



# TACOMA HOUSING AUTHORITY

## BOARD OF COMMISSIONERS MEETING MINUTES REGULAR SESSION WEDNESDAY, April 17, 2013

The Commissioners of the Housing Authority of the City of Tacoma met in Regular Session at 602 South L Street, Tacoma, WA at 4:45 PM on Wednesday, April 17, 2013.

### 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 4:45 PM.

### 2. ROLL CALL

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

PRESENT	ABSENT
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#### Commissioners

Janis Flauding, Chair (left at 6:15 PM)

Greg Mowat, Vice Chair

Arthur C. Banks, Commissioner  
(left at 6:15 PM)

Stanley Rumbaugh, Commissioner  
(arrived at 5:00 PM)

Rose Lincoln Hamilton, Commissioner  
(left at 5:30 PM)

#### Staff

Michael Mirra, Executive Director

Christine Wilson, Executive Administrator

Ken Shalik, Finance Director

Nancy Vignec, Community Services Director

Walter Zisette, RED Director

Todd Craven, Administration Director

Chair Flauding declared there was a quorum present @ 4:46 PM and proceeded.

### 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, March 27, 2013. Commissioner Lincoln Hamilton 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 Flauding asked for any corrections to or discussion of minutes for the Special Session of the Board of Commissioners for Tuesday, April 2, 2013. Commissioner Banks moved to adopt the minutes, Commissioner Mowat seconded.

Upon roll call, the vote was as follows:

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

**Motion approved.**

#### 4. GUEST COMMENT

Ms. Karen Scott, G Street tenant, addressed the board regarding bed bug infestation in the G Street apartments. She mentioned she is aware of other THA buildings that are also infested. She believes the current process in place for treating the infestation is inconsistent and she questions the vendor's methods. She stated her concerns about the chemicals used by the vendors. Her cat became sick after her unit was treated. She has researched this issue and supports the science that the entire building needs to be heat treated. Chair Flauding asked Pat Patterson, THA Portfolio Manager if he has an update for the board on our bedbug strategy. Mr. Patterson reported that he is preparing a presentation for the Board. He noted that problems do arise when tenants do not properly prepare their units as instructed for the vendor's treatment. He reported that the vendor and THA staff had reviewed the safety of the vendor's products. He had not heard of complaints about the effect on pets. Chair Flauding stated it is important for tenants to comply with the vendor requirements for the treatment and requested Mr. Patterson to provide a report at the next board meeting. Ms. Scott is also requesting the windows, common areas, and carpets be cleaned at G Street. She offered her view that the carpets and meeting areas on the third floor were "disgusting." She also acknowledged that she has "insanely" clean standards.

Ms. Areanna Dickerson, Hillside Terrace tenant addressed the board. She reported that she was sexually assaulted by a former THA employee. Ms. Dickerson stated she has been in contact with the media, the ACLU, and the Department of Justice about a claim she has filed against THA. She states she is a voice for all women. She too has complained to THA staff about windows not being cleaned and other maintenance issues

not being addressed. Chair Flauding asked Mr. Patterson about the maintenance at Hillside Terrace. Mr. Patterson reported there is a preventative maintenance schedule for each building. The windows Ms. Dickerson was referring to require special attention due to their height off the ground. He stated this will be addressed by his staff. Chair Flauding explained to Ms. Dickerson that the BOC is unable to discuss Ms. Dickerson's active housing discrimination complaint.

Ms. Hope Rehn, Wright Street tenant addressed the board. She reported common rooms in her building are locked at night. Staff has stated this is for safety purposes. Ms. Rehn says this is inconvenient for her because she does her laundry in the middle of the night. Ms. Rehn would like the laundry rooms to provide more washing/drying capacity. She requested THA consider placing stackable washers/dryers in the laundry rooms for increased capacity. She reports SAFE will hold the annual picnic on July 26th at People's Park. Everyone is invited. Chair Flauding instructed staff to consider if stackable washers/dryers would be feasible in THA properties and thanked Ms. Rehn for the invitation to the SAFE picnic.

Ms. Lois Hansen addressed the board; she lives near the G Street apartments. She has been told of the G Street bed bug infestation. She is concerned this problem will spread outside of THA properties into the neighborhood. Chair Flauding thanked Ms. Hansen for coming to the meeting and addressing the board. ED Mirra stated the board will receive a bed bug presentation after staff has completed their review of the treatment procedures with the vendor. He noted that bed bug infestation is a national problem throughout portfolios serving all income levels. He warned against unrealistic expectations. We are learning that there is no known way to guarantee against all bed bugs. With the help of our consultants, THA seeks to the best approach for the problems we have within our budget. He also noted that THA does not control the furniture or furnishing that residents bring in and out of the buildings.

