



TACOMA HOUSING AUTHORITY

BOARD OF COMMISSIONERS MEETING MINUTES REGULAR SESSION WEDNESDAY, June 25, 2014

(The italicized font indicates quorum changes gained/lost/or maintained in the document).

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, June 25, 2014.

1. CALL TO ORDER

Chair Mowat called the meeting of the Board of Commissioners of the Housing Authority of the City of Tacoma (THA) to order at 4:49 PM.

2. ROLL CALL

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

PRESENT	ABSENT
Commissioners	
Greg Mowat, Chair	
Stanley Rumbaugh, Vice Chair (arrived at 4:51 PM)	
Arthur C. Banks, Commissioner	
Janis Flauding, Commissioner	
	Rose Lincoln Hamilton, Commissioner
Staff	
Michael Mirra, Executive Director	
	Christine Wilson, Executive Administrator
Ken Shalik, Finance Director	
April Black, REMHS Director	
Barbara Tanbara, Human Resources Director	
Greg Claycamp, Community Services Director	
Kathy McCormick, RED Director	
Todd Craven, Administration Director	

Chair Mowat declared a quorum was present @ 4:50 PM and proceeded.

3. APPROVAL OF MINUTES OF THE PREVIOUS MEETING

Chair Mowat asked for any corrections to or discussion of minutes for the Regular Session of the Board of Commissioners for Wednesday, June 25, 2014. Commissioner Banks moved to adopt the minutes, Commissioner Flauding seconded.

Upon roll call, the vote was as follows:

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

Motion approved.

4. GUEST COMMENTS

Deb Osborn, wife of employee Robert Osborn, addressed the board to provide an introduction and update on the effort to convene a team for the Paint Tacoma beautiful program in honor of Kathleen Merryman, local community advocate. Deb reported they were unable to dedicate a team from Tacoma Housing Authority due to a lack of volunteers. Anyone interested in participating individually can visit the Kit's Crusaders facebook page for the address and crew dates.

Hope Rehn, president of SAFE, addressed the board. SAFE has a new Treasurer, Steve Wells. The annual meeting is scheduled for July 25, 2014, at Peoples Park from 12:00pm-3:00pm. The meeting will consist of a picnic, food and raffle. The committee is currently seeking grants for transportation, new computer and printer. Hope also reported the SAFE office will be relocating to "K" street.

5. COMMITTEE REPORTS

Real Estate Development Committee – Commissioner Rumbaugh reported the meeting was a positive one. The committee discussed its goal to identify ways to create a portfolio which generates an income stream to supplant current HUD funding.

Finance Committee – Ken met with Rose Lincoln Hamilton regarding the BOC Special Session mid-year budget re-scheduled on July 18, 2014.

Citizen Oversight Committee – No report, the committee has not met yet

6. ADMINISTRATIVE REPORTS

Executive Director

ED Mirra reported on budget news from Congress. He noted the budgets recently passed by the full House and the Senate Appropriation Committee. He recalled the 2013 Bipartisan Budget Bill what it directs for 2015. ED Mirra provided an update on the delay in HUD's extension of MTW contracts. He also previewed the challenges facing the 2015 Washington State legislature. In particular, he noted the imperative arising from the McCleary decision to spend billions more on education and the effect this will have on other budget items. ED Mirra commented that rent reform will be pushed out one year to

provide time to research questions about how the proposed programmatic changes will affect THA tenants and for reasons outlined in April Black's REM&HS report.

Finance

Director Shalik directed the board to the finance report. Director Shalik reviewed the financial reports. Director Shalik noted that THA has not received developer fees to date from some of its projects; however, we expect to receive them by year-end. Extraordinary Maintenance expenses are expected to come in over budget and require mid-year revision. The overage is due to meth remediation, Bergerson Terrace water intrusion and Wright street repairs.

Commissioner Flauding moved to ratify the payment of cash disbursements totaling \$5,538,387 for the month of June, 2014. Commissioner Rumbaugh 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 (REMHS)

Director Black directed the board to the REM&HS report. She summarized the report highlighting the HUD Public Housing Management review that identified training gaps in the property management division, flat rents and concerns with verification of income and community requirements. The Rental Assistance division began issuing HOP vouchers, preparing for the issuance of TCC vouchers, and has met the leasing goal of 10 units at Bay Terrace. Headstart began moving into Bay Terrace on June 25, 2014.

Director Black commented that there has been an uptick in the average unit turn times. THA continues to be challenged with multiple unit turn downs. THA will modify the ACOP to allow a household the ability to turn down a unit without cause only once. IF they turn down a unit a second time without cause, THA will remove them from the waiting list. This revision will be posted for public for comment.

