



TACOMA HOUSING AUTHORITY

BOARD OF COMMISSIONERS MEETING MINUTES REGULAR SESSION WEDNESDAY, JULY 22, 2020

The Commissioners of the Housing Authority of the City of Tacoma met in Regular Session at 4:45 PM on Wednesday, July 22, 2020 via zoom

<https://us02web.zoom.us/j/6267029359> / Mtg ID: 626 702 9359 / Dial 253 215 8782

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 4:48 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 5:08 pm)	
Commissioner Dr. Minh-Anh Hodge	
Commissioner Dr. Arthur C. Banks (arrived late at 5:09 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 @ 4:49 pm and proceeded.

3. APPROVAL OF MINUTES OF THE PREVIOUS MEETING

Chair Young asked for any corrections to, or discussion of the minutes for the Regular Session of the Board of Commissioners on Wednesday, June 24, 2020. 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

There were no guest comments.

5. COMMITTEE REPORTS

Real Estate Development Committee—Vice Chair Rumbaugh
Nothing to report.

Finance Committee—Commissioner Hodge and Chair Young
Nothing to report.

Education Committee—Commissioner Hodge
The committee did not meet on July 10th because Commissioner Hodge had a last-minute meeting.

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 Board provided the ED with authority to allow THA to respond to quickly changing urgencies and emergencies that THA is encountering because of the pandemic. He has used this authority twelve (12) times, each in the form of an “executive action.” He has sent a copy of each executive action to the Board chair and, for each Board meeting, summarized them and included links. He would like to check in to see if the Board remains comfortable with the authorization because it should not outlast the

emergency. If it is, he asked the Board to reconfirm this emergency authorization, which has been, and will remain, very useful as the pandemic continues its uncertain trajectory.

Chair Young expressed his confidence with what is being done with the authorization, but thinks THA needs to consider what changes in how THA operates will become the new normal way of business. At some point, it is no longer an emergency but just the new way to operate. Commissioner Hodge does not have any problem with the authority and thinks it is the most practical thing to do. As long as there is an emergency, it should stay in place. Commissioner Smith agreed and added that she too does not have issues with it. She said THA has a capable ED and staff doing a magnificent job.

ED Mirra appreciates the Board's confidence. He noted that Chair Young makes a good point; at some point it will no longer be an emergency but the norm. He proposed that staff identify what processes will settle in to the new normal and see what is left that requires emergency authorization. Staff will review that and come back to the Board. Deputy Executive Director Black says staff are already thinking in this way. She will consider how to present this. She thinks the emergency authorization will remain useful for the continuing occasions when THA must respond quickly. Chair Young is not worried about what the agency is doing but instead wants to look ahead to a new normal.

ED Mirra looked ahead to the state legislature's efforts to fill the state's large budget shortfall due to the pandemic. The main issue for THA is preserving the state's operational appropriation for Arlington Drive Campus for Homeless Youth and Young Adults. He reviewed the various discussions with legislators and others. He recounted the case THA is making for continuing the funding even as the legislature must fill a large budget shortfall.

THA has created an Equity, Diversity and Inclusion (EDI) staff committee. Directors Johnson and Hanauer are convening. It will review what these values mean in three areas of THA's work: as a workplace; in its services to clients and the community; and in its advocacy. ED Mirra noted that Commissioners Hodge and Smith have experience and insights that would be valuable to the effort. They have graciously expressed their interest to participate in the discussions. ED Mirra would like their participation to take the form of a new Board committee.

Such a Board committee will be a way to vet the proposals that are headed to the full Board. Director Johnson likes the idea. She offered to meet regularly with Commissioners Hodge and Smith to provide them an overview of what has been happening with the group and decide how to go from there. Commissioner Hodge stated that when things are decided and there is a plan, she and Commissioner Smith would like to attend a big group meeting to have a sense of the group dynamics. She added that for this kind of topic, people need to feel safe in the discussions. The Board unanimously agreed to create a Board EDI Committee.

Commissioner Banks' term at the Board is coming to an end. This will be his last full Board meeting. The mayor has chosen his successor in Pastor Michael Purter. The Board

hopes to welcome him at the August Board meeting and to say farewell to Commissioner Banks. Although this will not be done in person, THA will find a way to express thanks to Commissioner Banks. Commissioner Banks thanked everyone and stated that he will miss everyone and have learned a lot from different perspectives. Vice Chair Rumbaugh stated that Commissioner Banks represented his constituency well. Chair Young will miss Commissioner Banks' point of view.

