



# TACOMA HOUSING AUTHORITY

## BOARD OF COMMISSIONERS MEETING MINUTES REGULAR SESSION WEDNESDAY, October 28, 2015

The Commissioners of the Housing Authority of the City of Tacoma met in Regular Session at 6<sup>th</sup> Avenue, Tacoma, WA 98405 at 4:45 PM on Wednesday, October 28, 2015

### 1. CALL TO ORDER

Vice Chair Arthur Banks 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
<b>Commissioners</b>	
Chair Rumbaugh (Stan)	
Vice Chair Banks (Arthur)	
Commissioner Flauding (Janis)	
Commissioner Hodge (Minh-Anh)	
Commissioner Young (Derek)	
<b>Staff</b>	
Michael Mirra, Executive Director	
Sha Peterson, Executive Assistant	
April Black, Deputy Executive Director	
Ken Shalik, Finance Department Director	
Barbara Tanbara, Human Resources Director	
Kathy McCormick, RED Director	
	Greg Claycamp, Client Services Director
Todd Craven, Information Technology and Asset Management Director	
Pat Patterson, Property Management Director	

Vice Chair Banks declared there was a quorum present @ 4:45 pm and proceeded. Chair Stanley Rumbaugh arrived at 5:00 pm.

### 3. APPROVAL OF MINUTES OF THE PREVIOUS MEETING

#### 3.1 September 23, 2015

Vice Chair Banks asked for any corrections to or discussion of minutes for the Regular Session of the Board of Commissioners for Wednesday, September 23, 2015. Commissioner Janis Flauding moved to adopt the minutes, Commissioner Derek Young seconded.

Upon roll call, the vote was as follows:

AYES:	4
NAYS:	None
Abstain:	None
Absent:	1 (Chair Rumbaugh arrived after motion was approved)

**Motion approved.**

### 4. GUEST COMMENT

Kathy who is a resident at 6<sup>th</sup> Avenue Apartments addressed the Board. She said that she is happy with what is happening at 6<sup>th</sup> Avenue. She did note that the staff person who cuts the grass at 6<sup>th</sup> Avenue is cutting it wrong, which is killing the grass. The tenants still have issues with people sleeping on the stairwell at 6<sup>th</sup> Avenue but they have informed security. She appreciates what THA is doing but she said that the work needs to continue. She added that the people who have been evicted are still running around the apartments.

### 5. COMMITTEE REPORTS

***Real Estate Development Committee – Commissioner Rumbaugh***  
Nothing to report.

***Finance Committee – Commissioner Minh-Anh Hodge and Commissioner Derek Young***

Commissioner Minh-Anh Hodge, Commissioner Derek Young, Executive Director Michael Mirra, and Finance Department (FD) Director Ken Shalik met with the state auditors last week. The auditors reported that will be issuing a clean audit (no findings). They did provide a suggestion concerning the applicability of prevailing wage rules to the tax credit partnerships. THA informed the auditors that THA's attorneys have a different view of the question. THA will make some internal changes that its attorneys recommend to reduce the disagreement.

***Education Committee—Commissioner Minh-Anh Hodge***  
Nothing to report.

Nothing to report.

## **6. COMMENTS FROM THE EXECUTIVE DIRECTOR**

Executive Director (ED) Michael Mirra directed the Board to his report.

### ***Salishan Real Estate Report***

ED Mirra handed out an encouraging report THA commissioned about Salishan's housing purchase market. The report compares Salishan's market with six others in Tacoma. It is quite positive. It shows that Salishan's home sales have largely recovered from the recession. The report shows that Salishan has recovered better than most other Tacoma neighborhoods. The report concludes that Salishan is actually leading the East Tacoma market and it is the surrounding area that is lagging behind.

### ***Pierce County's Requested Changes in How it Can Use THA's Rapid Rehousing Funding***

ED Mirra discussed his memo to the Board concerning a request from Pierce County (PC) for more flexibility in how it can use the funding it receives from THA for the rapid rehousing of homeless families with children. For reasons that his memo recounts, PC seeks two changes: (i) the ability to spend part of the funds on supportive services in addition to rental assistance; (ii) the ability to serve families seeking assistance from parts of Pierce County outside of Tacoma. ED Mirra said that the Board's resolution that had approved this funding allows him to grant PC's request. He is inclined to do that, with some modifications, but wanted to inform the Board and give it a chance to redirect him.

