



TACOMA HOUSING AUTHORITY

BOARD OF COMMISSIONERS MEETING MINUTES REGULAR SESSION WEDNESDAY, August 26, 2015

The Commissioners of the Housing Authority of the City of Tacoma met in Regular Session at Salishan Family Investment Center, 1724 East 44th Street, Tacoma, WA at 4:45 PM on Wednesday, August 26, 2015.

1. CALL TO ORDER

Vice Chair Banks called the meeting of the Board of Commissioners of the Housing Authority of the City of Tacoma (THA) to order at 4:55 pm.

2. ROLL CALL

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

PRESENT	ABSENT
Commissioners	
Chair Rumbaugh (Stan)	
Vice Chair Banks (Arthur)	
Commissioner Flauding (Janis)	
Commissioner Hodge (Minh-Anh)	
Commissioner Young (Derek)	
Staff	
Michael Mirra, Executive Director	
Sha Peterson, Executive Assistant	
April Black, Deputy Executive Director	
Ken Shalik, FD Director	
Barbara Tanbara, HR Director	
Kathy McCormick, RED Director	
Greg Claycamp, CS Director	
Todd Craven, AD & AM Director	
Pat Patterson, PM Director	

Vice Chair Banks declared there was a quorum present @ 4:55 pm and proceeded. Chair Stanley Rumbaugh arrived at the meeting at 5:06 pm. Vice Chair Banks left the meeting at 5:48 pm.

3. APPROVAL OF MINUTES OF THE PREVIOUS MEETING

Chair Rumbaugh asked for any corrections to or discussion of minutes for the Regular Session of the Board of Commissioners for Wednesday, July 30, 2015. Commissioner Janis Flauding moved to adopt the minutes, Commissioner Minh-Anh Hodge seconded.

Upon roll call, the vote was as follows:

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

Motion approved.

4. GUEST COMMENTS

Teresa Rova, Tenant at Salishan

Ms. Teresa Rova addressed the Board. She informed the Board that at the last meeting, she complained about the tenants upstairs from her unit and the noise they make. She still has problems with the tenant's two young children running around. Ms. Rova added that THA wants her to move out of Salishan, but she does not want to move. The children upstairs run around from 9-11 at night and she feels it is ridiculous. Ms. Rova informed the Board that she is not moving and that she is very comfortable where she is. She has many health conditions and the noise at night is putting her over the edge. She has gone to Frankie, Antoinette, and Wilson at the Salishan main office and nothing has been done. Executive Director Mirra, remembering her from the last Board meeting, repeated his understanding that she needs an accessible unit without anyone living above. He noted that they are in short supply at Salishan and she is on the list behind others. ED Mirra asked Property Management (PM) Director Pat Patterson to follow up with Ms. Rova. Vice Chair Banks informed Ms. Rova that THA will try to resolve her concerns. PM Director Patterson will follow-up with Ms. Rova.

5. COMMITTEE REPORTS

Real Estate Development Committee – Commissioner Rumbaugh

Chair Rumbaugh was pleased to announce the imminent closing on THA's purchase of Outrigger Apartments, which has 40 units. This, he stated, was a result of the exceptional work by Real Estate Development (RED) Director Kathy McCormick and Associate Director of Asset Management Sandy Burgess--pulling financing together and inspecting the property. THA also has an ongoing negotiation for its purchase of New Look Apartments, which has been a year-long discussion. Chair Rumbaugh anticipates conclusion by end of September. And finally, Chair Rumbaugh informed the Board that negotiations are underway with Key Bank for THA's purchase of its closed bank branch property on the Hilltop.

Finance Committee – Commissioner Hodge

Nothing to report.

Citizen Oversight Committee – Commissioner Banks

Nothing to report.

6. EXECUTIVE DIRECTOR REPORT

Executive Director (ED) Michael Mirra referred the Board to his report and welcomed questions. ED Mirra highlighted negotiations with the Department of Housing and Urban Development (HUD) on the terms of the new Moving to Work (MTW) contract. Negotiations are not going too well. He reviewed the choices THA may face if HUD presents a contract that is not what THA is seeking. He reviewed the consultations about those choices with other housing authorities, especially Seattle and King County, and with our congressional offices. Discussion ensued about the choices and the various risks each posed. Commissioner Young asked about HUD's goals in the negotiations. ED Mirra recounted the various factors and influences that likely account for HUD's positions.