7. ADMINISTRATIVE REPORTS

Finance

Finance Department (FD) Director Ken Shalik started by expressing his pleasure in working with Commissioner Banks for years.

The quarterly report through June 30 will be provided next month. THA is doing well both in income and expenses staying within budget. THA continues to incur expenses attributable to the pandemic. THA received \$750K from Housing and Urban Development (HUD) to cover some of them. THA will receive Housing Assistance Program (HAP) funds, but have yet to receive information on how much and when. Staff will continue to code to Covid.

The state extended its audit deadline to March 31st of next year. Auditors are in the planning phase and will start the single audit next month. Director Shalik hopes to have the audit completely finished by September. It will be more challenging this year due to telework.

THA has adequate funds in cash and received the waterfall payment for Renew Tacoma, which was around \$2.3M. THA has approximately \$1.3M in Moving to Work (MTW) cash balance and \$2.1M available. There is \$2.8M held by HUD and Director Shalik will do another draw down next month. There is \$8.6M in unencumbered which is higher than optimal. Vice Chair Rumbaugh asked if \$750K of HUD COVID-19 funding is close to what it will cost THA. Director Shalik responded that it will cost THA more because most of the funds have been expended. A lot of the expenditures are due to salaries. THA should receive funds from HAP that can be used for HAP and administrative services. The funds need to be spent by the end of the year.

Vice Chair Rumbaugh moved to ratify the payment of cash disbursements totaling \$5,149,044 for the month of June 2020. Commissioner Banks seconded.

Upon roll call, the vote was as follows:

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

Motion Approved.

Client Support and Empowerment

Client Support and Empowerment (CSE) Director Cacey Hanauer directed the Board to her report. The CSE team continues to show resilience, exceptional humor, teamwork, and creativity in a time when it isn't reasonable to expect. She is proud to work with her team. The CSE team helped families with summer camp through Metro Parks. Some kids are desperate to reconnect with each other and Metro Parks is making sure kids are safe at the camp. THA continues to receive food donations from St. Leo's. THA received CSE funds from the Ballmer Foundation with an education initiative and Director Hanauer hopes to launch a new program and will hire a program supervisor. CSE is hiring two people to replace Kye Hillig's position. One person to start next week and an offer has been extended for the second position.

Arlington Drive Campus for Homeless Youth and Young Adults is on track to spend the state's funding designated for this fiscal year, except for only \$3,000. The state has agreed to push that unspent balance to next year. Director Hanauer and ED Mirra are on a hunt for more funds. Vice Chair Rumbaugh asked where the side chalk came from and if there was a contest. ED Mirra responded that the \$5K came from the Greater Tacoma Community Foundation and Commissioner Smith arranged the distribution at Salishan. Commissioner Smith added that there are some talented kids and there was great art. Commissioner Hodge asked if some funds could be used to make a short documentary or video to be posted online. ED Mirra stated that Brandon Wirth is creating a photo album online.

THA will be distributing masks and mailing masks to all THA clients in its portfolio and voucher programs. Commissioner Smith stated that THA received 20K masks from the city of Tacoma. ED Mirra is grateful for Commissioner Smith's organization and capacity, both for the chalk project and the masks project. Vice Chair Rumbaugh asked what kind of masks were donated. ED Mirra responded that they are cloth that are washable and reusable.

Rental Assistance

Rental Assistance (RA) Director Julie LaRocque was not in attendance. DED Black reported on her behalf. RA is working to lease up new program vouchers received over the past six months, most notably in mainstream and Family Unification Program (FUP). RA is also doing outreach on the waiting list to see who wants to transfer to The Rise. Staff are getting ready to lease up The Rise and Arlington. THA continues to be overutilized in its voucher programs. There will be a spike at the end of the year due to voucher commitments. Director LaRocque and her team met with the owners of Highland Flats this week to discuss the final amount owed to THA.

Vice Chair Rumbaugh asked for an update on the Department of Corrections (DOC) program at Tacoma Community College (TCC). According to DED Black, THA received

the proposal from TCC and DOC a month ago. Staff met to go over the proposal but it had complicating factors that would have had THA administering four types of subsidy in the College Housing Assistance Program (CHAP) umbrella. There were other challenges that would impact operations long term while RA is dealing with Covid crisis. THA will get back to TCC by August 31st. The proposal is to have all 25 DOC vouchers used as tenant based subsidies as opposed to trying to find one landlord to take 10-15 vouchers. DOC collaborated with TCC on the proposal. She notes that this planning pre-dated the pandemic.

