



TACOMA HOUSING AUTHORITY

RESOLUTION 2015-4-22 (2)

Date: April 22, 2015
To: THA Board of Commissioners
From: Michael Mirra
Executive Director
Re: Brawner & Company Financial Advisor Services

Background

On December 17, 2014, the Board of Commissioners passed Resolution 2014-12-17 (1), authorizing contracts with a stable of financial advisors not-to-exceed \$200,000 each. The purpose of this stable is to advise THA on mixed finance real estate development and asset management transactions. This resolution pertains to one of the financial advisors in the stable, Brawner & Company. This resolution would raise the not-to-exceed amount for that contractor by an additional \$200,000 for a total contract authority of \$400,000

THA has found that it needs the services of Brawner & Company for some important and extension work. Shortly after the Board of Commissioners passed Resolution 2014-12-17 (1), THA began working with Brawner & Company on two significant projects:

- the development of Bay Terrace Phase II, and
- the strategic repositioning of THA's public housing portfolio through the RAD conversion.

Brawner & Company has been integral to the success and progression of both of these projects to date. On these projects so far, THA has entered into three Letters of Engagement (LOEs) with Brawner & Company, totaling just under the Board of Commissioner's not-to-exceed amount of \$200,000. The Letters of Engagement are as follows:

Bay Terrace Phase II LOE	\$65,000
Traditional Public Housing Financing and RAD Conversion LOE	\$87,000
Tax Credit Public Housing RAD Conversion LOE	\$45,000
Total	\$197,000

THA is quickly approaching the next phase of the RAD conversion, which is the Pre-Development/Pre-Construction phase. During this phase, THA will be

- Submitting a 4% Tax Credit application, procuring a General Contractor/Construction Manager, selecting a Lender and Investor for the Traditional Public Housing projects, and negotiating with the investor and lender through closing, and
- Negotiating with lenders and investors through closing on the Tax Credit Public Housing portfolio.

To bring THA through the “Pre-Development/Pre-Construction” phase, Brawner & Company and THA have negotiated a Scope of Work for two new LOEs for the RAD conversion of both the Traditional and Tax Credit public housing projects. The totals for the Scopes of Work are as follows:

Traditional Public Housing Financing and RAD Conversion Scope of Work	\$142,000
Tax Credit Public Housing RAD Conversion Scope of Work	\$61,000
Total Additional Work	\$203,000
Total Work	\$400,000

THA requests that the Board of Commissioners raise the not-to-exceed amount by an additional \$200,000 for a total contract authority of \$400,000.

Recommendation

Approve Resolution 2015-4-22 (2) authorizing and directing the Executive Director or his designee to amend the December 17, 2014 contract with Brawner & Company, to increase its not-to-exceed amount from \$200,000 to \$400,000. This will allow the executive director to sign Letters of Engagement with Brawner & Company up to the total amount of \$400,000.



TACOMA HOUSING AUTHORITY

RESOLUTION 2015-4-22 (2) Brawner & Company Financial Advisor Services

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

Whereas, On December 17, 2014, the Board of Commissioners passed Resolution 2014-12-17 (1), authorizing a contract with Brawner & Company not-to-exceed \$200,000;

Whereas, On February 27, 2015, HUD accepted THA's Portfolio RAD application, and THA entered into a "Commitment to enter into a Housing Assistance Payment (CHAP) contract with HUD;

Whereas, THA is prepared to begin the Pre-Development/Pre-Construction phase of the RAD conversion;

Whereas, Brawner & Company has provided exemplary financial consulting, providing creative and tailored insight into THA's RAD transactions;

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

The Executive Director or his designee is authorized to negotiate and execute contracts for the Financial Advising Services of Brawner & Company up to amounts not-to-exceed to \$400,000.

Approved: April 22, 2015

A handwritten signature in blue ink, appearing to read "Stanley Rumbaugh", written over a horizontal line.

Stanley Rumbaugh, Chair