ED Mirra informed the Board that THA staff owes the Board its proposed draft of the performance measures, baselines and targets for the strategic objectives. He informed the Board to expect it in September.

The Board discussed the recent celebration of THA's 75th birthday. The Board and staff expressed appreciation for Commissioner Rumbaugh's remarks at the celebration and the remarks of the other speakers, including Lyle Quasim as master of ceremonies. All the Commissioners added their signature to a "thank you" baseball to be presented to Mr. Quasim.

7. ADMINISTRATION REPORTS

Finance

Finance Department (FD) Director Ken Shalik directed the Board to his report. This is the month that he presents a quarterly financial report. FD Director Shalik informed the Board that THA passed the mid-year budget revision last month and changes are reflected on his report. He reviewed his report. He and ED Mirra gave an overview of the "cash management" rules that has HUD hold some of THA's reserves and the effect that has on what THA can and cannot show on its own ledgers.

FD Director Shalik then directed the Board to the MTW Funds portion of his report. In particular he outlined the amount of MTW reserves and the commitments that the Board has designated. Discussion ensued about those reserves and those commitments.

FD Director Shalik informed the Board that the financial portion of the audit is finished and there will be an exit conference on September 3rd. There were no findings.

ED Mirra mentioned THA's 2016 budget and Congress is supposed to pass its own budget by October 1st. If Congress ever made its own deadline it would conveniently inform THA about its allocation, allowing the Board to budget appropriately. However, Congress has rarely made its deadline. Congress often does not pass a budget until after the New Year. As a result, THA must make a judgement and a guess. An important budget principle that has served THA well is that the Board will budget to the worst of the plausible budget versions that Congress is considering. This year presents not only that uncertainty but two others: the RAD financial closing and MTW negotiations. ED Mirra asked the Board to allow staff to present a 2016 budget that is largely a repeat of the 2015 budget, with some adjustments that we can judge now to be necessary. The Board would adopt this budget with the expectation of reviewing it in the early Spring of 2016. By then, Congress should (we hope) pass a budget and we will have the answers on the RAD refinancing and the MTW negotiations. Such a flat line budget should accommodate the allocation we finally receive since the worst of the plausible budgets before Congress (the House version) is largely a flat line budget for our programs.

Commissioner Hodge recounted that she had received this proposal in the finance committee meeting with staff and she favors it. The Board accepted the proposal.

Commissioner Flauding moved to ratify the payment of cash disbursements totaling \$5,014,055 for the month of July, 2015. Commissioner Hodge seconded.

Upon roll call, the vote was as follows:

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

Motion Approved.

Administration

Nothing to report.

Client Services

(Vice Chair Banks left the meeting at 5:48 pm.)

Client Services (CS) Director Greg Claycamp directed the Board to his report. He informed the Board that the Children's Savings Account program for the children of Salishan is on track and will launch in September. THA will have a cohort of 80 children starting at Lister Elementary School and a cohort of 60 starting at First Creek Middle School.

Next month, CS Director Claycamp will be reporting on a reorganization of the department, including the Education Project.

Chair Rumbaugh asked about the Children's Savings Account—does THA have a financial institution. CS Director Claycamp said that the program will use Heritage Bank. Chair Rumbaugh then asked what Heritage Bank is contributing to the cost. Heritage Bank is making no donation; they are also not charging THA any fees. ED Mirra informed the Board that THA has not presented its request yet. Chair Rumbaugh asked if there was a plan and ED Mirra said yes. CS Director Claycamp stated that ED Mirra is heading the effort to raise funds. ED Mirra reviewed the funds the program needs and the funds raised to date. He also listed the prospects. Commissioner Flauding and Chair Rumbaugh asked questions about how THA will change the McCarver Program. CS Director Claycamp reviewed the changes under review relating to rent structure, supportive services and the types of family needs the program has the capacity to address.