Vice Chair Rumbaugh inquired about the 60 mainstream vouchers that are not utilized. According to DED Black these are for disabled, non-elderly persons. Vice Chair Rumbaugh noted that unlawful detainers have been stayed by the government until August 1 and asked how many voucher holders would be falling behind with rent because they lost their jobs. DED Black does not have this data, but stated that if a family reported financial loss, THA dropped their share of the rent effective April through July. It was an opportunity for families to report changes and for THA to pick up the higher portion of the rent. In discussions with Highland Flats on income verification, they have a number of tenants that have not paid their rent who will be at risk of losing their housing. Staff will meet with Highland Flats to come up with a solution so tenants are not served with eviction notices. These, according to Vice Chair Rumbaugh are the kinds of numbers he is interested in. Commissioner Hodge mentioned the 25 vouchers not used and asked if they can be used to house homeless people. DED Black responded that while THA has 25 unused vouchers, THA is already at 101% budget utilization. Unused vouchers is positive, but THA will keep its commitment for those who want to access those vouchers when they are ready.

Commissioner Hodge expressed the frustration she feels when she sees articles about homeless families. Vice Chair Rumbaugh added that it is a supply side housing issue in Pierce County. He asked about the \$1.2 M THA provides to the county for Rapid Rehousing (RRH). DED Black responded that THA provided \$1.3M.

Commissioner Smith asked if a community of tiny houses for the homeless is something THA can do. ED Mirra noted that THA has donated to the City the use of part of its land at 60th and McKinnley for just such a community. It will have 53 tiny houses. The City has the use of the land until New Year's Eve next year.

DED Black did not want to ignore the utilization inquiry by Vice Chair Rumbaugh and asked Director Shalik to weigh in regarding the increase in Housing Assistance Program (HAP) funding. During the next budget process, THA will budget more HAP funds to be spent on HAP to adjust utilization closer to 100%. Director Shalik confirmed and added that THA budgeted conservatively and received \$1M funding from HUD. Funding will remain the same next year and could get higher. Utilization is projected out three years and will not drop until 2022.

Property Management

Property Management (PM) Director Frankie Johnson started by thanking her team for their hard work through the pandemic. She also thanked DED Black for her leadership with the Emergency Operations Committee (EOC). THA has its first positive case of COVID among staff; one maintenance tech tested positive after having contact with a family member who came to visit. But thanks to the information from the EOC, he did all the right things: he self-quarantined, let his supervisor know, tested, and provided results. The good news is that this person is now off the respirator, out of the hospital and doing well at home. The doctor did ask him not to return to work for another 7 days. One hundred thirty three (133) staff members took the Covid training through Target Solutions.

PM continues to do well on turns for the fifth month in a row with under 20 days and 14 this month. Director Johnson thanked her maintenance staff and David Dailey who did a great job in the EOC team. He continues to show that he was an excellent choice for THA. Admin staff are gearing up to normal work at THA and preparing for what that will look like. PM is doing an annual interim certification through DocuSign. Staff are deep in Covid cleaning and sanitization, which can be difficult. Director Johnson is communicating with her team to make sure they are getting what they need. She is concerned about the uptick in Covid cases. Staff are doing more to minimize the spread.

Occupancy rate remains at 99% for 18 months in a row. The increase in the number of emergency work orders, which is generally under 10, is a result of some normal work orders escalating to urgent level.

PM had new hires and are prepared to lease up The Rise and Arlington. ED Mirra inquired about the data for rent collections. According to Director Johnson, she and Directors Burgess and Shalik met to see how soon they can provide the information but they are trying to make sure the data is meaningful and accurate. ED Mirra also asked that the report include rent collections for all THA properties, including those with third party managers. Chair Young asked if THA does a lot of online Covid trainings. Director Johnson responded that THA used Target Solutions primarily for PM but since they had it available, it was expanded to all of THA staff. Commissioner Hodge asked if there have been requests for trainings in other languages. No, responded Director Johnson.