ED Mirra said that he is prepared to grant the requests as follows: (i) to allow PC, as it requested, to spend up to 44% of the funds on supportive services needed by families who also receive our funded housing assistance when those services are needed to benefit from that housing assistance; (ii) to require PC as far as practicable to spend all of THA's funds on homeless families with children who originate in Tacoma live; if that is not practicable, PC may use up to 25% of the funds to serve such families who originate in others parts of Pierce County. THA would also tap a \$100,000 reserve if PC exhausted THA funds leaving families unserved.

The Board's discussion of the proposal covered how well PC's system of centralized intake was working and the changes PC is planning to improve it. Chair Rumbaugh and other Commissioners expressed some concern on how THA can monitor the supportive services that THA would fund and asked if THA should instead use the money to fund its own services. Commissioner Hodge suggested allowing the requests but tracking the results after a year. With that expectation for a yearly tracking report, the Board approved ED Mirra's proposed reply to PC.

### ***MTW Negotiations with HUD***

ED Mirra reported on the negotiations with HUD for a renewal of the MTW contracts. There are five main issues, all important and all unresolved:

- preserving financial flexibility
- will the renewed contract continue the approval of initiatives HUD has already approved
- cash management rules that will determine if MTW agencies can retain their reserves  
oED Mirra noted that Commissioner Young and Deputy ED Black joined him in D.C. earlier in the month for the CLPHA conference. These negotiations were a major focus on the discussions there and he asked them to report on what they heard or learned. On their books
- how must the agencies evaluate their initiatives
- will HUD have the right to change the contract unilaterally

On October 13<sup>th</sup>, HUD Secretary Julian Castro spoke by telephone with the four WA State MTW agencies. In the days afterward, the Steering Committee representing the MTW agencies conferred with HUD staff in a discussion that did not produce any substantive progress.

During the call with the Secretary, he stated his goal for a contract that a majority of the 39 MTW agencies could support. He also stated his understanding that the present HUD proposal enjoyed that majority support. In the week afterward the Steering Committee delivered a letter to the Secretary bearing signatures from 32 MTW agencies stating their unwillingness to sign the present HUD proposal.

Commissioner Young and Deputy ED Black reported on what they heard and learned when they attended the CLPHA conference recently in DC. Commissioner Young stated his impression that THA is part of a national network of MTW housing authorities united by a common understanding of what we all need.

ED Mirra concluded with an update on the effort to include language in the 2016 federal budget that would solve many of the MTW issues. The chances for this language are good as long as Congress succeeds in passing a budget.

## 7. ADMINISTRATIVE REPORTS

### Finance

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Vice Chair Banks moved to ratify the payment of cash disbursements totaling \$5,576,013 for the month of September, 2015. Commissioner Flauding seconded. Finance Department (FD) Director Ken Shalik reminded the Board that there is no full financial report this month. He stated that THA is on track this year and is under projected expenses. He noted the progress in using reserves. Discussion ensued about reserve levels, purchase of properties and the effect on reserves that may result from the MTW negotiations.

Upon roll call, the vote was as follows:

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

**Motion Approved.**

### Property Management

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Property Management (PM) Director Pat Patterson directed the Board to his report. PM Director Patterson was at the recent tenant meetings regarding RAD. Turnout was very good. He thanked them for their interest and told them that many building issues would be easier to address if tenants remained alert and willing to help.

PM Patterson reported on the 6<sup>th</sup> Avenue building issues the Board heard about the previous month. PM evicted the tenant who was the source of the trouble. PM Patterson expressed frustration when tenants continue to admit trouble makers into the building. He noted that the RAD upgrade will install security cameras that should allow staff to identify tenants who do that. PM Patterson answered Chair Rumbaugh's questions about the location of the cameras. PM Patterson gave a report about bed bugs at M street. They have been contained to one unit. Heat and chemical treatment in that unit did not work because of all the belongings in the unit. THA is devising an alternative plan.

PM Director Patterson then discussed some reports of drug activity at M street.

ED Mirra recounted the status on the efforts to modify THA's meth protocol.

In reply to the tenant's earlier comment, PM Director Patterson reported that staff did catch the individual sleeping in the community room and also caught a person who was trespassing. ED Mirra thanked PM Director Patterson and stated that within two days of last month's meeting, PM Director Patterson had the signature of the troublemaking tenant on an agreement to terminate his tenancy. The tenant was gone by the end of September.

## **Real Estate Development**

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Real Estate Development (RED) Director Kathy McCormick directed the Board to her report. RED Director McCormick mentioned three topics. **First**, THA now owns Outrigger Apartmentnt. The final loan was not enough to pay for the capital improvements wishes to make to the property. RED will add that amount to the 2016 budget. **Second**, THA now owns New Look Apartments. **Third**, THA is closing out its "AG Homes" project by which, using city funding, THA bought foreclosed homes, fixed them up and resold them to lower income households.

