



TACOMA HOUSING AUTHORITY

BOARD OF COMMISSIONERS MEETING MINUTES REGULAR SESSION WEDNESDAY, FEBRUARY 26, 2020

The Commissioners of the Housing Authority of the City of Tacoma met in Regular Session at E.B. Wilson, 1202 South M Street, Tacoma, WA 98405 at 4:53 PM on Wednesday, February 26, 2020.

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 4:54 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 4:50 pm)	
	Commissioner Dr. Minh-Anh Hodge
Commissioner Dr. Arthur C. Banks (Arrived late at 4:50 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 @ 4:55 and proceeded.

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3. APPROVAL OF MINUTES OF THE PREVIOUS MEETING

Chair Young asked for any corrections to, or discussion of minutes for the Special Session of the Board of Commissioners on Wednesday, January 17, 2020. Vice Chair Rumbaugh moved to adopt the minutes. Commissioner Banks seconded.

Upon roll call, the vote was as follows:

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

Motion approved.

Chair Young asked for any corrections to, or discussion of minutes for the Regular Session of the Board of Commissioners on Wednesday, January 22, 2020. Vice Chair Rumbaugh noted a misspelling of his name. Commissioner Banks moved to adopt the minutes with that correction. Commissioner Smith seconded.

Upon roll call, the vote was as follows:

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

Motion approved.

4. GUEST COMMENTS

None.

5. COMMITTEE REPORTS

Real Estate Development Committee—Vice Chair Rumbaugh

The committee has nothing new to report. They are still working through issues related to THA's possible acquisition of the Gault School property.

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.

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6. COMMENTS FROM THE EXECUTIVE DIRECTOR

Executive Director (ED) Michael Mirra directed the board to his report. His report contains a copy of the email he sent to all staff and the board last week describing a notable staff expansion and its relationship to the budget. Vice Chair Rumbaugh asked if THA can prioritize the positions. ED Mirra noted that the critical positions include those for property management at Arlington and The Rise @ 19th.

THA has been busy with its work on advocacy and public education. He reviewed THA's request of the legislative session concerning Arlington Drive. ED Mirra learned that both the House and Senate adopted the language THA requested. He reviewed the request THA and Tacoma Public Schools has of the City of Tacoma for \$400K a year starting January 2022 to help fund the expansion of the Tacoma Schools Housing Assistance Program (TSHAP). THA and TPS are resuming discussions on this request with City Councilmembers. Chair Young commented that the meeting he attended went smoothly and Councilmember Hines was quite open to the idea. The City is going to biennial budget so it is well timed for them to get the ask right now.

7. ADMINISTRATIVE REPORTS

Finance

Finance Department (FD) Director Ken Shalik directed the board to the finance report. THA Surplus is at \$1.02M. THA ended 2019 year in good shape even though THA is at 100% utilization after having budgeted to be at 95% utilization. Housing Assistance Program (HAP) will likely continue to increase for the next couple of years.

He reviewed some variances from amounts budgeted. The RAD developer fee that we expected in 2019 will now arrive in 2020. THA expended less than anticipated on Capitalized Items/Development Projects. THA budgeted \$3M for property purchases, which did not happen, and budgeted \$1M for remodel cost for 902, which did not happen. THA budgeted to receive \$500K for the sale of the last remaining Salishan property in 2019, but that did not occur; this is budgeted to arrive in 2020.

Finance is working on the 2020 budget using the new software and has a good handle on it. They are still working on the reports. A finance committee meeting will be scheduled to discuss what the board would like to see on the budget report and how it will be presented at meetings. The budget was originally scheduled to be presented in March, but finance is requesting to present it to the board in April. Director Shalik noted that HUD now expects to inform housing authorities of their allocation at the end of March. The board unanimously approved this schedule. Finance is almost finished finalizing year end for 2019. Earlier this month, senior staff went to Olympia for a debrief from the State's Auditor on the Pierce County Housing Authority fraud. Director Shalik will brief the board next month on what we learned and how to prevent it from happening to THA.

