



TACOMA HOUSING AUTHORITY

BOARD OF COMMISSIONERS MEETING MINUTES REGULAR SESSION WEDNESDAY, January 22, 2014

The Commissioners of the Housing Authority of the City of Tacoma met in Regular Session at 902 South L Street, Tacoma, WA at 4:45 PM on Wednesday, January 22, 2014.

1. CALL TO ORDER

Vice Chair Rumbaugh called the meeting of the Board of Commissioners of the Housing Authority of the City of Tacoma (THA) to order at 4:51 PM.

2. ROLL CALL

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

PRESENT	ABSENT
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Commissioners

Greg Mowat, Chair

- Stanley Rumbaugh, Vice Chair
- Arthur C. Banks, Commissioner
- Janis Flauding, Commissioner
- Rose Lincoln Hamilton, Commissioner

Staff

- Michael Mirra, Executive Director
- Christine Wilson, Executive Administrator
- Ken Shalik, Finance and Administration Director
- April Black, REMHS Director
- Barbara Tanbara, Human Resources Director
- Greg Claycamp, Community Services Director
- Kathy McCormick, RED Director
- Todd Craven, Administration Director

Vice Chair Rumbaugh declared there was a quorum present @ 4:52 PM and proceeded.

3. APPROVAL OF MINUTES OF THE PREVIOUS MEETING

Vice Chair Rumbaugh asked for any corrections to or discussion of minutes for the Annual Session of the Board of Commissioners for Wednesday, December 18, 2013. Commissioner Flauding moved to adopt the minutes, Commissioner Banks seconded.

Upon roll call, the vote was as follows:

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

Motion approved.

4. GUEST COMMENT

Hope Rehn reported that SAFE visited Fantasy Lights during the holidays and had a good time. She is sad to report the SAFE Treasurer, Clarence Elliott, passed away unexpectedly. SAFE is working to fill his position. Ms. Rehn has been working closely with Caroline Cabellon, Program Specialist for the Senior/Disabled Buildings, learning about various grant opportunities that may be available to SAFE. ED Mirra distributed a letter to the BOC from Mr. Donald Casad. Mr. Casad attended the December 18 board meeting regarding one of our Section 8 clients who was his tenant. ED Mirra noted from the letter that Mr. Casad was expecting a response from the board. ED Mirra offered his recollection from the December meeting that while Mr. Casad offered to sit with anyone to review his concerns, the Board did not reply. The Commissioners concurred with this recollection. ED Mirra will reply to Mr. Donald Casad's letter.

5. COMMITTEE REPORTS

Real Estate Development Committee – Vice Chair Rumbaugh provided his report. He has requested an early February meeting to review the RED projects.

Finance Committee – Commissioner Lincoln Hamilton stated the budget is in order.

Citizen Oversight Committee – Commissioner Banks, no report

6. ADMINISTRATIVE REPORTS

Executive Director

ED Mirra referred the board to his report and welcomed questions. He noted that Congress passed a two-year budget, replacing the \$3 million sequestration with a \$1million cut. Discussion ensued regarding what this news means for the budget that the Board adopted in December and the proposed plans for rent reform. ED Mirra noted that the budget contained a list of cuts that will serve us well, especially since we need only go \$1 million into it. He said that staff will report back to the Board on its implementation. Commissioner Lincoln Hamilton led the discussion to a confirmation of the Board's previous direction that THA should continue exploring rent reforms that will reduce costs of the voucher program. Even though the recent budget deal does not cut as much as sequestration threatened, it still weakens THA's sustainability. The Board also judges that more cuts are likely in the foreseeable future. "Thinning the soup" of the rental assistance program is necessary to avoid terminating families, sustaining THA's

ability to assist unserved populations in crisis (e.g, homeless families, homeless youth) and its ability to manage its portfolio. In general, rent reform is necessary to the long term stability of the agency. Director Black directed the board to her Future Rent Reform memo included with her board report. It describes various recipes to “thin the soup”. Vice Chair Rumbaugh asked if considering that the two-year budget cuts are less than anticipated, can we add more funds back into the budget to soften the blow to our poorest clients. The Board will discuss this further at its Jan 24th BOC Study session. ED Mirra ended by recounting the visit to Tacoma of HUD Secretary Donovan who was in town for a Housing Forum sponsored by Congressman Denny Heck.

Finance

Director Shalik directed the board to the Finance Report. He will be adding semi-annual updates to the BOC on THA Tax Credit (TC) properties. This will give the BOC an opportunity to review the various TC budgets.

