



TACOMA HOUSING AUTHORITY

BOARD OF COMMISSIONERS MEETING MINUTES REGULAR SESSION WEDNESDAY, June 27, 2012

The Commissioners of the Housing Authority of the City of Tacoma met in Regular Session at 2306 – 6th Avenue Wednesday June 27, 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 4:14 PM.

2. ROLL CALL

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

Present	Absent
Janis Flauding, Chair Greg Mowat, Vice Chair Arthur C. Banks, Commissioner	
Stanley Rumbaugh, Commissioner (arrived at 4:25 PM)	Ken Miller, Commissioner
Staff Michael Mirra, Executive Director Christine Wilson, Executive Administrator	
April Black, REMHS Director Barbara Tanbara, Human Resources Director Nancy Vignec, Community Services Director Walter Zisette, RED Director Todd Craven, Administration Director	Ken Shalik, Finance Director

Chair Flauding declared there was a quorum present @ 4:15 PM.

3. APPROVAL OF MINUTES OF THE PREVIOUS MEETING

Chair Flauding asked for any corrections to or discussion of minutes for the Regular Session of the Board of Commissioners for Wednesday, May 23, 2012. Commissioner Mowat moved to adopt the minutes, Commissioner Banks seconded.

Upon roll call, the vote was as follows:

AYES: 3
NAYS: None
Abstain: None
Absent: 2

Motion approved.

4. GUEST COMMENTS

Hope Rehn, President of SAFE, provided comments to the board. She announced the SAFE picnic will be held July 27th, noon to 3 PM, at the Wright Street Apartments. She also reported concerns about unauthorized guests in the Senior buildings. Ms. Rehn asserted that there is a Wright Street resident that has never lived in his apartment. ED Mirra asked Director Black to follow-up with Ms. Rehn's concerns. Don Fisher, a 6th Avenue resident, provided comments on building green options for the 6th Avenue building. He would like the BOC to direct staff to consider purchasing and installing solar panels on the roof. Mr. Fisher used the January 2012, power outage as an example of the value of having the capability to store solar energy for later use. This energy option would have provided the residents at 6th Avenue with the necessary power to keep their homes functional. Residents who rely on electricity for their medical needs find power outages challenging.

5. COMMITTEE REPORTS

Real Estate Development Committee – Please see the RED presentation minutes below. Commissioner Rumbaugh provided comments.

Finance Committee –No report

6. ADMINISTRATIVE REPORTS

Executive Director

ED Mirra referred the board to his report and welcomed questions.

Finance

On behalf of Director Shalik, Finance Manager Duane Strom directed the board the finance report. The Washington State Auditors have wrapped up the current phase of their audit review and will begin their next phase next week. The final phase of the audit will occur sometime in October 2012. Commissioner Rumbaugh requested Mr. Strom to report back to Director Shalik that the board needs an to explanation at the next meeting how the expenditure gap on line 57 of the THA financials will be closed. Mr. Strom stated he will make sure Director Shalik receives this request.

Commissioner Mowat moved to ratify the payment of cash disbursements totaling \$4,132,109 for the month of May, 2012. Commissioner Banks seconded.

Upon roll call, the vote was as follows:

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

Motion Approved

Real Estate Management and Housing Services

Director Black directed the board to her report. She reviewed with the board the new Vacant and Turned Units report inserted in her board report. The table displays the various THA properties, the number of unit turns, the average number of unit turn days, the number of units vacant, and the average number of vacant days. She addressed Commissioner Rumbaugh's concerns raised at the June board meeting requesting assurance that THA has sufficient oversight of its new HVAC contract with Holiday-Parks. Director Black provided that assurance in her report. Director Black finished with her report on long term financial planning with our HAP funding from HUD. She reviewed the Funding and Expenditure Projections for FYT2011 through FY2018.