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Regarding THA's lack of space at 902 South L Street, Vice Chair Rumbaugh asked if there would be potential to allocate capital funds to expand and build a new wing. ED Mirra responded that such expansion is not the short-term answer THA needs, but it's good to put this on a list of long-term answers, along with office space to build on Hilltop. Vice Chair Rumbaugh noted that because of its centralized location, 902 always seems to work better.

Commissioner Banks moved to ratify the payment of cash disbursements totaling \$6,610,542 for the month of January 2020. Vice Chair Rumbaugh seconded.

Upon roll call, the vote was as follows:

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

Motion Approved.

Policy, Innovation and Evaluation

Policy, Innovation and Evaluation (PIE) Director April Black directed the board to her report. Pierce County was able to issue Request for Proposals on Monday for Tacoma Schools Housing Assistance Program. Pierce County will accept applications for three weeks. By the April meeting, DED Black can inform the board who Pierce County chooses. DED Black hoped to report to the Board about data from Tacoma Public Schools (TPS) on school outcomes for THA families but the data received in January seemed off. TPS agreed, and will review the data. She will include the data in her next report. THA has been having ongoing conversations with the Washington Student Achievement Council for a program that looks similar to the Guaranteed Education Tuition (GET) program; she hopes to bring the proposal to the board. The College Housing Assistance Program (CHAP) has been time consuming. PIE completed the contract for Koz Dome and Koz on Puyallup. Both associations have nearly exhausted the list of students who have identified themselves as homeless to near homeless, but DED Black worked with them to provide a list of students receiving Pell grants. Vice Chair Rumbaugh asked if there is a reason it could not be opened up further, perhaps to students at Bates Technical College. DED Black said this was a possibility but we first needed to stabilize the present program. DED Black is trying to make the partnership work better before seeking other partnerships. She noted that not only Bates but also Clover Park is interested. A tour of Koz Dome is scheduled this Friday; DED Black can also schedule a separate tour for the board. ED Mirra and DED Black are scheduled to meet with the TCC president on March 13; they heard that TCC will not sign the Memorandum of Understanding until the program is discussed. DED Black will provide an update to the board in March.

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Administrative Services

Administrative Services (AS) Director Sandy Burgess directed the board to her report. AS analyzed both Per Unit Per Year (PUPY) operating expenses against 2018 and against budget, and did the same with cash flow. Chart 2 on her report shows a summary of Renew Tacoma. The primary feature of the 2019 data is that PUPY expenses are trending up from 2018. The numbers are not great but this year we see some improvement through Q1. Staff are meeting monthly to review expenses and the goal for 2020 is to bring them down. Vice Chair Rumbaugh asked if THA scrubs for outliers like fire casualties. Yes, according to Director Burgess. Vice Chair Rumbaugh asked if insurance payments that THA receives reimbursement rolls into the calculation. According to Director Burgess, it rolls back to the income side to improve cash flow. Director Shalik added that it decreases THA cost of casualty loss. Director Burgess stated that she will identify non-recurring expenses and will pull them out and will identify fixed cost like homeowner dues for Salishan. Vice Chair Rumbaugh asked if individuals are paying to establish escrow accounts if it shows as a charge. Director Shalik said yes but it shows under Housing Assistance Program (HAP) payments; it is set up as a liability.

Client Support and Empowerment

Client Support and Empowerment (CSE) Director Cacey Hanauer directed the board to her report. The CSE board report is different than it has been and will continue to look different. The department is trying to show the work they do. They spent half a day with DED Black thinking through what staff are doing everyday and how those lead to the outcome they expect. Director Hanauer is also trying to figure if CSE has the right staffing structure. She thinks the team can be more defined in the work they are doing. The Family Investment Center's Center for Strong Families provides financial coaching and THA users of that program has increased by 43%. Chair Young asked if credit scores is how the program measures improved banking practices. According to Director Hanauer, they are looking at whether that is the best way to measure it. The program is helping people to be more engaged in financial institutions. ED Mirra asked if the prospect of increased banking activity would lead to more customers at the Heritage Bank branch at Salishan. Director Hanauer responded that Heritage Bank's Second Chance Account is not working well, but she has had conversations with them to improve their offerings.