Property Management

Property Management (PM) Director Pat Patterson directed the Board to his report. PM Director Patterson informed the Board that Property Management is going through a reorganization. Chair Rumbaugh asked about meth contaminated units. PM Director Patterson informed the Board that there are no meth units in the month of July. He added that THA is doing better and that maybe next month there will be movement on the plan with meth. Chair Rumbaugh asked about bed bugs. PM Director Patterson is looking at a new tenant regarding an infestation but he has no report yet from M street. There is one unit that PM is still fighting with because of accessibility with the unit. They are working with the tenant. Treatment is needed but the unit needs to be emptied out. THA needs to be careful because when they move anything from the unit, they are potentially moving the bugs. They are doing treatments above and in surrounding units to keep it contained. One treatment is being done per week. Commissioner Flauding asked what PM is telling the other tenants. PM Director Patterson informed the Board that he has not received comments of intrusion but the treatments are becoming expensive.

Chair Rumbaugh asked how the new computer tablets for maintenance are working out. PM Director Patterson informed the Board that the learning curve is tough, but he feels that with the new software it will be easier to upload and download reports. The field reports do not work with the current system. It does allow them to communicate better, but has not solved the issue with slow data transfer, which has caused some delays. Chair Rumbaugh asked if it is better than the paper system. PM Director Patterson said yes. It has eliminated 90% of the paperwork for work orders. Chair Rumbaugh asked to be kept informed. Administration Director Todd Craven added that THA is gathering more data (i.e., how long it takes to process orders, etc.). PM Director Patterson agreed.

Ms. Teresa Rova, who is a tenant at Salishan stated that she placed a work order but has yet to hear anything from anyone. PM Director Patterson will follow-up with Ms. Rova.

Real Estate Development

Real Estate Development (RED) Director Kathy McCormick has little to report to the Board because most of her reports will be discussed during the New Business section.

RED Director McCormick informed the Board that the Bay Terrace design is almost complete. Bay Terrace will be under the new WA Finance. There was a good team that came together and had a good discussion.

In regards to Key Bank, RED is expecting a counter offer from Key Bank.

8. NEW BUSINESS

8.1 RESOLUTION 2015-8-26 (1), McCarver Elementary School Housing Assistance Program: Changes in Rent Structure

WHEREAS, The experience of the McCarver Elementary School Housing Assistance Program has shown that the initial rent structure imposes an unreasonable rent burden on too many families in the program who have not been able to increase their household income. As a result THA has granted those families a “hardship exemption” under present policy allowing them to pay zero rent. The program needs to adjust the rent structure to account for these low family incomes while requiring them to pay what their incomes can support;

WHEREAS, These changes to the rent structure require changes to THA’s Administrative Plan. The Administrative plan governs THA’s HUD funded rental assistance programs and helps ensure those programs are managed to be consistent with HUD requirements and local goals and objectives contained in the THA’s Moving to Work Plan; and

WHEREAS, THA’s Board of Commissioners must approve changes to the Administration Plan; now, therefore, be it

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

Authorize THA to adopt updates to the Administrative Plan as described in the above covering memo.

Upon roll call, the vote was as follows:

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

Approved: August 26, 2015

Stanley Rumbaugh, Chair

**8.2 RESOLUTION 2015-8-26 (2), Rental Assistance Demonstration
Moving to Work Plan Amendment**

WHEREAS, HUD requires THA to amend its Moving to Work (MTW) Plan to include provisions that HUD requires as part of THA's conversion of its public housing portfolio to project based section 8 units under HUD's Rental Assistance Demonstration (RAD) program; and

WHEREAS, THA's Board of Commissioners must approve changes to the MTW Plan; now, therefore, be it

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

Authorizes THA to submit and seek HUD approval of an amendment to its 2015 Moving to Work plan as described in the accompanying memo.

Upon roll call, the vote was as follows:

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

Approved: August 26, 2015

Stanley Rumbaugh, Chair

**8.3 RESOLUTION 2015-8-26 (3), Bay Terrace Phase 2: Project Based Vouchers
Contract Approval**

WHEREAS, The financing for Bay Terrace Phase 2 requires THA to project based vouchers into 52 of its units; and

WHEREAS, Through THA's Moving-to-Work (MTW) flexibilities, it does not need to issue a Request for Proposals and to have the property compete for the vouchers; and

WHEREAS, THA must negotiate the terms of the contract to project base the vouchers with the tax credit investor; now, therefore, be it

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

The THA's Executive Director is authorized to negotiate the terms of an Agreement to Execute a Housing Assistance Payment (AHAP) and a Housing Assistance Payment (HAP) contract with 2500 Court G LLLP and to execute those contracts.

