



TACOMA HOUSING AUTHORITY

BOARD OF COMMISSIONERS MEETING MINUTES REGULAR SESSION WEDNESDAY, October 24, 2012

The Commissioners of the Housing Authority of the City of Tacoma met in Regular Session at 902 South L Street, Tacoma, WA at 4:00 PM on Wednesday, October 24, 2012

1. CALL TO ORDER

Chair Flauding called the meeting of the Board of Commissioners of the Housing Authority of the City of Tacoma (THA) to order at 4:05PM.

2. ROLL CALL

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

PRESENT	ABSENT
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Commissioners

Janis Flauding, Chair (via phone)

Greg Mowat, Vice Chair

Arthur C. Banks

Stanley Rumbaugh, Commissioner
(arrived at 4:10 PM)

Staff

Michael Mirra, Executive Director

Christine Wilson, Executive Administrator

Ken Shalik, Finance and Administration Director

April Black, REMHS Director

Barbara Tanbara, Human Resources Director

Nancy Vignec, Community Services Director

Walter Zisette, RED Director

Todd Craven, Administration Director

Chair Flauding declared there was a quorum present @ 4:06 and proceeded handing the gavel to Vice Chair Mowat to run the meeting.

3. APPROVAL OF MINUTES OF THE PREVIOUS MEETING

Vice Chair Mowat asked for any corrections to or discussion of minutes for the Annual Session of the Board of Commissioners for Wednesday, September 26, 2012.

Commissioner Rumbaugh moved to adopt the minutes, Commissioner Flauding seconded.

Upon roll call, the vote was as follows:

AYES: 3
NAYS: None
Abstain: None
Absent: 1

Motion approved.

4. GUEST COMMENT

Hope Rehn, President of SAFE provided comment regarding the SAFE board officer's recent elections. Approximately 120 THA residents voted on these board positions. Ms. Rehn stated the elections produced a very good representation of resident board officers. She also stated the board is working with the NWJP updating the SAFE by-laws.

5. COMMITTEE REPORTS

Real Estate Development Committee – Commissioner Rumbaugh provided his committee report. The committee met yesterday and discussed several items. THA is currently reviewing offers that have come into THA for the sale of Salishan lots. The Tacoma Historic Preservation Commission recently filed a petition to designate the Brown Star Grill site as historically significant. The board recalls a discussion about 70 units of workforce housing this development could create. Further discussions will occur between THA and the Tacoma Historic Preservation Commission related to this historic designation. THA will learn more about the petition they are filing and the potential impacts. Final cost estimates for Hillside Terrace are coming in at about \$4.7 million over previous estimates. Director Zisette reported that staff and A&E consultants are working on those cost adjustments.

Finance Committee – Vice Chair Mowat reported he has reviewed the financial documents presented in the board report and the agency financials are in good order.

Citizen Oversight Committee – Vice Chair Mowat reported on the committee discussions. He reiterated the benefit of having very talented stakeholders sitting on this committee. The group will meet monthly to review progress.

6. ADMINISTRATIVE REPORTS

Executive Director

Executive Director Mirra directed the board to his report. Staff is ready to present the Board with proposed changes to THA's strategic directives and proposed performance measures for the strategic objectives. We will schedule a special session of the board in early 2013 to review the proposals. The new commissioner should be in place prior to

scheduling the strategic plan special session. ED Mirra noted that staff is busy drafting the proposed 2013 budget. A budget special session is set for the end of November.

He also reported that DSHS and 17 housing authorities and four nonprofit housers in Washington State have signed the MOU creating the child welfare – housing collaboration. He added that THA has been nominated to receive the Tacoma Pierce County Affordable Housing Consortium's Innovation Award this evening.

Finance

Director Shalik directed the board to his finance report. He reviewed the agency financials stating that THA has a surplus of \$1M. Expenses and income are currently running at lower rates than anticipated. Additional HAP information will be arriving by the end of the year. The Washington State Auditors Office have completed their financial audits. Director Shalik is working to schedule the Auditor's exit interview. The 2013 agency budget has also consumed a good amount of his time. He is making good progress and looks forward to the upcoming Special Session with the board to review the 2013 budget. Discussion ensued related to various capital projects and associated developers fee.

Commissioner Rumbaugh moved to ratify the payment of cash disbursements totaling \$4,110.403 for the month of September, 2012. Commissioner Flauding seconded.