Rental Assistance

Rental Assistance (RA) Director Julie LaRocque directed the board to her report. THA is at 101% utilization and things have been going well. Staff have reached out to management and getting inspections done right away for Project Based Voucher utilization. Director LaRocque is pleased to see the turnaround. For the special program utilization for non-elderly, there was an over-issue for that group because they have a hard time leasing and there is quite a bit of turnover. Vice Chair Rumbaugh asked if THA has project-based facilities that accommodate non-elderly disabled for vouchers. Director LaRocque said no, but THA can provide those. THA did add Childrens Housing

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Opportunity Program (CHOP) units for the Koz and also added Campbell Court. Vice Chair Rumbaugh asked if THA has a special program for individuals fleeing domestic violence. Director LaRocque responded that there are programs for that through the YWCA. THA has a project-based property, Home At Last, that is coming up, but no mainstream vouchers to give out for people who qualify.

Property Management

Property Management (PM) Director Frankie Johnson was not in attendance. DED Black addressed the board on her behalf. PM continues to struggle with 20-day turn time and continues to refine their work order report. PM is continuing to refine their processes to make work spaces more workable for maintenance.

Real Estate Development

Real Estate Development (RED) Director Kathy McCormick directed the board to her report. Alberta Canada Building has been converted to permanent financing. RED finally received HUD's disposition approval for the sale of the remaining Salishan lots. RED will meet with the buyer who is still very interested. Construction is going well at The Rise and Arlington. Arlington in fact is going extremely well and is ahead of schedule and under budget. This means that THA will need to lease a couple of months earlier. Marpac exceeded their minority contracting but has not had success in hiring Section 3. Korsmo is very committed to hire local contractors and 31% of the total construction contracts have gone to local minority firms. They are also committed to the Section 3 hiring goals. They are pushing their sub-contractors to hire Section 3 and are hiring career jobs so people are getting into the union.

Horizon Housing has been successful in getting its 9% tax allocation for Hilltop Lofts. In order for Pierce County to get that award and Mercy Housing's award for its project on MLK Avenue, THA and Pierce County and the City of Tacoma agreed that THA will not submit for tax credits in 2020. For the balance of the Hilltop Lofts project, Inland approached THA with a concept of turn key development. RED is working on legal logistics, and will consult with different parties before making a proposal to the board. RED staff are beginning to evaluate the Gault school property. They are putting together community consultation processes, trying to figure out what it will cost to fix up, and figuring out what potential uses makes sense for the site. Chair Young asked what the next deadline is. Director McCormick responded 120 days from the date of the Letter of Intent.

8. NEW BUSINESS

8.1 RESOLUTION 2026-02-26 (1) (Fourth Amendment to Attachment C of the Standard MTW Agreement)

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

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WHEREAS, An Amendment to THA's Moving to Work Agreement clarifies THA's ability to implement its Modify HQS activity;

WHEREAS, Amendments to the Moving to Work Agreement must be approved by the THA Board of Commissioners;

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

Approve Resolution 2020-02-26 (1) authorizing THA's Executive Director to execute the fourth amendment to the Moving to Work (MTW) Standard Agreement.

**FOURTH AMENDMENT TO
AMENDED AND RESTATED MOVING TO WORK AGREEMENT
BETWEEN
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT AND
TACOMA HOUSING AUTHORITY**

This Fourth Amendment to the Moving to Work ("MTW") Agreement ("Agreement") is entered into by and between the United States of America through the U.S. Department of Housing and Urban Development ("HUD") and Tacoma Housing Authority ("Agency") and is effective on the date of execution by HUD following execution by the PHA. Unless otherwise defined herein, all capitalized terms used herein shall have the same meanings ascribed to them in the Agreement.

