW BUSINESS

**8.1 RESOLUTION 2019-12-11
(Approve THA BOC 2020 Meeting Schedule)**

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

WHEREAS, RCW 42.30.030 states that all meetings of the governing body of a public agency be open and public and all person be permitted to attend any meeting of the governing body of a public agency; and

WHEREAS, RCW 42.30.070 states that the governing body of a public agency shall provide the time for holding regular meetings by ordinance, resolution, bylaws or by whatever other rule is required for the conduct of business by that body; and

WHEREAS, Advance public notice of Board meetings is essential to make the meetings accessible to the public in a meaningful way; and

WHEREAS, The public has to know about the meeting in order to attend; now, therefore, be it

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

Approve the THA BOC 2020 Meeting Schedule prior to the January 2020 meeting.

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

AYES: 4
NAYS: None
Abstain: None
Absent: 1 (Commissioner Hodge stepped out of the room)

Motion Approved: December 11, 2019

Derek Young, Chair

**8.2 RESOLUTION 2019-12-11 (2)
(Fiscal Year 2020 Continuing Resolution Budget)**

WHEREAS, The Housing Authority of the City of Tacoma (“Authority”) intends to incur expenses and other cash outflows for Fiscal Year 2020; and

WHEREAS, The Authority purchased a new Budgeting Software in 2019, and needs time to fully implement it to build and present the budget for Fiscal Year 2020 budget; and

WHEREAS, Congress has not yet approved a HUD budget for 2020; a delay in adopting a final budget for THA may give us the advantage of writing that budget after Congress reveals our appropriation; and

WHEREAS, The Authority will bring forward the fully vetted budget for FY 2020 in March 2020; and

WHEREAS, In the meantime, the Authority needs Board approval for expenditure of funds to operate in FY, 2020; now, therefore be it

RESOLVED BY THE BOARD OF COMMISSIONERS OF THE HOUSING AUTHORITY OF THE CITY OF TACOMA, as follows:

1. The Board of Commissioners of the Housing Authority of the City of Tacoma adopt the attached FY 2019 Agency wide budget as a Continuing Resolution for 2020, until such time as the official FY2020 budget is presented to them in March. Expenses and other cash outflows are projected as follows:

<u>Expenses</u>	
Executive	\$ 1,056,254
Administration	2,849,067
Finance	1,402,985
Human Resources	594,251
Policy, Innovation and Evaluation	1,081,794
Real Estate Development	2,697,487
Rental Assistance	41,791,392
Client Support & Empowerment	2,130,903
Property Management Overhead	863,572
Property Budgets	<u>3,930,585</u>
Subtotal	58,398,290

<u>Additional Cash Outflows</u>	
Debt Service	73,128
Capital Expenditures	15,310,000
Replacement Reserves	<u>172,650</u>
Subtotal	15,555,778
TOTAL APPROVED BUDGET	<u>\$73,954,068</u>

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

Upon roll call, the vote was as follows:

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

Motion Approved: December 11, 2019

Derek Young, Chair

**8.3 RESOLUTION 2019-12-11 (3)
(Approval of Accounts Receivable Write Offs)**

WHEREAS, Tacoma Housing Authority (THA) provided housing services to Public Housing and Housing Choice Voucher participants who discontinued housing assistance with debt owing to THA.

WHEREAS, Tacoma Housing Authority (THA) provided housing assistance payments to property owners in excess to the amount the owner is entitled to receive and the owner has not repaid this amount to THA.

WHEREAS, Each individual included in this tenant account write off has been notified of their debt and given the opportunity to pay prior to this resolution.

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

Authorizes THA staff to “write off” the following accounts and send these debts to an external collection agency to pursue collection action:

THA Projects Write offs and to Collections

THA - Salishan VII	Client #	Balance
	<u>LD-2017-029913 (S.T.)</u>	\$ 4,304.03
	<u>LD-2017-029944 (G.J.)</u>	\$ 596.00
	<u>LD-2017-029991 (N.M.)</u>	\$ 1,328.50
	<u>LD-2017-030016 (D.E.)</u>	\$ 32,195.89
		<u>\$38,424.42</u>
Section 8	Client #	Balance
	<u>LD-2017-034092 (D.T.)</u>	\$425.00 *
	<u>LD-2017-031200 (C.G.)</u>	\$28.00 *
	<u>LD-2017-019248 (W.H.)</u>	\$125.00
		<u>\$578.00</u>
THA - Old Salishan	<u>LD-2017-042258 (A.L.)</u>	<u>\$550.57</u>
THA - North G	<u>LD-2018-040989 (C.Y.)</u>	<u>\$21,952.19</u>