Upon roll call, the vote was as follows:

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

Approved: August 26, 2015

Stanley Rumbaugh, Chair

8.4 RESOLUTION 2015-8-26 (4), HAP Renewal for Salishan Phase 1

WHEREAS, THA project bases vouchers into Salishan 1 pursuant to a Housing Assistance Payment (HAP) contract. That contract expires August 28, 2015; and

WHEREAS, THA needs to renew that contract on terms that the executive director will negotiate with the tax credit partnership; now, therefore, be it

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

The Executive Director is authorized to negotiate and execute an Agreement to Execute a Housing Assistance Payment (AHAP) and a Housing Assistance Payment (HAP) contract with Salishan One LLC to project base vouchers into the property.

Upon roll call, the vote was as follows:

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

Approved: August 26, 2015

Stanley Rumbaugh, Chair

8.5 RESOLUTION 2015-8-26 (5), HAP Renewal for Salishan Phase 2

WHEREAS, THA project bases vouchers into Salishan 1 pursuant to a Housing Assistance Payment (HAP) contract. That contract expires December 31, 2015;

WHEREAS, THA needs to renew that contract on terms that the executive director will negotiate with the tax credit partnership; now, therefore, be it

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

The Executive Director is authorized to negotiate and execute an Agreement to Execute a Housing Assistance Payment (AHAP) and a Housing Assistance Payment (HAP) contract with Salishan Two LLC to project base vouchers into the property.

Upon roll call, the vote was as follows:

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

Approved: August 26, 2015

Stanley Rumbaugh, Chair

8.6 RESOLUTION 2015-8-26 (6), Bay Terrace Phase 11-Lender Selection

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

WHEREAS, On July 21, 2015, Tacoma Housing Authority (THA) staff issued a Request for Proposals (RFP) for Letters of Interest from lenders interested in providing construction and permanent financing for Bay Terrace Phase II; and

WHEREAS, Staff sent the RFP to nine lenders; six with Letters of Interest on August 7, 2015; and

WHEREAS, An evaluation team, composed of four THA staff and Brawner and Company evaluated the terms of each proposal; and

WHEREAS, The evaluation team unanimously agreed to recommend negotiating with the Chase Bank and the execution of the Commitment Letter for both the construction and permanent financing; 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 the Commitment Letter from Chase Bank for construction and permanent financing for Bay Terrace Phase II (2500 Court G LLLP). The Executive Director will present the negotiated final terms and loan agreements to the Board for its consideration and approval prior to execution and financial closing for the project.

Upon roll call, the vote was as follows:

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

Approved: August 26, 2015

Stanley Rumbaugh, Chair

8.7 RESOLUTION 2015-8-26 (7), Establishing Petty Cash Accounts, Appointing Custodians, and Establishing Funding Levels

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

WHEREAS, The State Auditor's Office prescribes that all Petty Cash Accounts be established by Resolution of the governing body; and

WHEREAS, Section 8 of THA's Procurement Policy authorizes purchases up to \$500 to be processed through the use of a petty cash account; and

WHEREAS, THA's Procurement Policy requires THA's finance officer or designee to periodically audit the petty cash accounts; and

WHEREAS, THA's management has identified the need to decrease the Rental Assistance petty cash account to efficiently process small purchases and reimbursements; and

WHEREAS, THA's management has also identified the need to decrease the Finance Department and Property Management petty cash accounts to efficiently process small purchases and reimbursements; now, therefore, be it

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

1. The following petty cash accounts are authorized in the amounts and with the custodians and transactions limits showing in the following chart:

Department/Location	Custodian	Authorized Balance	Transaction Limit
Finance / 902 So L	As designated in writing by the Finance Director	\$100	\$50
Rental Assistance / 902 So L	As designated in writing by the Client Services Director	\$100	\$50
Community Services / FIC	As designated in writing by the Client Services Director	\$250	\$50
Property Management / Senior Projects	As designated in writing by the Property Management Director	\$100	\$50
Property Management / Family Projects	As designated in writing by the Property Management Director	\$100	\$50
Property Management / Go-To-Team	As designated in writing by the Property Management Director	\$100	\$50
TOTAL		\$750	

2. The Finance Director shall adopt such procedures as may be necessary to implement the provisions of this resolution. Such procedures shall include but not be limited to, (1) defining limitations on the use of petty cash funds, and (2) providing accounting and reporting procedures for operation and replenishment of the petty cash accounts.
3. Resolutions prior to this resolution establishing petty cash accounts, appointing custodians for accounts and establishing amounts of monies to be on deposit in each account are rescinded.