Real Estate Development

Real Estate Development (RED) Director Kathy McCormick directed the Board to her report. RED received an email from Shilo Baptist Church; they want to redevelop a property they own. Five hundred seventy five thousand (\$575K) will be coming to THA for the sale of a lot at Salishan where Michael Hopkins will be developing townhomes. Director McCormick and ED Mirra have been working with the Greater Tacoma Community Foundation (GTCF) regarding unit banking where THA acquires units and does not increase rents up to market rate but rather keeps the rate reasonable. According to GTCF, this is their top priority and have hired a consultant to work with THA. In 5-10

years, these will be market rate affordable. Chair Young stated that it sounds similar to Forterra's funds.

According to Director McCormick, Arlington Drive's construction will finish in early September. The Rise on 19th will finish about the same time. Vice Chair Rumbaugh inquired about Gault School. Director McCormick responded that RED received estimates for seismic, roof and windows, which was around \$6M. Staff are trying to learn how much funding the City can contribute. Staff may have to look for non-traditional funding sources. The report is finished for the community engagement process. The next community engagement will figure out what the neighborhood needs

Human Resources

Human Resources (HR) Director Toby Kaheiki expressed his appreciation for Commissioner Banks and his services to the Board. He also expressed his love and appreciation for the cabinet team that has taken a big lift especially in the EDI work. HR is looking forward to taking a lead on the impact of EDI in the workplace and efforts as it relates to the workplace.

Director Kaheiki is reevaluating the HR team, where their priorities are and will be meeting with each Cabinet member for their input. There will be changes with staffing to help establish the best structure for HR moving forward. For online training, HR recently signed an agreement with an existing application tracking system with recruitment through NeoGov and will implement a learning online training module. Director Kaheiki will meet with them to figure out how to put that in place like a library of trainings for staff. This will be across the Board training for staff.

HR has also been busy with emergency matters lately. Director Kaheiki will be stepping up the quarterly reporting to the Board. Commissioner Hodge inquired about new hires and promotion demographic information. According to Director Kaheiki 4 out of the 5 hires are women and new hires is 90% diverse. 5 out of the 6 promotions were female. Out of the 9 reclassifications, 3 were male.

8. NEW BUSINESS

8.1 RESOLUTION NO. 2020-07-22 (1) (Acquisition of Conifer South Tacoma Apartments, LLC, Pine Tree Harbor Tacoma Apartments, LLC, and Redwood Juniper Tacoma Apartments, LLC)

A **RESOLUTION** of the Board of Commissioners of the Housing Authority of the City of Tacoma authorizing the Authority to acquire Conifer South Tacoma Apartments, LLC, Pine Tree Harbor Tacoma Apartments, LLC, and Redwood Juniper Tacoma Apartments, LLC; and determining related matters.

Whereas, RCW 35.82.070 authorizes the Housing Authority of the City of Tacoma (the "Authority"), among other things, to acquire and operate housing projects; and

Whereas, RCW 35.82.040 authorizes the Authority to "delegate to one or more of its agents or employees such powers or duties as it may deem proper"; and

Whereas, The Authority is the Administrative Managing Member of Conifer South Tacoma Apartments, LLC (the "Conifer LLC"), pursuant to that certain Second Amended and Restated Operating Agreement dated as of March 16, 2005 (the "Conifer Agreement"), among Conifer South Management, LLC, the Authority, and Key Community Development (the "Investor Member"); and

Whereas, The Conifer LLC owns the Conifer South Apartments (the "Conifer Project") located at 5235 South Warner Street, Tacoma, Washington; and

Whereas, Section 8.7 of the Conifer Agreement grants the Authority the right of first refusal to acquire the Conifer Project; and

Whereas, The Authority is the Administrative Managing Member of Pine Tree Harbor Tacoma Apartments, LLC (the "Pine Tree LLC"), pursuant to that certain Second Amended and Restated Operating Agreement dated as of March 16, 2005 (the "Pine Tree Agreement"), among Pine Tree Harbor Management, LLC, the Authority, and the Investor Member; and

Whereas, The Pine Tree LLC owns the Pine Tree South Apartments (the "Pine Tree Project") located at 2501 South G Street, Tacoma, Washington; and

Whereas, Section 8.7 of the Pine Tree Agreement grants the Authority the right of first refusal to acquire the Pine Tree Project; and

Whereas, The Authority is the Administrative Managing Member of Redwood Juniper Tacoma Apartments, LLC (the "Redwood LLC"), pursuant to that certain Second Amended and Restated Operating Agreement dated as of March 16, 2005 (the "Redwood Agreement"), among Redwood Harbor Management, LLC, the Authority, and the Investor Member; and