Upon roll call, the vote was as follows:

AYES:	3
NAYS:	None
Abstain:	None
Absent:	1

Motion Approved

Real Estate Management and Housing Services

Director Black directed the board to her report. Unit turn time continues to remain high due to the issuance of vouchers to our public housing residents. This is creating multiple vacancies that her departments maintenance staff is unable to keep up with. The recent discovery of units exposed to methamphetamine contamination has brought many unit turns to a halt. The Tacoma Pierce County Health Department will assess the contamination levels to determine whether or not the unit is fit for use. Director Black reviewed her department plan to address this troubling issue. Chair Flauding asked if all units will be tested? Director Black stated testing will occur on all suspected units exposed to meth, all unit transfers, and all vacant units. Chair Flauding stated she appreciated the attention being given to this problem and agrees with the approach presented by Director Black.

Real Estate Development

Director Zisette directed the board to his report. He reported that the Hillside Terrace construction project lowest bid came in \$4.7 million over the original construction cost. He will work with THA's consultants to address the bids and will propose alternative construction materials. Director Zisette reported the MLKHDA New Look Apartment project review continues moving forward. There are open lines of communication between THA and MLKHDA. The Tax Credit partner discussions related to this project continue to move forward, they have indicated they are interested in signing this agreement. Commissioner Rumbaugh asked about deferred maintenance costs for the New Look Apartments, Director Zisette reported there are warranty protections in place that will cover those costs.

Community Services

Director Vignec directed the board to her report. She reported on the Housing and Education Conference held on October 9th. Housing Authorities in attendance provided innovative ideas about their housing and education programs. She thanked the Tacoma Public Schools for their participation in the conference. Other themes included the discussion of data sharing and provide meaningful evaluations. The conference spotlighted the value of MTW flexibility in housing authorities' education initiatives. She noted that two non-MTW agencies at the conference were also accomplishing significant progress with their education initiatives. HUD commented that the HA's in attendance are notable because they were focused on service, outcomes and innovation rather than compliance. Commissioner Rumbaugh asked about housing stabilization and school district involvement and asked if we can see how our metrics compare with those of other housing authorities. Director Vignec will look at other HA's data and compare it to THA. She will report back her findings to the board. Commissioner Rumbaugh also asked how long Home Forward has been working on their education program. Director Vignec responded that it has been approximately one-year. Vice Chair Mowat mentioned the importance of getting this group back together in one-year to continue learning how these programs are progressing and where further discussion is needed.

Human Resources

Director Tanbara directed the board to her report. She mentioned that the Human Resources budget for 2013 will fund pro-active programs in her department. She expressed the satisfaction that we are now able to focus more and more on such programs, rather than responding to events. She discussed the upcoming employee event in December and encouraged commissioners to attend. Director Tanbara mentioned the resolution to be considered this evening. Vacation leave/cash out program was recently rolled out to staff for their consideration. This program will be available to those employees who have accrued an excess amount of hours. She also reported post-secondary education opportunities for employees. THA will set aside funding for this program as an incentive to those employees seeking educational opportunities to further

their careers and knowledge base. Director Tanbara will also plan an executive session to discuss recent uptick of employee turnover.

7. OLD BUSINESS

None.

8. NEW BUSINESS

8.1 RESOLUTION No. 2012-10-24 (1), AUTHORIZING FORMATION OF LLLP AND APPLICATION FOR FUNDING THA STEWART COURT APARTMENTS.

Whereas, the Housing Authority of the City of Tacoma (the "Authority") seeks to encourage the provision of long-term housing for low-income persons residing within the City of Tacoma, Washington (the "City").

Whereas, the Authority is authorized by the Housing Authorities Law (chapter 35.82 RCW) to, among other things: (i) "prepare, carry out, acquire, lease and operate housing projects; to provide for the construction, reconstruction, improvement, alteration or repair of any housing project or any part thereof" (RCW 35.82.070(2)); (ii) "lease or rent any dwellings . . . buildings, structures or facilities embraced in any housing project" (RCW 35.82.070(5)); (iii) "make and execute contracts and other instruments, including but not limited to partnership agreements" (RCW 35.82.070(1)); (iv) "delegate to one or more of its agents or employees such powers or duties as [the Authority] may deem proper" (RCW 35.82.040); and (v) "make . . . loans for the . . . acquisition, construction, reconstruction, rehabilitation, improvement, leasing, or refinancing of land, buildings, or developments for housing persons of low income."