Chair Rumbaugh asked about the negotiations to purchase the Key Bank properties. RED Director reported on the continuing negotiations. She expects to come back in November with a deal to approve.

## **Human Resources**

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Nothing to report.

## **Administration**

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Asset Management Associate Director (AMAD) Sandy Burgess reported on the project to fix up THA's entire portfolio under the Rental Assistance Demonstration (RAD) program. RAD is changing daily. The Housing and Urban Development (HUD) is being responsive. THA is learning from the mistakes of other housing authorities who are farther along in their RAD process. The financial closing may not happen by the end of the year as THA hoped but such a delay will not affect the tax credit commitments. She expressed confidence that THA is on a really good path. Its staff and consultants are very good. Chair Rumbaugh agreed and thanked Sandy and her staff.

## **Community Services**

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Associate Director (AD) of Community Services (CS) Mia Navarro directed the board to the Client Services report. There is nothing out of the ordinary to report. For illustrative purposes, she described the challenges of an unnamed participant in the McCarver program.

## 8. OLD BUSINESS

None.

## 9. NEW BUSINESS

### 9.1 2015-10-28 (1), Construction Guaranteed Maximum Price (GMP)

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

**WHEREAS**, Resolution 2015-6-24(2) authorized the Executive Director the authority to negotiate and execute the contract for the Construction Manager/General Contractor for the RAD Conversion Project with Walsh Construction for the fix-up of its traditional portfolio (non-tax credit) of 456 units at the 7 senior buildings, Bergerson Terrace and Dixon Village); and,

**WHEREAS**, THA negotiated and executed the pre-construction service portion of the work; and,

**WHEREAS**, the procurement and the contract contemplated a later expansion of the contract for the actual construction work; and,

**WHEREAS**, based upon Walsh's estimates, THA plans for a construction budget of \$34,351,489.00; and

**WHEREAS**, THA will finance this contract through a mix of Capital Funds, Low Income Housing Tax Credit Equity Contributions, Construction Loans and Permanent Loans; now, therefore, be it

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

Authorize THA's Executive Director to negotiate and execute an expanded contract to Walsh Construction for the Construction Manager/General Contractor Services for the RAD Conversion project in an amount not-to-exceed of \$34,351,489.00.

**Approved: October 28, 2015**

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Stanley Rumbaugh, Chair

**9.2 2015-10-28 (2), Purchase and Sale Agreement of Salishan Area 2B Metro Parks Revised**

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

**WHEREAS**, THA collaborated with Metro Parks Tacoma during the design process for Salishan to provide future access to Swan Creek Park from 51<sup>st</sup> Street; and

**WHEREAS**, the transfer of about 16 acres of undeveloped land on the west slope of First Creek in Area 2B, would free THA of its maintenance while preserving adequate THA control over its future development; and

**WHEREAS**, the Executive Director and the Board of Commissioners find the terms of the Purchase and Sale Agreement acceptable to THA; now, therefore, be it

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

The Executive Director has the authority to negotiate and if those negotiations are successful, to execute a Purchase and Sale Agreement with Metro Parks Tacoma for its purchase of land in Salishan.

**Approved: October 28, 2015**

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Stanley Rumbaugh, Chair

**9.3 2015-10-18 (3), Capital Fund Financing Program Bond Payoff**

A **RESOLUTION** of the Board of Commissioners of the Housing Authority of the City of Tacoma authorizing the redemption of the Authority's Capital Fund Program Revenue Bonds, Series 2005; ratifying certain actions taken on behalf of the Authority; and providing for other matters properly related thereto.

**WHEREAS**, The Authority previously issued its Capital Fund Program Revenue Bonds, Series 2005 (the "Bonds") in the original principal amount of \$7,065,000 pursuant to a Trust Indenture dated as of March 1, 2005 (the "Indenture"); and

**WHEREAS**, The indenture provides that the Bonds are payable from sources including Capital Fund Allocations, including Replacement Housing Factor Funds; and

**WHEREAS**, The Authority is participating in HUD's Rental Assistance Demonstration (RAD) program, and in connection with the RAD conversion, the Authority must redeem all of the outstanding Bonds; and

**WHEREAS**, The Authority intends to use Moving to Work and other available funds of Authority to complete the full optional redemption of the Bonds on November 2, 2015; and

**WHEREAS**, It is in the best interest of the Authority to take such actions as are necessary to affect the redemption described herein; now, therefore, be it

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

1. Redemption of the Bonds. The Executive Director of the Authority is authorized and directed to give or cause to be given notices of redemption, at the times and in the manner required by the Indenture in order to effect the optional redemption of the Bonds. The Authority is authorized to use Moving to Work funds and other available funds of the Authority to complete the full optional redemption of the Bonds.