## **5. COMMITTEE REPORTS**

Real Estate Development Committee – Commissioner Rumbaugh reported the committee did not meet. It appears the Stewart Court sale and the Citibank loan discussions are moving forward.

Finance Committee – Commissioner Mowat reported the committee did not meet. He has reviewed the financial documentation and all appear in order.

Citizen Oversight Committee – Commissioner Banks reported the committee did not meet.

## 6. ADMINISTRATIVE REPORTS

### Executive Director

ED Mirra referred the board to his report and welcomed questions. He reviewed the federal budget and the potential sweep of reserves. He anticipates coming to the board in during the mid-term budget review with a plan to address the proposed new reserve levels.

### Finance

Director Shalik referred the board to his report. The federal funding passed by Congress includes the sequestration cuts. THA financials will account for this funding level. As of February, THA financials show a funding surplus. Director Shalik states THA is in good financial shape considering the current funding levels received from HUD. He noted the effect on the budget resulting from money coming to THA from its various tax credit deals. He explained the "waterfall" structure of those deals. That sets the priority of parties to receive any surplus income. THA is on that list but only gets any money left over after parties higher on the list receive their share. That is now happening and those funds appear in the budget report. Director Shalik noted the pending resolution of the Citi loan. Commissioner Rumbaugh asked about the administrative contracts. Director Shalik stated the consultants were budgeted.

Commissioner Rumbaugh moved to ratify the payment of cash disbursements totaling \$4,048,037 for the month of March, 2013. Commissioner Mowat seconded.

Upon roll call, the vote was as follows:

AYES:	5
NAYS:	None
Abstain:	None
Absent:	0

**Motion Approved**

## 7. OLD BUSINESS

None.

**8. NEW BUSINESS**

**8.1 RESOLUTION 2013-4-17 (1), ADOPTION OF POST-ISSUANCE COMPLIANCE POLICY FOR TAX-EXEMPT BONDS**

**Whereas**, the Authority desires to meet the requirements of the Internal Revenue Code of 1986, as amended, and Treasury Regulations (the "Tax Code") concerning tax-exempt and other obligations ("tax-exempt bonds") for which federal tax exemption is provided by the Tax Code; and

**Whereas**, non-compliance with the Tax Code may result in fines and/or loss of preferential status of tax-exempt bonds; and

**Whereas**, use of tax-exempt bonds plays an important role in funding a significant portion of THA's capital projects; and

**Whereas**, the Internal Revenue Service ("IRS") recently began requiring issuers of tax-exempt bonds to identify if they have written policies and procedures on the initial IRS forms submitted; and

**Whereas**, Authority management adopted the Post-Issuance Compliance Policy for Tax-Exempt Bonds pending Board ratification at the next scheduled meeting and approval of this resolution will help ensure compliance of the Authority with the applicable requirements of the Code.

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

The Board adopts the "Post-Issuance Compliance for Tax-Exempt Bonds" policy in substantially the form set forth in attached draft, allowing for changes to format and procedures, and other changes pursuant to THA Policy G-01 on the Adoption, Amendment and Promulgation of Policies.

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

Upon roll call, the vote was as follows:

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

**Motion Approved:** April 17, 2013

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Janis Flauding, Chair

**8.2 RESOLUTION 2013-4-17 (2), INCREASE IN CONTRACT AMOUNT FOR EMERGENCY MITIGATION SERVICES**

**Whereas,** Tacoma Housing Authority (THA) signed a contract with Rainbow International for Emergency Mitigation Services to provide Emergency Mitigation services that included Hazardous Materials (lead based paint, mold and asbestos), Bio-Hazardous Materials cleanup (unattended death and trauma), Drugs (meth) and Smoke, Water and Fire cleanup (from fire, damage, water leaks and breaks).

**Whereas,** the contract amount needs to be increased from \$250,000 to \$1,200,000 to account for the additional work of this sort THA requires;

**Whereas,** the contract amount exceeds the \$100,000 spending limit for the Executive Director.

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

1. The executive director is authorized and directed as necessary from time to time to execute contract revision(s) with Rainbow International up to \$1,200,000 for the purpose of providing emergency mitigation services to all of THA properties.

KS presented increase in meth contract. Most costs expended will be reimbursed by our insurance. SR asked when the coverage gets diluted. KS laid out the schedule. The meth testing continues.

Commissioner Mowat motioned to approve the resolution. Commissioner Banks seconded the motion.