Whereas, the phrase "housing project" is defined by RCW 35.82.020 to include, among other things, "any work or undertaking . . . to provide decent, safe and sanitary urban or rural dwellings, apartments, mobile home parks or other living accommodations for persons of low income."

Whereas, the Authority expects to develop an affordable multifamily rental housing project consisting of approximately 59 dwelling units, to be located at 321-3218 South Tyler Street, Tacoma, WA in the City (the "Project"). The total financing for the project will require the use of various funding sources, which may include low-income housing tax credits, the issuance of tax-exempt bonds, loans from public and private lenders, and/or grants. Certain of those sources will require creation of a partnership or limited liability company to maximize the benefits and minimize the risks to the Authority.

Whereas, the Board finds and determines that both the Partnership (as defined below) and the Project will provide for the necessary support of the poor within the City.

Whereas, based on its consideration of the funding sources available for the Project, the need for affordable housing in the City, and other matters, the Authority's Board of Commissioners (the "Board") has deemed it necessary to proceed with the transactions described in this resolution.

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

1. The Authority is authorized to: (i) participate in the formation of, and become the sole general partner in, a Washington limited liability limited partnership (the "Partnership"), which Partnership shall have an initial limited partnership agreement (the "Partnership Agreement") and a certificate of limited partnership (the "Certificate of Limited Partnership") substantially in the forms on file with the Authority's Executive Director (the "Executive Director"), with such changes as the Executive Director may deem necessary or advisable (and not inconsistent with the terms of this resolution). The Board intends that the Partnership will develop the Project and receive low income housing tax credits in connection therewith.
2. The Executive Director and his designee (each, an "Authorized Officer" and, together, the "Authorized Officers"), and each of them acting alone, are authorized on behalf of the Authority to: (i) execute, deliver and file (or cause to be executed, delivered and filed), to the extent required by law, and cause the Authority to perform its duties under, the Partnership Agreement, the Certificate of Limited Partnership and all forms, certificates, applications and other documents that are necessary to form the Partnership; (ii) approve any changes to the Partnership Agreement and the Certificate of Limited Partnership, including any material changes, that any Authorized Officer may deem necessary or advisable (and not inconsistent with the terms of this resolution); (iii) determine the name of the Partnership (it being understood that the words "Stewart Court Apartments LLLP" should appear in the name to the greatest extent feasible); and (iv) take any other action that they deem necessary and advisable to give effect to this resolution and the transactions contemplated herein. The Authority's Executive Director is delegated the authority to cause, in his discretion, the Partnership to be created as a Washington limited liability company, in which case all references in this resolution to limited partnership, partnership agreement, general partner, limited partner, and certificate of limited partnership shall be deemed to be references to limited liability company, operating agreement, managing member, investor member, and certificate of formation, respectively.

3. The Authorized Officers, and each of them acting alone, are authorized on behalf of the Authority (in its individual capacity and/or in its capacity as the Partnership's general partner) to: (i) apply for, and enter into contracts relating to, such funding for the Project as they deem necessary or desirable, including without limitation public and/or private sector financing, an allocation of private activity bond volume cap from the Washington State Department of Commerce (if it is determined that tax-exempt bonds should be issued to finance the Project), Washington State Housing Trust Fund grant(s) and/or loans(s), and other federal, state and local funds; (ii) apply for any and all necessary approvals from the U.S. Department of Housing and Urban Development in connection with such funding; (iii) lend or grant all or any portion of the money derived from such funding sources to the Partnership, and/or cause any contracts relating to such funding to be assigned to the Partnership; (iv) apply to the Washington State Housing Finance Commission for an allocation of (or approval of the use of) low income housing tax credits for the Project (depending on whether the Authorized Officers determine to pursue "9%" or "4%" tax credits), prepare, execute and enter into such agreements (including a credit reservation and carryover allocation contract), provide such documents (including cost certifications) necessary to secure such allocation, and cause such allocation (or any portion thereof) to be assigned to the Partnership if the allocation is initially made to the Authority; (v) seek and approve investors to serve as subsequent limited partners in the Partnership in connection with the receipt of low income housing tax credits for the Project; (vi) negotiate with potential investors regarding their acquisition of limited partnership interests in the Partnership; (vii) prepare all appropriate resolutions for Board review and approval; (viii) prepare all documents required so that the Authority and the Partnership comply with state and federal securities laws; (ix) negotiate contracts relating to the use, management and naming of Project buildings; (x) take all necessary and appropriate actions to dispose of the Project by sale or lease to the Partnership (including entering into any option to lease, or lease, necessary to provide the Partnership with control of the Project site); (xi) apply for bond insurance and other credit enhancement for any bonds to be issued by the Authority for the Project (but only if the Authority's Executive Director determines such credit enhancement to be cost effective); (xii) solicit investment banking firms to serve as the lead underwriter(s) and as members of a selling group (if any) for any bonds to be issued for the Project, and select such lead underwriter(s) and the members of any selling group (if the Executive Director determines that a selling group is desirable); (xiii) apply for ratings of any bonds to be issued by the Authority for the Project (but only if the Authority's Executive Director determines such ratings to be desirable); (xiv) assist in the preparation of any official statement to be used in connection with the offering of any bonds by the Authority for the Project; and (xv) otherwise execute the