There are currently 36 vacant units of which seven are contaminated with meth and twenty-five are in remediation. Four units are not contaminated but on hold for water intrusion rehabilitation.

Real Estate Development

Director McCormick directed the board to the RED report. Director McCormick reports THA has closed on the financing of Prairie Oaks. The DR Horton models are open in Area 3 and seven low income families have been approved to purchase homes in Salishan. Bay Terrace Phase 1 is on schedule with the ribbon cutting scheduled for August. THA is studying Phase 2 financing options. THA has submitted a Stage 1

Housing Trust Fund application . The LASA deal closed and all approvals have been granted and the construction project is expected to take nine months to complete. The Brown Star grill's first feasibility study is nearing completion and the architect has completed a construction and design cost estimate for the project.

Community Services

Director Claycamp directed the board to the Community Services report. Director Claycamp will roll out the new Community Services report template to the board during the July BOC meeting. He announced the hire of the departments new Project Manager, Mia Navarro. She will work with staff on gathering and reporting data and on client engagement. Nicole Fillmore-Meshesha has been promoted as the Program Specialist-Employment and will focus on Employment engagement.

The McCarver program model will be expanding to other schools. We are currently evaluating the program to see where it functions well, how it can be improved, and its stability rates. Director Claycamp reports that they are seeking grant funding to support the Children's Savings Account program. The Bamford Family Foundation has committed to \$136,050 and the Cargill Foundation \$100,000. The CSA program appears to be attracting a fair amount of funding quickly.

Administration

Director Craven directed the board to the Administration report. Director Craven reports that the RFP for the new Enterprise Software Solution will go out on July 16th. The RFP will be sent to vendors and major Housing Authority software providers. The RFP deadline for proposals is July 25th and we expect to have a contract by September 1, 2014. THA received the renewal for our Risk Management insurance policy. He is pleased to report that the increase is approximately 16%, we anticipated an increase of at least 25% due to the meth contamination claims.

7. OLD BUSINESS

None.

8. NEW BUSINESS

8.1 RESOLUTION 2014-6-25(1), SALISHAN AREA 2B PURCHASE AND SALE AGREEMENT

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

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 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 person of low income”;

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 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 as follows:

1. The Executive Director has the authority to negotiate, and if those negotiations are successful, to execute a Purchase and Sale Agreement with DR Horton, in substantially the same form as attached.
2. Acting Officers Authorized. The proper officers of the Authority are and are hereby authorized, empowered, and directed to take such further action on behalf of the Authority as they deem necessary to effectuate the foregoing sections of this resolution. 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.
3. This resolution shall be in full force and effect from and after its adoption and approval.

Approved: June 25, 2014

Greg Mowat, Chairman

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

Upon roll call, the vote was as follows:

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

Motion Approved: June 25, 2014

Greg Mowat, Chairman

8.2 RESOLUTION 2014-6-25(2), Construction Contract Amendment to Exceed \$100,000

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

Whereas, the Housing Authority of the City of Tacoma participates in the City of Tacoma AG Program which provides funds to purchase and rehabilitate and then re-sell foreclosed and short sale homes to low income buyers;

Whereas, the Housing Authority of the City of Tacoma issued an Invitation to Bid (ITB) on February 6, 2014;

Whereas, three bids were submitted and THA selected the lowest bid;

Whereas, the current contract with Libby Builders is \$99,932;

Whereas, the change orders needed to bring the house up to marketable condition and current code have put the project over the \$100,000 threshold;

Whereas, the amended contract is not expected to exceed \$130,000.00.

Whereas, all costs are borne by the state's AG program.

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

1. The Executive Director be authorized and directed to amend the above existing construction contract with Libby Builders Inc. for the stated Not-to-Exceed Value for the rehabilitation of 4836 S K street..

Approved: June 25, 2014

Greg Mowat, Chairman

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

Upon roll call, the vote was as follows:

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

Motion Approved: June 25, 2014

Greg Mowat, Chairman

8.3 RESOLUTION 2014-6-25 (3), INVESTMENT OF TACOMA HOUSING AUTHORITY MONIES IN THE LOCAL GOVERNMENT INVESTMENT POOL

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

Whereas, pursuant to Chapter 294, Laws of 1986, the Legislature created a trust fund to be known as the public funds investment account (commonly referred to as the Local Government Investment Pool (LGIP)) for the contribution and withdrawal of money by an authorized governmental entity for purposes of investment by the Office of the State Treasurer; and

Whereas, from time to time it may be advantageous to the Housing Authority of the City of Tacoma (THA) to contribute funds available for investment in the LGIP; and

Whereas, the investment strategy for the LGIP is set forth in its policies and procedures; and