This Amendment replaces the language in authorizations D.1.f., D.5., D.7.a. and D.7.d of Attachment C as follows:

1. Section D.1.f. of Attachment C is replaced with the following language:

f. The Agency is authorized to determine property eligibility criteria, including types of units currently prohibited by Section 8 regulations and shared living facilities, subject to HUD's subsidy layering requirements. The Agency may also waive the independent entity requirements for PHA-owned units. If the Agency chooses to use this authorization, it will need to provide a transition plan to both the affected residents and HUD prior to the end of the demonstration. *This authorization waives certain provisions of Sections (8)(o)(11) and 8(p) of the 1937 Act and 24 C.F.R. 983.53-54, and 982 Subparts H and M as necessary to implement the Agency's Annual MTW Plan.*

2. Section D.5. of Attachment C is replaced with the following language:

5. Ability to Certify Housing Quality Standards

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The Agency is authorized to certify that housing assisted under MTW will meet housing quality standards established or approved by HUD. The certification form will be approved or provided by HUD. The agency is also authorized to perform HQS inspections on PHA-owned HCV and PBV units in lieu of the independent inspection requirements. *This authorization waives certain provisions of Section 8(o)(8) and 8(o)(11) of the 1937 Act, 24 C.F.R. 982.352(b), and 24 C.F.R. 982, Subpart I as necessary to implement the Agency's Annual MTW Plan.*

3. Section D.7.a of Attachment C is replaced with the following language:

a. The Agency is authorized to project-base Section 8 assistance at properties owned directly or indirectly by the Agency that are not public housing, subject to HUD's requirements regarding subsidy layering. If the Agency chooses to project-base Section 8 assistance at such properties, the Agency recognizes and accepts that such units would no longer be eligible for operating subsidy provided under Section 9(e) of the 1937 Housing Act or for future capital funds provided under section 9(d) for those units if it chooses to use this authorization. Project-based assistance for such owned units does not need to be competitively bid, nor are the owned units subject to any required assessments for voluntary conversion. The Agency may also waive the independent entity requirements for PHA-owned units. *This authorization waives certain provisions of Sections 8(o)(11) and 8(o)(13)(B and D) of the 1937 Act and 24 C.F.R. 982.1, 982.102 and 24 C.F.R. Part 983, as necessary to implement the Agency's Annual MTW Plan.*

4. Section D.7.d. of Attachment C is replaced with the following language:

d. All units that receive project-based Section 8 assistance must meet either (i) existing HQS standards established by the Secretary or (ii) a local standard for communities receiving project-based Section 8 assistance developed by the Agency and approved by the Secretary pursuant to this MTW Agreement, as applicable. The agency is authorized to perform HQS inspections on PHA-owned HCV and PBV units in lieu of the independent inspection requirements. *This authorization waives certain provisions of Sections 8(o)(8) and 8(o)(11) of the 1937 Act, and 24 C.F.R. 983.103(f) and 24 C.F.R. 982 Subpart I as necessary to implement the Agency's Annual MTW Plan.*

IN WITNESS WHEREOF, the parties have caused this Amendment to Attachment C to be executed by their duly authorized representatives.

TACOMA HOUSING AUTHORITY

By: _____

Name: Michael Mirra

Its: Executive Director Date:

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UNITED STATES DEPARTMENT OF HOUSING AND URBAN
DEVELOPMENT

By: _____

Name: R. Hunter Kurtz

Its: Assistant Secretary, Public and Indian Housing Date:

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

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

Motion Approved: February 26, 2020

Derek Young, Chair

9. COMMENTS FROM COMMISSIONERS

None.

10. EXECUTIVE SESSION

None.

11. ADJOURNMENT

There being no further business to conduct the meeting ended at 6:15 pm.

APPROVED AS CORRECT

Adopted: March 25, 2020



Derek Young, Chair

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