



# TACOMA HOUSING AUTHORITY

## BOARD OF COMMISSIONERS MEETING MINUTES REGULAR SESSION WEDNESDAY, April 27, 2016

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, April 27, 2016.

### 1. CALL TO ORDER

Chair Rumbaugh called the meeting of the Board of Commissioners of the Housing Authority of the City of Tacoma (THA) to order at 4:50 PM.

### 2. ROLL CALL

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

PRESENT	ABSENT
<b>Commissioners</b>	
Chair Stanley Rumbaugh	
Vice Chair Arthur Banks	
Commissioner Janis Flauding	
Commissioner Minh-Anh Hodge	
Commissioner Derek Young	
<b>Staff</b>	
Michael Mirra, Executive Director	
Sha Peterson, Executive Assistant	
April Black, Deputy Executive Director	
Ken Shalik, Finance Director	
Barbara Tanbara, Human Resources Director	
Pat Patterson, Property Management Director	
Kathy McCormick, Real Estate Development Director	
Todd Craven, Administration Director	
Greg Claycamp, Client Services Director	
Sandy Burgess, Associate Director for AD & Asset Management	

Chair Rumbaugh declared there was a quorum present @ 4:50 and proceeded.

### 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, March 23, 2016. Commissioner Flauding moved to adopt the minutes, Vice Chair Banks seconded.

Upon roll call, the vote was as follows:

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

**Motion approved.**

### 4. GUEST COMMENT

Michael introduced Andrea Levere, the CEO of the Corporation and Enterprise Development (CFED). He explained that she is visiting THA and Tacoma as part of discussions of THA's Children's Savings Account (CSA) program. CFED is THA's partner in designing the CSA program. CFED is the nation's premier source of expertise and data on such efforts to help low-income children and families prosper through asset building. Ms. Levere listed the key ingredients for a successful children's savings account program, including:

1. **Starting early.** Starting children young is critical. Also, it is often not enough just to offer the money. If the child and their parents imagine that college is not possible, the savings will not matter.
2. **Making it easy.** Make saving easy to do. THA's relationship with Heritage Bank will help parents participate in the program. Also, Heritage's willingness to open a bank branch at Salishan will be very helpful.
3. **Providing efficient and effective incentives.** THA is one of the few programs linking the program's contributions to the accounts to school achievement.
4. **Leveraging scholarships.** CFED is working on how to link CSAs to College Program that pay for tuition to address both the tuition and non-tuition costs of attending college. Washington State offers the benefit of the College Bound Scholarship program to over tuition.
5. **Learning.** This a very new and growing field. By 2020, 1.4M children will have a savings account.

Ms. Levere said that CFED is very supportive of what THA is doing. She congratulated the Board for its vision and its willingness to take risks in service to the future of the children THA serves.

Chair Rumbaugh stated how he is excited about the Children's Saving Account program, which has gained a momentum that the Board hoped for. Chair Rumbaugh added that maintaining engagement from families can sometimes be challenging. He asked for ideas Ms. Levere may have. Ms. Levere stated that THA should have the advantage of being the housing provider with a pre-existing relationship with the families.

Chair Rumbaugh thanked Ms. Levere and expressed the Board's gratitude to her and CFED for the partnership.

## **5. COMMITTEE REPORTS**

### ***Real Estate Development Committee—Commissioner Rumbaugh***

The committee has not met formally but did spend time in Washington, D.C. a few weeks ago making sure that the congressional delegation were on board with THA efforts, Moving to Work (MTW) and Rental Assistance Demonstration (RAD).

### ***Finance Committee—Commissioner Hodge and Commissioner Young***

Nothing to report.

### ***Education Committee—Commissioner Hodge***

Nothing to report.

### ***Citizen Oversight Committee—Vice Chair Banks***

Nothing to report.