Whereas, any contributions or withdrawals to or from the LGIP made on behalf of the governmental entity shall be first duly authorized by THA's Executive Director or any designee of the governing body pursuant to this resolution, or a subsequent resolution; and

Whereas, THA file a certified copy of this resolution with the Office of the State Treasurer; and

Whereas, THA's Board and any staff appointed by the Board having authority to contribute or withdraw funds of the governmental entity has received and read a copy of the prospectus and understands the risks and limitations of investing in the LGIP; and

Whereas, the THA Board is duly authorized and empowered to enter into this agreement, to direct the contribution or withdrawal of governmental entity monies, and to delegate certain authority to make adjustments to the incorporated transactional forms, to the individuals designated herein.

***NOW THEREFORE, BE IT RESOLVED** that THA is authorized to contribute and withdraw its monies to and from the LGIP in the manner prescribed by law, rule, and prospectus.*

BE IT FURTHER RESOLVED that the Board approves the Local Government Investment Pool Transaction Authorization Form (Form) as completed by the Executive Director and incorporates said form into this resolution by reference and does hereby attest to its accuracy.

BE IT FURTHER RESOLVED that the Board designates Michael Mirra, Executive Director, the "authorized individual" to authorize all amendments, changes, or alterations to the Form or any other documentation including the designation of other individuals to make contributions and withdrawals on behalf of THA.

BE IT FURTHER RESOLVED that this delegation ends upon the written notice, by any method set forth in the prospectus, of THA that the authorized individual has been terminated or that his or her delegation has been revoked. The Office of the State Treasurer will rely solely on THA's Board to provide notice of such revocation and is entitled to rely on the authorized individual's instructions until such time as said notice has been provided.

BE IT FURTHER RESOLVED that the Form as incorporated into this resolution or hereafter amended by delegated authority, or any other documentation signed or otherwise approved by the authorized individual shall remain in effect after revocation of the authorized individual's delegated authority, except to the extent that the authorized individual whose delegation has been terminated shall not be permitted to make further withdrawals or contributions to the LGIP on behalf of THA. No amendments, changes, or alterations shall be made to the Form or any other documentation until the entity passes a new resolution naming a new authorized individual; and

BE IT FURTHER RESOLVED that the Board acknowledges that it has received, read, and understood the prospectus as provided by the Office of the State Treasurer. In addition, THA agrees that a copy of the prospectus will be provided to any person delegated or otherwise authorized to make contributions or withdrawals into or out of the LGIP and that said individuals will be required to read the prospectus prior to making any withdrawals or contributions or any further withdrawals or contributions if authorizations are already in place.

Approved: June 25, 2014

Greg Mowat, Chairman

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

Upon roll call, the vote was as follows:

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

Motion Approved: June 25, 2014

Greg Mowat, Chairman

8.4 RESOLUTION 2014-6-25(4), Bay Terrace Public Housing Operating Subsidy Reserve

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

Whereas, the Housing Authority closed on the Bay Terrace Phase I financing on April 3, 2013;

Whereas, the Housing Authority of the City of Tacoma, at HUD direction, seeks to restructure the project to replace 26 Project Based Section 8 Units with 26 Public Housing Units and submit for a Mixed Financed Operating Subsidy Only review;

Whereas, the lender and investor support the restructuring;

Whereas, THA will make operating subsidy payments to the Partnership in an amount equal to the difference between (i) the originally projected Section 8 rents for the 26 public housing units and (ii) the public housing rent collected (including a tenant contribution and public housing subsidies received for such units);

Whereas, THA will provide an Operating Subsidy Reserve in the amount of \$532,604 to be funded with the proceeds of a THA Loan and is to be advanced to the Partnership as part of this operating subsidy only approval.

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

1. The Executive Director is authorized to advance to the Partnership operating subsidy payments and a THA loan in the amount of \$532,604 for a Public Housing Operating Subsidy Reserve.

Approved: June 25, 2014

Greg Mowat, Chairman

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

Upon roll call, the vote was as follows:

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

Motion Approved: June 25, 2014

Greg Mowat Chairman

9. COMMENTS FROM COMMISSIONERS

10. EXECUTIVE SESSION

The commissioners adjourned the regular meeting at 6:40 PM to discuss a possible real estate acquisition in executive session for approximately 15 minutes with no action to be taken afterward. The commissioners came back into the regular board meeting at 6:57 PM. Appropriate announcements were made to the area outside the meeting room. Stanley Rumbaugh announced that no action was taken.

11. ADJOURNMENT

There being no further business to conduct the meeting ended at 6:58 PM.

APPROVED AS CORRECT

Adopted: July 23, 2014



Greg Mowat, Chairman