2. Authorization of Documents and Execution Thereof. The Chair of the Board, the Authority's Executive Director and their respective designees (each, an "Authorized Officer" and, collectively, the "Authorized Officers"), and each of them acting alone, are authorized and directed to execute and deliver any documents that may be useful or necessary in connection with the redemption described herein.

3. 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.

4. 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.

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

**Adopted: October 28, 2015**

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Stanley Rumbaugh, Chair

## CERTIFICATE

I, the undersigned, the duly chosen, qualified and acting Secretary and Executive Director of the Housing Authority of the City of Tacoma (the "Authority") and keeper of the records of the Authority, CERTIFY:

1. That the attached copy of Resolution No. 2015-10-28 (3) (the "Resolution") is a full, true and correct copy of the resolution of the Board of Commissioners of the Authority, as adopted at a meeting of the Authority held on October 28, 2015, and duly recorded in the minute books of the Authority; and
2. That such meeting was duly convened and held in all respects in accordance with law; that a quorum was present throughout the meeting and a majority of the members of the Board of Commissioners of the Authority present at the meeting voted in the proper manner for the adoption of the Resolution; that all other requirements and proceedings incident to the proper adoption of the Resolution have been duly fulfilled, carried out and otherwise observed, and that I am authorized to execute this Certificate.

IN WITNESS WHEREOF, I have hereunto set my hand this 28<sup>th</sup> day of October, 2015.

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Michael Mirra, Secretary  
and Executive Director of the Authority

### **9.4 2015-10-28 (4), Adoption of FY2016 Payment Standards**

**WHEREAS**, HUD updates its Fair Market rents annually; and

**WHEREAS**, Housing authorities may annually adopt payment standards within 90-110% of the HUD published Fair Market rents; and

**WHEREAS**, THA adopts is annual payment standards based on available market and leasing data; and

**WHEREAS**, THA's new payment standards will go into effect January 1, 2016; now, therefore, be it

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

THA's Executive Director is authorized to increase THA's payment standards for its one, two, and three bedrooms to 100% of HUD's FY2016 FMR and 90% four bedroom and larger units.

**Approved: October 28, 2015**

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Stanley Rumbaugh, Chair

**9.5 2015-10-28 (5), Authorization to Award Contract to Robinson Noble for Sub-surface Investigation of 602 South Wright Street and 2302-6<sup>th</sup> Avenue Properties**

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

**WHEREAS**, The Phase 1 Environmental Review indicated potential environmental issues at 602 South Wright Street Apartments and 2302-6<sup>th</sup> Avenue Apartments; and

**WHEREAS**, Robinson Noble performed a limited Phase 2 Environmental Review and that determined that the properties did have environmental issues; and

**WHEREAS**, THA needs an additional delineation of the contaminated areas to develop a draft cleanup action plan that the Washington State Department of Ecology will require as part of its Voluntary Cleanup Program; and

**WHEREAS**, Time is short because THA must complete this work before it can complete its tax credit financing. This schedule does not permit the time it would take to use a competitive procurement or to acquaint a new contractor to the work; and

**WHEREAS**, THA performed a noncompetitive procurement and received a proposal to perform the work from Robinson Noble in the amount of \$107,945; and

**WHEREAS**, The work will be funded through Capital Funds; now, therefore, be it

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

Authorize THA's Executive Director to award the noncompetitive contract for Sub-surface Investigation at 602 South Wright Street and 2302-6<sup>th</sup> Avenue Properties to Robinson Noble in the amount of \$107,945.

**Approved: October 28, 2015**

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Stanley Rumbaugh, Chair

## 10. COMMENTS FROM COMMISSIONERS

Chair Rumbaugh stated how he appreciated the feedback from the CLPHA conference.

## 11. EXECUTIVE SESSION

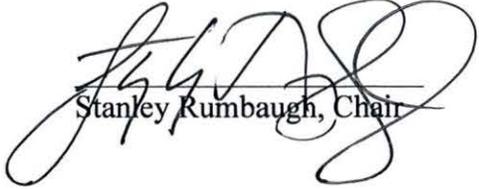
None.

## 12. ADJOURNMENT

There being no further business to conduct the meeting ended at 6:46 pm.

APPROVED AS CORRECT

**Adopted:** November 18, 2015

  
Stanley Rumbaugh, Chair