Upon roll call, the vote was as follows:

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

Approved: August 26, 2015

Stanley Rumbaugh, Chair

CERTIFICATE

I, the undersigned, the duly chosen, qualified and acting 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 Resolution No. 2015-8-26 (7) (the "Resolution") is a 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 the 26th day of August, 2015, and duly recorded in the minute books of the Authority.

2. That such meeting was duly convened and held in all respects in accordance with law, and, to the extent required by law, due and proper notice of such meeting was given; 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 26th day of August, 2015.

Michael Mirra, Executive Director of the Authority

8.8 RESOLUTION 2015-8-26 (8), RAD: Authorization to Select Lender

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

WHEREAS, On July 21, 2015, Tacoma Housing Authority (THA) staff issued a Request for Proposals (RFP) for Letters of Intent from lenders interested in providing construction and permanent financing for THA's 9 traditional Public Housing RAD sites; and

WHEREAS, THA sent the Request for Proposal to 9 lenders; 5 lenders responded with Letters of Intent; and

WHEREAS, An evaluation team, composed of 4 THA staff and Brawner and Company evaluated the terms of each proposer; and

WHEREAS, The evaluation team recommends negotiating with Citi Bank for execution of the Commitment Letter; 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 the Commitment Letter from Citi Bank to provide the construction and permanent financing for the 9 traditional Public Housing sites at Dixon Village, Bergerson Terrace, G Street, K Street, E.B. Wilson, Fawcett, Ludwig, Wright, and 6th Avenue. The negotiated final terms and loan agreements will be presented to the Board for its consideration and approval prior to execution and financial closing of the RAD properties.

Upon roll call, the vote was as follows:

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

Approved: August 26, 2015

Stanley Rumbaugh, Chair

**8.9 RESOLUTION 2015-8-26 (9), Sixth Avenue Property Purchase
(commonly known as Outrigger Apartments)**

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

WHEREAS, THA owns and manages affordable rental housing in Tacoma; and

WHEREAS, THA is interested in acquiring existing rental housing to meet its short and long term financial and community goals, including providing cash flow to subsidize its programs; and

WHEREAS, THA does not own rental housing in West Tacoma and believes that rental rates in this area will increase and affect affordably priced rental housing in the area; and

WHEREAS, THA wants to acquire property that is close to shopping, public transit, employment, recreational services and other community amenities; 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 execute financing with Heritage Bank and close on the acquisition of the Sixth Avenue Property (commonly known as the Outrigger Apartments).

Upon roll call, the vote was as follows:

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

Approved: August 26, 2015

Stanley Rumbaugh, Chair

**8.10 RESOLUTION 2015-8-26 (10), Martin Luther King (MLK)
NEW LOOK, LLC**

A **RESOLUTION** (i) authorizing the Authority to serve as special member of MLK New Look, LLC in connection with the MLK New Look Senior Housing Project, (ii) authorizing a loan to MLK New Look, LLC for the purpose of refinancing outstanding debt, and (iii) providing for other matters properly rated thereto.

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"); and

WHEREAS, The Authority is authorized by the Housing Authorities Law (Chapter 35.82 RCW) to, among other things, "make and execute contracts and other instruments, including but not limited to partnership agreements" (RCW 35.82.070(1)), "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 make loans for the "rehabilitation, improvement, leasing or refinancing of land, buildings, or developments for housing for persons of low income" (RCW 35.82.070(18); and

WHEREAS, MLK New Look, LLC (the "Company") owns and operates the 49-unit low-income housing apartment complex known as the MLK New Look Senior Housing Project located at South Eleventh Street and Martin Luther King Jr. Way in the City (the "Project"); and

WHEREAS, The Authority agreed to purchase the interests of Martin Luther King Housing Development Association, Inc. (the "Withdrawing Member") in the Company pursuant to the Managing Member Interest Purchase and Sale Agreement between the Authority and the Withdrawing Member dated May 8, 2015, (the "Purchase Agreement"), subject to the satisfaction of certain conditions precedent; and