Upon roll call, the vote was as follows:

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

**Motion Approved:** April 17, 2013

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Janis Flauding, Chair

**8.3 RESOLUTION 2013-4-17 (3), APPROVAL OF RATE MODIFICATION OF HOUSING REFUNDING REVENUE BOND, 2003, AND CANCELLATION OF UNUSED BOND COMMITMENT**

**Whereas**, pursuant to Resolution No. 0803-4 adopted on August 20, 2003, as amended and supplemented by Resolution No. 1103-1 adopted on November 19, 2003 (collectively, the "Bond Resolution"), the Authority issued the Housing Refunding Revenue Bond, 2003 (the "Bond"), in a principal amount not to exceed \$10,000,000, the proceeds of which were used to refund all of the Authority's then-outstanding revenue bonds; and

**Whereas**, the Authority has made Draws on the Bond in amounts totaling \$7,705,472.47, \$6,260,424.59 of which remains outstanding; and

**Whereas**, the interest rate of the Bond is fixed at 4.59% per annum and Heritage Bank, the owner of the Bond, has agreed to reduce the interest rate to a fixed rate of 3.25% annum on the condition that the Authority agrees not to make any additional Draws on the Bond; and

**Whereas**, it is anticipated that the rate modification fee of \$50,000 to be paid by the Authority to Heritage Bank and third party costs to be paid by the Authority in connection with the modification of the terms of the Bond will be more than offset by the interest savings over the remaining life of the Bond; and

**Whereas**, no other terms of the Bond will be modified.

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

Section 1. Definitions. The terms defined in the above recitals shall have the same meanings when used in this resolution. Capitalized terms used but not defined herein have the meanings set forth in the Bond Resolution.

Section 2. Modification of Terms of Bond. The Board approves the modification of the terms of the Bond as set forth in the letter from Heritage Bank to the Authority dated March 7, 2013, including the payment by the Authority of the rate modification fee and third party costs in connection with the modification.

Section 3. Authorization of Documents. The Executive Director of the Authority is authorized and directed to do everything necessary for the modification of the Bond and to execute the modified Bond any other documents reasonably required to be executed in connection with the issuance of the modified Bond, including any documents required to maintain the tax exempt status of the Bond.

Section 4. Acting Executive Director Authorized. Any action required by this resolution to be taken by the Executive Director may in his absence be taken by the duly authorized Acting Executive Director of the Authority.

Section 5. Ratification and Confirmation. 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.

Section 6. Effective Date. This resolution shall be in full force and effect from and after its adoption and approval.

Commissioner Banks motioned to approve the resolution. Commissioner Mowat seconded the motion.

Upon roll call, the vote was as follows:

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

**Motion Approved:** April 17, 2013

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Janis Flauding, Chair

**8.4 RESOLUTION 2013-4-17 (4), STEWART COURT PURCHASE AND SALE AGREEMENT**

**Whereas,** On February 15, 2013, THA received a Letter of Intent from Dean and Anne Curry to acquire the Stewart Court apartments;

**Whereas,** On March 27, 2013, the Board of Commissioners approved the execution of the LOI;

**Whereas,** On March 28, 2013, the Executive Director signed the LOI;

**Whereas,** On March 28, 2013, the Buyers requested a Purchase and Sale Agreement be drafted, including the terms presented in the LOI;

**Whereas,** THA legal counsel has drafted a Purchase and Sale Agreement, which has been reviewed by THA staff;

**Whereas,** The Executive Director and the Board of Commissioners find the terms of the Purchase and Sale Agreement acceptable to THA;

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



1. The Executive Director has the authority to negotiate, and if those negotiations are successful, to execute a Purchase and Sale Agreement with Dean and Anne Curry for their purchase of Stewart Court apartments.

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

Upon roll call, the vote was as follows:

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

**Motion Approved:** April 17, 2013

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Janis Flauding, Chair

**8.5 RESOLUTION 2013-4-17 (5), (SALE OF HOMEOWNERSHIP LOTS TO DR HORTON AND SATISFACITON AGREEMENT FOR INFRASTRUCTURE IMPROVEMENT REVENUE BONDS)**

A RESOLUTION ratifying and authorizing the execution and delivery of a Purchase and Sale Agreement for 143 Building Lots in Salishan Area 3 and a Bond Satisfaction Agreement with respect to the Housing Authority of the City of Tacoma Infrastructure Improvement Revenue Bonds, Series 2008, authorizing execution and delivery of agreements, documents and certificates by the Authority in connection with such agreements; and determining related matters.

**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 in the City of Tacoma, Washington;

**Whereas**, RCW 35.82.070(2) provides that a housing authority may "prepare, carry out, acquire, lease and operate housing projects" and "provide for the construction, reconstruction, improvement, alteration or repair of any housing project or any part thereof . . .";

**Whereas**, RCW 35.82.020 defines "housing project" 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**, RCW 35.82.020(11) and 35.82.130 together provide that a housing authority may issue bonds, notes or other obligations for any of its corporate purposes;

**Whereas**, RCW 35.82.070(5) provides that a housing authority may pledge any interest in

real property;