Real Estate Development

Director Zisette directed the board to his report. Director Zisette reported that Quadrant Homes announced it will suspend marketing homes at Salishan. He added that this is disappointing for both THA and Quadrant. He also reported that both are optimistic that sales will resume. Director Zisette announced that HUD has approved the Hillside Terrace demolition/disposition application submitted several months ago. THA anticipates receiving word from HUD on the relocation vouchers for this project by mid-July. MLKHDA is interested in selling their partnership for the New Look apartments and commercial space to THA. THA staff are discussing this prospect with MLKHDA.

Presentation about Salishan Campus Core

ED Mirra introduced Roberta Schur, Senior Project Manager for RED, who presented the Salishan Campus Core Concept (SCCC). He stated that staff would like the board's views on the vision for the SCCC. If the board favors that vision then it will allow staff to proceed with its planning effort. The staff is not asking the board for any other decision whether to proceed with the project. That decision will come once further planning occurs, including consultation with advisors about THA's chances of raising the necessary money. THA has engaged The Allford Group to advise it on this question. That consultations will occur over the next several months.

Ms. Schur presented the plan. She estimated that it will require \$22 million. Commissioner Rumbaugh stated he likes this master plan and supports the work. He offered several cautions. He asked whether the financing effort could limit funding available for other development project opportunities, especially for THA's plans for the MLK corridor. He also questioned whether THA had the staff capacity to do both. Chair Flauding asked how long it will take to complete SCCC. Ms Schur estimated approximately 3-5 years. Commissioner Mowat added that the SCCC is the capstone project for Salishan and needs to be completed.

Commissioner Banks moved that THA continue with its planning for the Salishan Campus Core Concept, including a capital campaign feasibility study. Commissioner Mowat seconded.

Upon roll call, the vote was as follows:

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

Motion Approved

Community Services

Director Vignec directed the board to her report. She reviewed Section 2 of her report outlining various funding grants for which THA has applied or will apply.

7. OLD BUSINESS

None.

8. NEW BUSINESS

8.1 RESOLUTION 2012-6-27 (1), AMENDMENT TO THA'S MOVING TO WORK AGREEMENT

WHEREAS, an amendment to THA's 2012 Moving to Work plan is required to maximize THA's flexibility to develop, rehab and preserve affordable housing units.

WHEREAS, THA has broader authority to use federal funds and HUD rules require THA to include this use as a separate Moving to Work activity in order to activate that broader use.

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

1. Authorize THA to adopt the amendment to THA's 2012 Moving to Work Plan with HUD allowing THA to spend MTW funds to preserve, rehab and develop affordable housing that is not financed under the public housing or project based voucher programs.

Upon roll call, the vote was as follows:

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

Motion Approved

 Janis Flauding, Chair

8.2 There was no resolution number (2) submitted to the board for consideration

8.3 RESOLUTION 2012-6-27(3), Hillside Terrace Phase I - Tax Exempt Bond Lender and Tax Credit Investor Selection

WHEREAS, The Housing Authority of the City of Tacoma (the "Authority") on April 25, 2012 solicited Letters of Intent/Interest for the issuance of Tax Exempt Bonds for construction/permanent financing and the purchase of low-income housing tax credits for Hillside Terrace Phase I (2500 Yakima, LLLP) ;

WHEREAS, The Request for Letters of Intent/Interest was sent to (9) Tax Exempt Bond lenders and (13) Low Income Housing Tax Credit investors and Syndicators;

WHEREAS, The Authority received six (6) proposals from lenders and four (4) from investors, all were responsive;

WHEREAS, The Authority interviewed a shortlist of three (3) competitive lenders and two (2) competitive investors with the follow ranking based on cost;

NAME	Chase Bank	Key Bank	Heritage Bank	Enterprise	PNC
Lenders					
Total Cost, Ranking (lowest to highest),	\$3,868,533 3	\$3,743,517 2	\$3,679,828 1		
Difference from lowest	\$188,706	\$63,689	\$0		
Investors					
Net Present Value, Ranking,				\$7,199,950 2	\$7,250,109 1
Difference from highest				\$50,159	\$0