Commissioner Flauding moved to ratify the payment of cash disbursements totaling \$5,504,073 for the month of December, 2013. 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 the unit turns and vacancies table. She noted that the unit turn time for units that are not contaminated by meth is down to 20 days. ED Mirra noted that the goal was under 10 days. Director Black reported that Bergerson Terrace has a groundwater problem. Two units have been emptied and an engineer will come out to analyze the problem. She also reported continuing challenges leasing up some of our market rate units at Hillside Terrace 1500. The Asset Management Committee will consider putting a voucher in these units.

Real Estate Development

Director McCormick directed the board to his report. She shared with the BOC that THA received an award from the South West AIA for the charette work that took place on the Tacoma Dome District.

She directed the BOC to her Prairie Oaks (LASA) resolution. The RED staff will work closely with LASA for a strong service plan. The various loans to the project will be

“non recourse” to THA. Vice Chair Rumbaugh asked if there will be cash flow to THA from the operations of this project. Director Shalik stated there is no cash flow expected.

Community Services

ED Mirra provided the report. Discussion ensued regarding the McCarver Project evaluation. Academic and disciplinary outcomes are good. The mobility rate for the entire school is also looking very good, down to 75% from a high of 179% a few years back. Co-hort families have doubled their earned income on average. Yet most of them remain pressed to pay the increasing share of rent that this next year will require of them. An initial review of households indicated that the mid-group have generally made substantial progress toward vocational training and other educational goals.

Human Resources

Director Tanbara directed the board to her report. She provided a year-end glance of 2013. She was pleased to report our turnover rate is now under 10%. A complete variable pay report will be shared in her next HR report. The Healthy Worksite Grant was defunded by the federal government.

Administration

ED Mirra provided the report. Vice Chair Rumbaugh asked for a status report of THA’s Meth Plan. ED Mirra stated THA is working with TPCHD to petition the state to increase the current testing threshold up to a health-based standard. Commissioner Banks asked if we have put out literature on residents reporting neighbors with a possible meth problem. Director Black stated this was done in 2012. Northwest Justice Project asked that we discontinue testing units that are leased-up for the time being. ED Mirra reported on the expressions of thanks from our tenants for THA’s Meth Plan.

7. OLD BUSINESS

None.

8. NEW BUSINESS

8.1 RESOLUTION 2014-1-22 (1), ADOPTION OF THE SEVERE WEATHER AND EMERGENCY CONDITIONS POLICY

Whereas, The Severe Weather and Emergency Conditions policy sets forth the basis on which decisions may be made regarding payment of wages for employees during times when the THA’s offices are closed;

Whereas, the proposed changes would address an unfairness under the present policy that pays some staff for working and others for not working during weather emergencies that close the agency.

Whereas, THA wants to be sensitive to public perception about the judicious and appropriate use of public funds;

Whereas, This policy has been thoroughly vetted. All THA employees, Supervisors, Directors and THA's two unions were given an opportunity to comment on the policy revision;

Resolved by the Board of Commissioners of the Housing Authority of the City of Tacoma, Washington that: The Board adopt the "Severe Weather and Emergency Conditions" policy in substantially the form set forth in the 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 Flauding seconded the motion.

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

Motion Approved: January 22, 2014

Greg Mowat, Chairman

8.2 RESOLUTION 2014-1-22 (2), PRAIRIE OAKS APARTMENTS

A RESOLUTION (i) authorizing THA to use up to \$275,000 of available cash to develop the 15 units of permanent supportive housing for homeless families and the related infrastructure; (ii) approving the execution and delivery of documents relating to the funding of the Prairie Oaks project upon conditions; (iii) determining related matters.

Whereas, RCW 35.82.070(2) provides that a housing authority is authorized to "prepare, carry out, acquire, lease and operate housing projects; [and] to provide for the construction, reconstruction, improvement, alternation or repair of any housing project or any part thereof";

Whereas, RCW 25.82.070(5) provides that a housing authority may, among other things and if certain conditions are met, "lease or rent any dwellings . . . buildings, structures or facilities embraced in any housing project";

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 dwelling apartments, mobile home parks or other living accommodations for persons of low income";

Whereas, RCW 35.82.070(18) provides that a housing authority may, among other things and if certain conditions are met, “make . . . loans for the . . . acquisition, construction . . . rehabilitation, improvement . . . or refinancing of land, buildings, or developments for housing of persons of low income”;

Whereas, RCW 35.82.070(13) authorizes the Authority to exercise its statutory powers within the boundaries of any city that is not within the Authority’s area of operation if the governing body of such city adopts a resolution declaring that there is a need for the authority to function in such city, and the City of Lakewood has adopted such a resolution with respect to the Project;

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”;

Whereas, the total cost of acquiring, constructing, equipping and financing the Project is anticipated to be \$4.8 million, which will be financed by THA with numerous sources of funds, including a non-recourse \$2.2 million forgivable loan and a non-recourse \$1.8 million loan from the Washington State Department of Commerce, a forgivable non-recourse loan of “2163” funds in the amount of \$283,697 from Pierce County, a forgivable non-recourse loan of HOME funds in the amount of \$250,000 from the City of Lakewood, and available THA funds; and