WHEREAS, The Authority's staff has negotiated the terms of a Second Amended and Restated Operating Agreement (the "Operating Agreement") with the Company's investor member, a copy of which is on file with the Authority; and

WHEREAS, If the Authority becomes a member of the Company, the Board finds and determines if it would be desirable for the Authority to lend the Company money to refinance certain outstanding debt (the "Refinancing") and make certain improvements to the Project (the "Improvements"); and

WHEREAS, The Authority wishes to undertake those steps as may be necessary, reasonable and/or advisable for the Authority to acquire the Withdrawing Member's interest in the Company pursuant to the Purchase Agreement and to provide a loan to the Company for the purpose of carrying out the Refinancing and the Improvements, all as described above; and

WHEREAS, The Authority has requested Tacoma Housing Development Group ("THDG") participate as the Company's managing member; now, therefore, be it

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

1. Acquisition of Special Member Interest; Approval of Operating Agreement. The Authority is authorized to acquire a special member interest in the Company. 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 on behalf of the Authority (i) the Operating Agreement substantially in the form on file with the Authority; and (ii) any other documents reasonably required to be executed by the Authority to carry out the transactions contemplated by the Operating Agreement. The Authorized Officers (and each of them acting alone) are further authorized and directed to take any other action and to execute such other documents as may be required to be taken or executed by the Authority, under the provisions of or as necessary to carry out the transactions contemplated by the Operating Agreement (including the amendment of any such documents if necessary to further the purposes thereof or resolve ambiguities therein). From and after the date the Operating Agreement is effective, the Executive Director (or his designee) is authorized and directed, without further Board approval, to take such actions on behalf of the Authority as are required to be taken by the special member of the Company.

The Authority's authorization to serve as special member of the Company shall become effective only upon the satisfaction of all conditions precedent set forth in the Purchase Agreement, including but not limited to the restructuring of certain outstanding Company debt.

2. Approval of Loan. The Authority is authorized to lend to the Company up to \$1,200,000 of available Authority funds (the "Loan") to be used to carry out the Refinancing and the Improvements. The Authorized Officers, and each of them acting alone, are authorized and directed to take all actions required of the Authority in connection with the Loan including, without limitation, negotiation and execution of loan documents and any other documents reasonably required to be executed by the Authority (including the amendment of any such documents if necessary to further the purposes thereof or resolve ambiguities therein). Notwithstanding the foregoing, the Authority shall not make the Loan unless and until it has been admitted as the Company's special member.
3. Supplemental Authorization. The Authorized Officers, and each of them acting alone, are hereby directed, and granted the discretionary authority, to execute and deliver any and all other certificates, documents, agreements and instruments that are necessary or appropriate in their discretion to give effect to this resolution and to consummate the transactions contemplated herein.

4. 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 duly authorized Acting Executive Director of the Authority, respectively.
5. 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.
6. Effective Date. This resolution shall be in full force and effect from and after its adoption and approval.

Upon roll call, the vote was as follows:

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

Approved: August 26, 2015

Stanley Rumbaugh, Chair

CERTIFICATE

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

1. That the attached Resolution 2015-08-26 (1) (the "Resolution") is a true and correct copy of a resolution of the Board of Commissioners of the Authority as adopted at a meeting of the Authority held on the 26th day of August, 2015, and duly recorded in the minute books of the Authority.

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 26th day of August, 2015.

HOUSING AUTHORITY OF THE CITY OF TACOMA

By: _____
Michael Mirra, Executive Director

9. COMMENTS FROM COMMISSIONERS

None.

10. EXECUTIVE SESSION

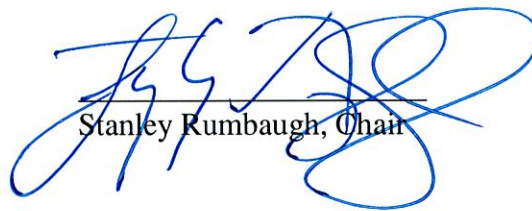
None.

11. ADJOURNMENT

There being no further business to conduct the meeting ended at 7:20 PM.

APPROVED AS CORRECT

Adopted: September 23, 2015



Stanley Rumbaugh, Chair