Authority's rights under the Partnership Agreement. Nothing herein shall commit the Authority to issuing bonds to finance the Project.

4. The Authorized Officers, and each of them acting alone, are hereby directed, and granted the discretionary authority, to execute and deliver any and all other certificates, documents, agreements and instruments that are necessary or appropriate in their discretion to give effect to this resolution and to consummate the transactions contemplated herein, including, but not limited to, a development services agreement between the Partnership and the Authority (and/or others) providing for the development of the Project, contracts with architects, engineers and other consultants, and construction contracts.
5. The Authority is authorized to expend such funds as may be necessary to be paid by the Authority in connection with filing fees, application fees, registration fees and other costs relating to the actions authorized by this resolution. To the extent any fees or predevelopment costs are incurred and payable by the Partnership prior to the time the Authority enters into a formal loan agreement, the Authority may lend up to \$[] million to the Partnership to pay such costs, with the loan bearing interest at such rate as the Executive Director determines, in his discretion (which may be 0% *per annum*).
6. Any action required by this resolution to be taken by the Executive Director of the Authority may, in his absence, be taken by the duly authorized acting Executive Director of the Authority.
7. Any actions of the Authority or its officers prior to the date hereof and consistent with the terms of this resolution are ratified and confirmed.
8. This resolution shall be in full force and effect from and after its adoption and approval.

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

Upon roll call, the vote was as follows:

AYES: 3
NAYS: None
Abstain: None
Absent: 1

Motion Approved: October 24, 2012

Janis Flauding, Chair

8.2 RESOLUTION 2012-10-24 (2), PROHIBITION OF SMOKING IN THA UNITS

Public Testimony and Board Discussion:

Director Black introduced this resolution and described the policy as stated below in the resolution language. She stated that THA staff strongly recommends adoption of this resolution. She reviewed the basis for this recommendation as outlined in the background provided and covered in the study session. She summarized that a smoking ban is necessary for THA to fulfill its fundamental obligations as a landlord that it owes to tenants to provide a safe living environment, and as an employer that it owes to employees to provide a safe working environment.

Mr. Orlando Gonzalez spoke. He is a resident. He supports this policy and stated that in general smoking is bad. He also stated that he has smoked for 43 years and has spoken with several THA residents who smoke and support this policy. He supports smokers required to be 25 feet away from the building. Although he will continue to smoke, he agrees smoking should not be allowed in the building. He would like also the board to consider drug testing of all applicants and residents who are participants in THA's housing programs.

Ms. Hope Rehn provided testimony. She is a resident and the president of SAFE. Although she is not a smoker, she has lived with a smoker and understands why THA is considering this policy. She added that several THA residents are smokers and do not agree with this policy recommendation. Ms. Rehn believes that residents who are disabled and elderly who have difficulty getting out of their units should be allowed to smoke in their unit. She added that THA has one building that is smoke free and is unable to enforce the no-smoking policy. She agrees with Mr. Gonzalez that drug testing should be a requirement for all THA residents. She is aware of several residents using drugs and alcohol.

Several THA employees provided testimony. Mr. Jason Epton, THA Maintenance Supervisor, has over 20 years of experience in maintenance and agrees with this policy. He stated the high cost to turn units with even limited smoke exposure to walls, appliances, and carpet. Second hand smoke also has a negative impact on our staff who must work in this environment. [He displayed a photo of a wall in a unit that a smoker had occupied for only two years. It showed what Jason said was nicotine dripping off the walls in yellowish lines.] He has special concerns for staff with smoke sensitivities. Mr. Epton stated as a smoker himself he supports the non-smoking policy.