**Whereas**, pursuant to Resolution No. 2007-10-24(1) adopted on October 24, 2007, as amended and supplemented by Resolution No. 2007-12-12(2) adopted on December 12, 2007, the Authority issued its Infrastructure Improvement Revenue Bonds, Series 2008 (the "Bonds"), in the original aggregate principal amount of \$13,200,000, to provide part of the funds with which to construct infrastructure improvements on property owned by the Authority, as part of the Salishan redevelopment project, to provide housing for low-income persons within the City of Tacoma, Washington (the "Project");

**Whereas**, the Bonds were originally payable, in part, from the net proceeds from the sale of 182 certain individual lots, as depicted on Plat of Salishan Division 3, prepared by Parametrix, dated December 4, 2007 (the "Lots") and General Revenues of the Authority up to a maximum amount of \$3,300,000; and

**Whereas**, as set forth in a First Supplemental Trust Indenture, a Second Supplemental Trust Indenture and Resolutions Nos. 2010-6-23(2) and 2011-5-25(2) of the Authority, the Authority and Citicorp Municipal Mortgage Inc. (the "Bondowner Representative"), as the owner of all of the outstanding Bonds, previously agreed to restructure certain provisions of the Bonds and the related documents to, among other things, extend the maturity date of the Bonds, modify the redemption provisions of the Bonds, revise minimum Lot sale prices and certain provisions relating to the release of Lots from the lien of the Deed of Trust, permit the sale of 28 Lots to the Quadrant Corporation at prices below the minimum Lot sale prices otherwise permitted by the Bond documents and provide for a security interest in certain individual lots located in Salishan Area 2b as additional security for the Bonds; and

**Whereas**, the Authority and the Bondowner Representative have agreed that (a) 143 Lots may be sold to SSHI LLC, a Delaware limited liability company, dba DR Horton ("DR Horton"), and

(b) upon receipt by the Bondowner Representative of the net proceeds of the sale of such lots to DR Horton, the remaining balance of General Revenues pledged to the payment of the Bonds, and certain other funds held by the Trustee for the Bonds, the Bonds shall be deemed paid in full and retired without default, and all interests of the Bondowner Representative in the Area 2b lots shall be released; and

**Whereas**, in order to effect the satisfaction of the Bonds, it is necessary for the Authority to enter into a Bond Satisfaction Agreement with the Bondowner Representative, to be acknowledged by The Bank of New York Mellon Trust Company, N.A., as successor trustee for the Bonds (the "Trustee"); and

**Whereas**, at a special meeting of the Board held on April 2, 2013, the Board of Commissioners of the Authority previously approved the sale of 143 Lots to DR Horton and the execution of a bond satisfaction agreement with the Bondowner Representative; and

**Whereas**, it is in the best interest of the Authority to sell 143 Lots to DR Horton and to provide for the Bonds to be deemed paid and retired without default, and the Board of

Commissioners of the Authority wishes to memorialize its approval of such transactions and execution of related documents through the adoption of this resolution;

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

1. Authorization of Documents and Execution Thereof. The Board ratifies and approves the Purchase and Sale Agreement 143 Building Lots – Salishan Area between the Authority, as seller, and DR Horton, as buyer (the “DR Horton Purchase and Sale Agreement”), and the Bond Satisfaction Agreement between the Authority and the Bondowner Representative, and acknowledged by the Trustee (the “Bond Satisfaction Agreement”), each substantially in the form on file with the Executive Director of the Authority, with such changes as the Executive Director of the Authority shall deem necessary or appropriate. The Board ratifies, authorizes and approves the execution by the Executive Director of the Authority and delivery of the DR Horton Purchase and

Sale Agreement and the Bond Satisfaction Agreement and any other documents reasonably required to be executed by the Authority to carry out the transactions contemplated by this resolution, the DR Horton Purchase and Sale Agreement or the Bond Satisfaction Agreement. The Board ratifies, authorizes and approves the performance by the Authority of its obligations contained in, and the consummation by the Authority of all other transactions contemplated by this resolution, the DR Horton Purchase and Sale Agreement and the Bond Satisfaction Agreement.

2. Acting Officers Authorized. Any action required by this resolution to be taken by the Chair of the Board or Executive Director of the Authority may in the absence of such person be taken by the duly authorized acting Chair of the Board or acting Executive Director of the Authority, respectively.
3. Ratification and Confirmation. 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.
4. Effective Date. This resolution shall be in full force and effect from and after its adoption and approval.

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

Upon roll call, the vote was as follows:

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

**Motion Approved:** April 17, 2013

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Janis Flauding, Chair

**9. COMMENTS FROM COMMISSIONERS**

None.

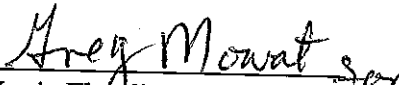
**10. EXECUTIVE SESSION**

**11. ADJOURNMENT**

There being no quorum of the board the meeting ended at 6:15 PM.

**APPROVED AS CORRECT**

**Adopted:** May 22, 2013

  
Janis Flauding, Chair