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

Rather than go over his report, Executive Director Michael Mirra reported on recent news from Housing and Urban Development (HUD) and the congressional delegation on the 10-year extension of the Moving to Work (MTW) contracts. He reminded the Board that as part of the 2016 federal budget, Congress instructed HUD to extend the contracts for 10 year. Congress also directed HUD to add language protecting PHA reserves. THA was expecting to receive from HUD a one-page agreement to sign containing these provisions. THA instead received a letter from HUD dated April 4<sup>th</sup> stating that the congressional language was essentially self-executing and that there is nothing for THA to sign. Yet the letter modified the congressional language on reserves. Executive Director Mirra recounted the discussion in D.C. that the 39 MTW housing authorities had with HUD officials and with themselves and with the congressional concerning HUD's letter. He recounted the two concerns HUD's letter presents. First, it has the odor of a unilateral change. This is worrisome because, for the past 2 years of negotiations, HUD insiste on the right to make unilateral changes. Second, HUD's letter changes the reserve language in ways that make it weaker.

Executive Director Mirra conveyed the advice from the attorneys advising the MTW agencies, from the congressional delegation and from the MTW Steering Committee: that each MTW agency by Board resolution accept the terms of the extension stated in the HUD letter and authorize the executive director to indicate this acceptance by signing the bottom of the HUD letter and returning the letter to HUD. The MTW agencies' attorneys will be sending language to use for this purpose.

Executive Director Mirra stated his intention to bring such a resolution to the Board in May unless the Board would like to redirect him. Chair Rumbaugh led a discussion in which each Commissioner indicated support for this proposal.

ED Mirra asked Finance Director Ken Shalik to update the Board on the discussions with HUD over the "cash management" issue. Finance Director Shalik stated that there is no news to report. The last substantial movement was in October. He also noted that the issue has less pertinence now to THA because its MTW reserves are at zero balance currently. Chair Rumbaugh asked about any operational difficulties in getting at those reserves kept on HUD's books. Director Shalik said that so far it has been manageable.

Deputy Executive Director April Black and Planning and Policy Analyst Sheryl Stansell updated the Board on other discussions with HUD concerning HUD's proposed changes to MTW reporting requirements.

## **7. ADMINISTRATIVE REPORTS**

### **Finance**

Finance Department (FD) Director Ken Shalik directed the board to his report. He will present the next detailed financial report in May. In June he will present to the Board a mid-year budget revision. Before then he will schedule a study session with the Board to review the proposed revision. He noted that the Board's Finance Committee met this month to go over it. According to Director Shalik, THA will see a deficit for 2016 and 2017 as expected. He reminded the Board that this deficit is largely because of non-recurring expenses associated with the Rental Assistance Demonstration (RAD) project, but that in 2018 RAD will produce returns that will replenish THA's reserves. Despite this dip into reserves, THA will end the year with good cash position.

### **Client Services**

Client Services Director Greg Claycamp directed the Board to his report. According to Director Claycamp, United Way has chosen to sponsor a partnership led by Sound Outreach to develop a Center for Strong Families to serve Hilltop residents. The partnership hopes to include THA, Tacoma Community House and Metropolitan Development Council as additional partners. THA's newly purchased Key Bank building may provide at least the temporary home for this Center. Client Services intends to co-locate at the Center. Chair Rumbaugh asked about the Center's square footage. The

Center is a little less than 10,000 square feet. ED Mirra reminded the Board that this may be an interim use of a building THA may tear down.

Director Claycamp is improving Client Services' customer service and inspection. They will have a back-up plan for inspection services.

Director Claycamp acknowledged that Client Services staff are having difficulty marketing and engaging Salishan families with the Children's Savings Account program. Initial enrollment numbers are still low so they are working on other strategies. This may be due to the fact that it is a new program. Chair Rumbaugh asked about a contingency plan for qualifying families. According to Commissioner Janis Flauding, the major problem is income. Another obstacle is transportation issues since families would need to go to Heritage Bank to make a deposit. According to ED Mirra, Heritage Bank has not committed to a timeline to have a branch at Salishan. ED Mirra asked if Marty Campbell was helpful to recruit families. According to Director Claycamp they have not been successful in involving the Salishan Association.