Whereas, The Redwood LLC owns the Redwood Juniper Apartments (the "Redwood Project") located at 3015 North Pearl Street, Tacoma, Washington; and

Whereas, Section 8.7 of the Redwood Agreement grants the Authority the right of first refusal to acquire the Redwood Project;

Whereas, At a special meeting held on July 7, 2020, the Authority's Board of Commissioners (the "Board") approved a motion authorizing the Authority to exercise the rights of first refusal to acquire the Conifer Project, the Pine Tree Project and the Redwood Project, and authorized the Authority's Executive

Director to do all things necessary or desirable on the Authority's behalf to exercise such rights of first refusal; and

Whereas, Pursuant to such authority, the Executive Director sent letters to each of the Conifer LLC, the Pine Tree LLC and the Redwood LLC exercising said rights of first refusal on the Authority's behalf; and

Whereas, Federal low-income housing tax credits were allocated for each of the Conifer Project, the Pine Tree Project and the Redwood Project (collectively, the "Projects"), and transfers of the Projects are subject to approval of the Washington State Housing Finance Commission (the "Commission"); and

Whereas, The Commission requires that the Board adopt a resolution authorizing the Authority to obtain each of the Projects and to assume the responsibilities of the Conifer LLC, the Pine Tree LLC and the Redwood LLC, respectively, as they pertain to the federal low-income housing tax credits, and also providing signature authority on behalf of the Authority; now, therefore be it

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

1. Transfer Authority. The Authority is authorized to (i) obtain each of the Projects pursuant to the rights of first refusal granted to the Authority, (ii) assume the responsibilities of the Conifer LLC, the Pine Tree LLC and the Redwood LLC, respectively, as they pertain to the Commission's tax credit program and the federal low-income housing tax credits that were available to each of the Projects, and (iii) enter into such agreements as are necessary or desirable (as determined by the Authority's Executive Director) to evidence the same (including one or more transfer agreements with the Commission). The Authority's Executive Director and the Authority's Deputy Executive Director, and each of them acting alone, are authorized to (i) negotiate, execute, deliver and, if applicable, file (or cause to be executed and delivered and, if applicable, filed) on behalf of the Authority any government forms, affidavits, certificates, letters, documents, agreements and instruments that such officer determines to be necessary or advisable to give effect to this resolution and to consummate the transactions contemplated herein; and (ii) cause the Authority to expend such funds as are necessary to acquire the Projects pursuant to the rights of first refusal and to pay for all filing fees, application fees, registration fees and other costs relating to the actions authorized by this resolution.
2. Acting Officers Authorized. Any action required by this resolution to be taken by the Executive Director or Deputy Executive Director may, in such person's absence, be taken by any employee of the Authority that has been designated by the Executive Director to act in the absence of the Executive Director or Deputy Executive Director.

3. Ratification and Confirmation. All actions of the Authority and its officers prior to the date hereof and consistent with the terms of this resolution are ratified and confirmed. Nothing herein is intended to diminish the authority granted to the Authority and the Executive Director pursuant to the motion of the Board adopted at its July 7, 2020, special meeting.
4. Effective Date. This resolution shall be in full force and effect from and after its adoption and approval.

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

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

Motion Approved: July 22, 2020

Derek Young, Chair

9. COMMENTS FROM COMMISSIONERS

Chair Young thanked staff and commissioners for their hard work during the uncertainty, and their ability to get things done. Vice Chair Rumbaugh agreed and is particularly impressed with staff moving forward on issues of racial inclusion and equity. It is very important and difficult to do during a pandemic and he admires everyone's efforts to move that forward and follow THA's principal mission to get people housed. Commissioner Hodge is impressed with how staff have been able to do a great job, maintain good morale and show enthusiasm for THA's mission. Commissioner Smith agreed and thanked staff who have done an amazing job coming up with an EDI plan. Commissioner Banks thanked staff and commissioners for their assistance over the years and is looking forward to hearing about the great things THA will be doing in the future.

10. EXECUTIVE SESSION

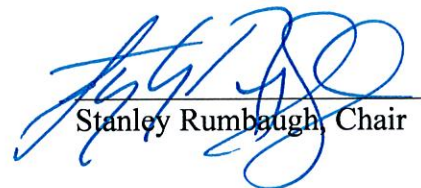
None.

11. ADJOURNMENT

There being no further business to conduct the meeting ended at 6:43 PM.

APPROVED AS CORRECT

Adopted: September 8, 2020


Stanley Rumbaugh, Chair