MLK New Look	Spaceworks Company	\$2,308.12 **
	Sam & Terry's Barbershop	\$1,232.64 **
	Subway Restaurant	\$1,176.96 **
	Youth for Christ Tacoma	\$1,540.80 **
		<hr/>
		\$6,258.52
		<hr/>
	Total THA for Write Off:	\$67,763.70
		<hr/>
	Total THA to Collections:	\$61,052.18
		<hr/>

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

Upon roll call, the vote was as follows:

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

Motion Approved: December 11, 2019

 Derek Young, Chair

**8.4 RESOLUTION 2019-12-11 (4)
 (THA Public Records Request Fee Schedule)**

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

WHEREAS, Chapter 42.56 RCW, the Washington Public Records Act requires that public agencies publish rules to provide public access to public records; and

Whereas, Effective July 23, 2017, the Washington Legislature amended Chapter 42.56 RCW, the Public Records Act; and

Whereas, Resolution 2019-12-11 (4) will facilitate compliance with Chapter 42.56 RCW, the Washington Public Records Act; now, therefore, be it

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

1. Chapter 42.56 RCW, the Washington Public Records Act, requires that public agencies publish rules to provide public access to public records; and,

2. Effective July 23, 2017, the Washington Legislature amended the Public Records Act, changing the costs which may be charged for providing records under the Public Records Act; and,
3. This Resolution is to authorize Tacoma Housing Authority to charge fees for the provision of responsive records, in accordance with RCW 42.56.120.

Vice Chair Rumbaugh 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: December 11, 2019

Derek Young, Chair

8.5 RESOLUTION 2019-12-11 (5)

(Submit a Letter of Intent to the Tacoma Public Schools for the Acquisition of Gault Middle School)

WHEREAS, Tacoma Public Schools (TPS) has invited THA to submit a Letter of Intent proposing the terms for TPS to transfer to THA the old Gault Middle School and associated fields and property;

WHEREAS, the property is suitable for redevelopment of affordable and market rate housing and indoor and outdoor community uses;

WHEREAS, TPS estimates the property's value at \$1.333 million. It is seeking "full-value" for the transfer, "which can be achieved through non-cash consideration."

WHEREAS, THA can offer TPS "full value" for the property, including:

- \$500,000 in cash;
- over 5 years, an investment of \$3.8 million in THA's Tacoma Schools Housing Assistance Program to house homeless families with TPS students,
- its provision to TPS of the HeadStart classroom at Bay Terrace valued at \$ 54,000 a year, with a 5-year value of \$270,000;

- a commitment to use a portion of the affordable housing to be developed on the property to house needy families with TPS enrolled students; and

WHEREAS, Upon transfer of the property to THA, THA will takes immediate steps to secure the existing school building, which has a leaky roof, to demolish the non-historic structures, and secure the site; and

WHEREAS, THA will commit to a robust effort to consult the neighborhood and the community about future uses of the property; and

WHEREAS, this land transfer would be a further elaboration in the ambitious and innovative THA-TPS partnership that for over ten years has sought ways to use housing resources to help TPS students succeed in school and help TPS educate low-income students; and

WHEREAS, THA has the authority to execute a letter of intent to sell a property to further affordable housing; now, therefore, be it

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

The THA Executive Director is authorized to submit a Letter of Intent (LOI) to Tacoma Public Schools proposing a transfer to THA of the Gault Middle School from properties. The Letter of Intent will propose terms substantially as set forth above.

Vice Chair Rumbaugh motioned to approve the resolution with modifications to reflect removal of cash. Commissioner Smith seconded the motion.

Upon roll call, the vote was as follows:

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

Motion Approved: December 11, 2019

Derek Young, Chair

**8.6 RESOLUTION 2019-12-11 (6)
(Agency-Wide One Additional Paid Holiday in December)**

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

WHEREAS, The agency has an established and defined holiday policy; and

WHEREAS, In recognition of the great work done by staff in 2019, one extra paid holiday would be appropriate; therefore, be it

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

The Board authorizes one additional paid holiday for all regular, benefit-eligible employees on Monday, December 23, 2019.

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

Upon roll call, the vote was as follows:

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

Motion Approved: December 11, 2019

Derek Young, Chair

9. COMMENTS FROM COMMISSIONERS

None.

10. EXECUTIVE SESSION

The Board went into Executive Session at 6:33 pm for 37 minutes to discuss the Letter of Intent to Tacoma Public Schools for Gault School Acquisition. The board came back to regular session at 7:10 pm.


Vice Chair Rumbaugh motioned to approve the Tacoma Public Schools for Gault School Acquisition resolution with modifications to reflect removal of cash. Commissioner Smith seconded the motion. The vote is noted under Resolution 2019-12-11 (5) of the minutes.

11. ADJOURNMENT

There being no further business to conduct, the meeting ended at 7:13 PM.

APPROVED AS CORRECT

Adopted: January 22, 2019



Derek Young, Chair