WHEREAS, The selection committee in consultation with CSG Financial Advisors determined Chase Bank to possess the best combination of terms and experience for construction and permanent lending and Enterprise Community Investment offered the best and final terms for the purchase of Low Income Tax Credits. Both offers were determined to be the most advantages to the project and THA; and

WHEREAS, The Contracting Officer, Michael Mirra, has reviewed the results of the evaluation committee and concurs that the committee's recommendation be accepted for Chase Bank and Enterprise;

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

1. The Executive Director has the authority to negotiate and execute the Tax Exempt Bonds issuance and loan commitment letter from Chase Bank for the construction and permanent loan for Hillside Terrace Phase I (2500 Yakima, LLLP);
2. The Executive Director has the authority to negotiate and execute the commitment letter from Enterprise Community Investment for the purchase of low-income housing tax credits to be allocated to Hillside Terrace Phase I (2500 Yakima, LLLP);
3. The Executive Director has the authority to negotiate the Operating Agreement between THA as General Partner and Enterprise Community Investment as Limited Investor Partner.

Discussion of the motion ensued. Commissioner Rumbaugh noted that the staff proposed to select the most expensive of the lenders and the more expensive of the investors. He asked for an explanation. Director Zisette explained that cost was only one of several factors. The other factors were the extent of the institutions' tax-credit experience and a staff judgment on which institution would be easy or hard to work with. Commissioner Rumbaugh said that the issue was whether those advantages were worth the difference in costs. He stated his willingness to rely on staff's judgment on that question but cautioned that he expected staff to be right.

Upon roll call, the vote was as follows:

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

Motion Approved

Janis Flauding, Chair

8.4 RESOLUTION NUMBER 2012-6-27 (4), ENDORSEMENT OF LONG-TERM HAP FISCAL PLANNING

WHEREAS, THA has funding flexibility with its MW authority.

WHEREAS, providing shorter-term, shallower subsidy will allow THA to serve more households,

WHEREAS, THA needs to make long-term financial and strategic decisions about the use of MTW funds in order to achieve desired outcomes.

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

Authorize the following activities:

- Proceed with issuing a Request for Proposals for up to 110 project based vouchers to be under contract by Fall 2014. This RFP may be issued in partnership with Pierce County.
- Negotiate a contract with Pierce County to fund special programs related to the Pierce County Consolidated Plan. Final approval of the contract start date, contract terms, dollar value, and population(s) served will come to the Board for final approval following the 2012 mid-year budget adjustment.
- Pending the approval of the 2013 MTW Plan, discontinue leasing any new tenant based vouchers beginning in January 2013.
- Pending the approval of the 2013 MTW Plan, design a Fixed Subsidy Program and begin admitting households to that program beginning in January 2013.

Troy Christensen of Pierce County addressed the Board. Troy is the Program Manager for the county's programs pertaining to the assistance of homeless persons and families. These include the centralized intake program, Access Point 4 Housing. This resolution would have THA redirect a portion of its rental assistance dollars to Pierce County for this and other programs. Troy described those programs. He stated his strong support for the collaboration the resolution contemplated between the county and THA. He reported how THA's contribution will allow a significant advance in the county's ambitions to serve all homeless families with children who seek help. He expressed his appreciation for THA and the board's innovative leadership.

Director Black presented her detailed projections on how the changes this resolution contemplates would: (1) allow THA to serve more households; (2) make THA more responsive to special needs populations who presently get very little from THA; (3) align THA's resources with the county and the city's continuum of care priorities; (4) free up yet more funds that would be available for use with each THA annual budget.

Upon roll call, the vote was as follows:

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

Motion Approved

Janis Flauding, Chair

9. COMMENTS FROM COMMISSIONERS

10. EXECUTIVE SESSION

The board had planned an executive session to discuss union negotiations; however, by this time in the meeting the board lost it's a quorum and the executive session was cancelled.

11. ADJOURNMENT

There being no further business to conduct the meeting ended at 5:25 PM.

APPROVED AS CORRECT

Adopted: July 25, 2012



Janis Flauding, Chair