Mr. Matt Drew, THA Maintenance Specialist, stated that he finds it difficult to turn a unit that was occupied by a smoker. He noted the extra time and materials

necessary to do the work. THA provides protective equipment when turning these units; however, it stills gives him an ill feeling.

Mr. Tony Briggs, THA Maintenance Specialist spoke. He had been a smoker for 30 years. He stated the units make him cough upon entering the units and he has difficulty breathing. Because the appliances are exposed to the smoke, staff must often throw them out upon a unit turn because cleaning them is too difficult.

Dr. Anthony Chen, Director of the Tacoma Pierce County Health Department, spoke. He strongly supported the ban on smoking. He commended THA for taking this step. He stated that health and housing are intertwined. Tobacco use is the leading cause of death. He said that smoke-free housing is preferred by renters. He repeated the results of the Health Department survey of THA resident that found that a clear majority of them favored the ban. Dr. Chen encouraged board to pass this resolution.

Commissioner Rumbaugh stated that there has been a thorough and lively discussion of this proposed policy. He appreciates the amended policy proposal before the Board and its omission of candles and incense from the ban. He acknowledges that smoking causes serious health effects and imposes costs on THA. However, he cannot support the proposal because he remains concerned about residents who cannot leave their units if they want to smoke. He would have liked to have seen an inside area of the building defined in the policy where smoking is allowed. He also stated that people who to come to THA for housing assistance should not have to give up their rights. A total ban on smoking or lose your housing is not a proposal he can support. He will be voting no on the resolution.

RESOLUTION 2012-10-24 (2), PROHIBITION OF SMOKING IN THA UNITS

Whereas, the Board of Commissioners must approve all revisions to THA's public housing leases;

Whereas, providing safe housing is a fundamental attribute of THA's obligation as a landlord and providing a safe working environment is a fundamental attribute of THA's obligation as an employer;

Whereas, second hand smoke in THA's residential units poses serious health risks to other residents, guests and THA staff and for that reason it prevents THA from fulfilling these fundamental obligations as landlord and employer;

Whereas, smoking also makes the management of the portfolio more expensive and difficult;

Whereas, a survey of THA's residents indicates that most of them favor a prohibition of smoking.

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

THA staff is authorized to implement a Non-Smoking lease addendum for all new and existing residents at all THA properties after March 1, 2013.

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

Upon roll call, the vote was as follows:

AYES: 2
NAYS: 1
Abstain: None
Absent: 1

Approved: October 24, 2012

Janis Flauding, Chair

8.3 RESOLUTION 2012-10-24 (3), APPROVAL OF WAGE INCREASE FOR TRADES COUNCIL EMPLOYEES

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

Whereas, The collective bargaining agreement between the Tacoma Housing Authority (THA) and the Pierce County, Washington Building and Trades Council called for a salary and insurance benefit opener in 2012;

Whereas, THA and the Trades Council have reached an agreement on a salary increase of 2.35%, retroactive to the first full pay period in July 2012: and

Whereas, On October 10, 2012, the THA staff in the bargaining unit that the Trades Council represents have voted to ratify the salary increase agreement; and

Whereas, The Board of Commissioners finds that the wage increase for maintenance staff is fair and reasonable and that it would serve THA's interests;

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

The Board authorizes the Executive Director to implement the 2.35% wage increase, retroactive to the first full pay period in July 2012, pursuant to the wage re-opener provision of the current collective bargaining agreement with the Pierce County, Washington Building and Trades Council.

Approved: October 24, 2012

Janis Flauding, Chair

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

Upon roll call, the vote was as follows:

AYES: 3
NAYS: None
Abstain: None
Absent: 1

Motion Approved: October 24, 2012

Janis Flauding, Chair

9. COMMENTS FROM COMMISSIONERS

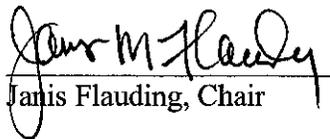
Chair Flauding thanked staff and our partners for their work on the non-smoking policy. Vice Chair Mowat attended a meeting at Salishan regarding community improvement. He thanked staff for their work.

11. ADJOURNMENT

There being no further business to conduct the meeting ended at 5:26 PM.

APPROVED AS CORRECT

Adopted: November 28, 2012



Janis Flauding, Chair