## **Property Management**

Property Management (PM) Director Pat Patterson directed the Board to his report. There are no major updates from property management. They are continuing to reduce the time it takes to turn a unit. The remaining challenge is not the time it takes to fix up a unit but to find the next tenant off the wait list. They sent a thousand letters out to people on the wait list to inquire if they are still interested. They received a response rate of only 17%. PM will reach out to families on the waitlist via email. Based on the feedback, PM will determine the next steps. Chair Rumbaugh stated how the process seems to be expensive and time consuming. ED Mirra agreed and stated that this is why THA is trying to get rid of the waitlist at least in its present form. Chair Rumbaugh would like to hear the alternatives.

## **Real Estate Development**

Real Estate Development (RED) Department Director Kathy McCormick directed the Board to her report. THA has sold the last of the market rate scattered site houses. Rental Assistance Demonstration (RAD) and Bay Terrace Phase 2 closed in the same week. There was a tremendous team effort for the closings. Walsh Construction has everything in place to begin work and they will be putting in a third team to make sure THA receives the tax credits in time. Chair Rumbaugh asked about Bay Terrace. Commissioner Young asked about the interactive basketball court. According to Director McCormick, this is part of the City's Art Program so it will be an interactive art piece.

For Hilltop, RED has engaged Shaun Alexander who lives in Hilltop to arrange a Saturday event to engage people who live and work in Hilltop. They are looking at ways to make the event interesting and fun but most importantly to learn what works for the residents and what they would like to see. RED will be presenting this at the Hilltop Street Fair in August. Chair Rumbaugh likes the idea.

Director McCormick updated the Board about the transfer of the Section 8 subsidies from Wedgewood to New Look.

## **Administration**

Associate Director Sandy Burgess provided an update on Rental Assistance Demonstration (RAD) closing. Initial work will be plumbing and energy-efficient lighting. Chair Rumbaugh asked how many transactions THA will have as RAD moves forward. According to Associate Director Burgess, there are ten partnerships. The good news is that there are only three investors--Boston Financial, Royal Bank of Canada (RBC), and Enterprise. ED Mirra asked if the lawyer and paper shuffling cost would diminish because the transactions will resemble each other. Associate Director Burgess said yes.

## **8. OLD BUSINESS**

None.

## **9. NEW BUSINESS**

### **8.1 RESOLUTION 2016-04-27(1): Amend the Initial Program and Income Certification and Leasing Services with Allied Residential**

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

**WHEREAS**, Tacoma Housing Authority and Allied Residential entered into a Contract dated October 6, 2015, in the amount of \$100,000; and

**WHEREAS**, The accumulative budget from services rendered is at its contract limit of \$100,000, authorized by the Executive Director; and

**WHEREAS**, The contract was amended under Board Resolution, 2016-01-27(5) for an additional \$50,000; and

**WHEREAS**, Due to the Rental Assistant Demonstration (RAD) financing closing being extended, some of the certifications may need to be recertified to meet RAD requirements; and

**WHEREAS**, The prior amendment was not sufficient amount to cover the additional expenses for the recertification's; and

**WHEREAS**, The amended contract amount with Allied Residential will be a Not-to-Exceed \$175,000 for the Initial Program and Income Certification and Leasing Services Contract; 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 is authorized to amend the existing Initial Program and Income Certification and Leasing Services contract to increase the contract value to a Not Exceed \$175,000:

**Approved: April 27, 2016**

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Stanley Rumbaugh, Chair

**9. COMMENTS FROM COMMISSIONERS**

None.

**10. EXECUTIVE SESSION**

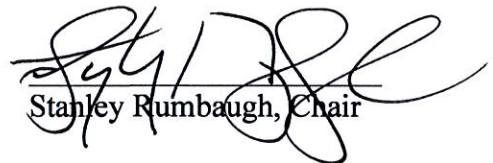
None.

**11. ADJOURNMENT**

There being no further business to conduct the meeting ended at 6:25 PM.

**APPROVED AS CORRECT**

**Adopted: May 25, 2016**

  
Stanley Rumbaugh, Chair