Whereas, the Authority will be entering into a HAP contact with the Pierce County Housing Authority for the fifteen (15) housing units

Whereas, the Authority wishes to undertake those steps as may be necessary, reasonable and/or advisable for it to develop, own and operate the Project and to obtain the various funding sources on behalf of the Project described above;

Whereas, the final deal terms are still being drafted and the executive director needs authority to execute the documents as long as they provide for certain essential terms;

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

The executive director is authorized to execute the documents and agreements as set forth below as long as they provide for the following in terms satisfactory to him:

- repayment upon closing to THA of its pre-development investment of approximately \$475,000;
- payment to THA of its developer fees of approximately \$475,000 upon a reasonable schedule with full payment no later than occupancy repayment to THA of its loan of up to \$275,000 at 2% interest within 7 years.
- all other lenders and sources of financing have no recourse in the event of default against THA or its assets other than its interest in Prairie Oaks.

1. Approval of Loan Documents. The Executive Director is authorized and directed to execute and deliver, on behalf of the Authority (i) those documents listed in Exhibit A under the heading "Loan Documents" (collectively, the "Loan Documents"), substantially in the forms on file with the Authority, with such changes, including any material changes, as the Authorized Officer executing such documents deems necessary or advisable; and (ii) any other documents reasonably required to be executed by the Authority to carry out the transactions contemplated by the Loan Documents (including the amendment of any such documents if necessary to further the purposes thereof or resolve ambiguities therein).
2. Additional Documents. The Executive Director is authorized on behalf of the Authority to execute, deliver and/or file (or cause to be delivered and/or filed) any and all other certificates, documents, agreements and instruments that are necessary or appropriate in his or her discretion to give effect to this resolution and to consummate the transactions contemplated herein. In particular, the Executive Director is authorized and directed on behalf of the Authority to execute, deliver and, if applicable, file (or cause to be executed, delivered, and, if applicable, filed) those documents listed in Exhibit A under the heading "Additional Documents" (the "Additional Documents") substantially in the form on file with the Authority, with such changes, including any material changes, as the Executive Director executing such documents deems necessary or advisable.
3. Supplemental Authorization. The Executive Director is authorized on behalf of the Authority (to: (i) determine that any document authorized by this resolution is, at the time such document otherwise would be executed, no longer necessary or desirable and, based on such determination, cause the Authority not to execute or deliver such document; (ii) execute and deliver and, if applicable, file (or cause to be delivered and/or filed) 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/or further the acquisition, rehabilitation, development, financing, construction, and leasing of the Project; and (iii) cause the Authority to expend such funds as are necessary to pay for all filing fees, application fees, registration fees and other costs relating to the actions authorized by this resolution. Without limiting the scope of such authorization, such documents may include lease-up and marketing agreements, company management services agreements, development agreements, construction guaranty agreements, repayment guarantees, cash pledge agreements, environmental indemnity agreements, property management agreements, architect agreements, contractor agreements, housing assistance payment contracts, irrevocable consents and appointments of attorneys for service of process.
4. Execution of Duties and Obligations. The Board authorizes and directs the Authority's Executive Director to cause the Authority to fulfill the Authority's duties and obligations, under the various agreements authorized by this resolution. In the furtherance of the foregoing, the Authority is authorized to expend such as are necessary to pay for all filing fees, application fees, registration fees and other costs relating to the actions authorized by this resolution.

5. Acting Officers Authorized. Any action required by this resolution to be taken by the Chair of the Board or the Executive Director of the Authority may, in such person's absence, be taken by the Vice Chair of the Board or the person authorized to act for the Executive Director of the Authority, respectively.
6. Changes to Titles or Parties. While the titles of and parties to the various documents listed in Exhibit A hereto may change, no change to such titles or parties shall affect the authority conferred by this resolution to execute, deliver, file (if required), enforce and perform the documents in their final form.
7. 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.
8. 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 Flauding seconded the motion.

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

Motion Approved: January 22, 2014

Greg Mowat, Chairman

9. COMMENTS FROM COMMISSIONERS

None.

10. EXECUTIVE SESSION

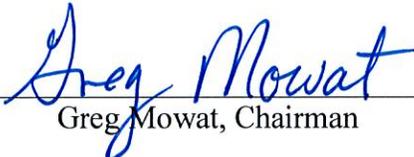
None

11. ADJOURNMENT

There being no further business to conduct the meeting ended at 6:27 PM.

APPROVED AS CORRECT

Adopted: February 26, 2014



Greg Mowat, Chairman