



TACOMA HOUSING AUTHORITY

BOARD OF COMMISSIONERS MEETING MINUTES REGULAR SESSION WEDNESDAY, June 22, 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, June 22, 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 4:52 PM.

2. ROLL CALL

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

PRESENT	ABSENT
Commissioners	
Chair Stanley Rumbaugh	Vice Chair Arthur Banks
Commissioner Janis Flauding	Commissioner Minh-Anh Hodge
Commissioner Derek Young	
Staff	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 arrived at 4:49 pm, declared there was a quorum present at 4:52 pm 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, May 25, 2016. Commissioner Flauding moved to adopt the minutes; Commissioner Young seconded.

Upon roll call, the vote was as follows:

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

Motion approved.

Chair Rumbaugh asked for any corrections to, or discussion of minutes for the Special Session of the Board of Commissioners for Friday, May 27, 2016. Commissioner Flauding moved to adopt the minutes; Commissioner Young seconded.

Upon roll call, the vote was as follows:

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

Motion approved.

4. GUEST COMMENT

Metro Parks Tacoma Board President Erik Hanberg, Assistant Executive Director Shon Sylvia, and Project Manager Dave Lewis briefed the board on their congressional visit to Washington D.C. in May to advocate funding for the Eastside Community Center. Tacoma Housing Authority and the Tacoma School District were part of the delegation. The members of the group felt that their message was well received.

Metro Parks hired Paul Breckenridge Consulting Services to provide a guide to new market tax credits. In addition to securing funding through bonds, the City of Tacoma provided additional dollars towards the project. Lewis provided the board a copy of the Eastside Community Center master plan. The Eastside Community Center will be more than just a recreation center; it will address a variety of community needs. Amenities will include a fitness area, music room, community gathering space, aquatic center, zip line, rock wall, and a large social hall.

The Boys and Girls Club signed on as a partner and will operate from 5:00-10:00 pm, with a pledge to do a “late night” similar to that offered by YMCA.

5. COMMITTEE REPORTS

Real Estate Development Committee—Commissioner Rumbaugh

The Real Estate Development Committee did not meet this month, but Chair Rumbaugh and Executive Director Mirra met and discussed THA reserves. They determined that THA has funds to move forward and that all current projects are on time and on budget.

Finance Committee—Commissioner Hodge and Commissioner Young

There was nothing to report.

Education Committee—Commissioner Hodge

Commissioner Hodge was not in attendance.

Citizen Oversight Committee—Vice Chair Banks

Vice Chair Banks was not in attendance.

6. COMMENTS FROM THE EXECUTIVE DIRECTOR

Executive Director (ED) Michael Mirra was not in attendance. Deputy Executive Director (DED) April Black reported on his behalf.

DED Black provided the board information regarding her recent trip to Boston with ED Mirra. They learned about a study by Boston University where housing is being looked into as a factor for lowering medical expenses. The matrix compares the cost of housing vis a vis the medical care provided to households prior to being housed. The study is focused on the highest utilizers of the medical system and will use housing as a prescription to measure change.

Finally, DED Black informed the board that Housing and Urban Development (HUD) sent out a notice for public comments regarding small area Fair Market Rates (FMR) for selected markets. Tacoma and Lakewood were included. HUD is proposing that housing authorities serving these markets shift from regional payment standards to zip code-level payment standards. The purpose of the change is to make it easier for voucher holders to afford to live in “areas of opportunity”, which generally have higher rents. This would mean that THA will have to redesign its systems. She noted that THA closely monitors how its participating families do in the various submarkets of our area. We track a variety of metrics for this purpose, including how our present payment standard compares with market rents. For example, our present payment standard matches the average rent in Tacoma’s North End, one of the city’s high rent areas. The national and local media have taken an interest in this topic. DED Black was interviewed by a reporter from The News Tribune.

7. ADMINISTRATIVE REPORTS

Finance

Finance Department (FD) Director Ken Shalik directed the board to the agency financials. There is no financial report for the month of June. The next report will be provided in August. Director Shalik discussed the resolution for mid-year budget and an update on the Moving to Work (MTW) commitments requested by HUD.

Tacoma Housing Authority had \$18M in cash at the end of May. The higher level of cash is due from funds received from the Rental Assistance Demonstration (RAD) closing and reimbursement from the pre-development cost for RAD and Bay Terrace II (BTII). Per the budget, the cash level will decrease during the remainder of the year, as THA will be expending funds for IT upgrades, supplemental Housing Assistance Program (HAP) payments for RAD units, rehab loans for unit upgrades on our existing Tax Credit units upon RAD conversion, and increased staffing during the RAD development phase. THA will still end up with a good reserve level at the end of the year. There is \$1M in HUD-held HAP reserves, which will be spent down. HUD news proposed rules on cash management for MTW agencies is in the works. As part of its consideration of its proposal, HUD is asking MTW agencies for information regarding particular invoices, not just a report. Senator Murray and her staff are already aware of this.

Commissioner Flauding moved to ratify the payment of cash disbursements totaling \$4,459,219 for the month of May, 2016. Commissioner Young seconded.

Upon roll call, the vote was as follows:

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

Motion approved.

Client Services

Client Services (CS) Director Greg Claycamp directed the board to his report. Client Services just held its first Advisory Committee meeting in May, which provided an overview of the McCarver Special Housing program and THA's proposed redesign of the program. The next meeting is scheduled for the following week. There will be a total of 4-5 meetings in the summer discussing ways of moving forward with the expansion. Tacoma School District is still engaged and will provide funding for support services.

Property Management

Property Management (PM) Director Pat Patterson directed the board to his report. He provided an update on THA's lead testing program. At last month's board meeting, Director Patterson reported that Tacoma Public Utilities (TPU) assured THA that there was no source of lead contamination on its side of the meter for THA properties. It could offer no view on whether THA properties had lead contamination on our side of the meter. After research and consultation, PM staff concluded that there are no lead contaminating pipes or fixtures in any of THA's buildings. Tenants have been duly informed.

PM had a heavy unit-turn month. Several units were rent ready but waiting for tenant applications. THA will see the spike next month in the unit turn times.

Commissioner Janis Flauding asked about PM's 3-day maintenance process. When tenants submit and sign an online work order, PM staff have a three-day permission to enter their units to perform the work. According to Commissioner Flauding, tenants wait three days and sometimes longer to hear back from staff but at that point, permission to enter the tenant's premises would have expired. Other tenants are unsure whether their request was received and end up re-submitting another work order. Director Patterson said staff are required to email tenants within three days of a work order but recent staffing changes could be causing delays. Re-submitted work orders only cause more delays and staff confusion. Commissioner Flauding said she gets complaints from frustrated tenants that work order delays have been an ongoing issue for quite a while now. Director Patterson said this is a customer service issue. He hopes the new tenant portal would provide better communication.

Real Estate Development

Real Estate Development (RED) Director Kathy McCormick directed the board to her report. According to Chair Rumbaugh, the City has been experiencing an upward pressure on rental costs due to economic growth. He asked if this has had an effect in locating potential acquisitions. Director McCormick said prices are going up but there are still not enough properties that can be developed. RED is looking at two properties, one of which is not on the market yet. Rent increases are 10-20 percent higher depending on location. People are moving to Tacoma from Seattle and South King County.

Director McCormick invited the board to THA's Hilltop community rummage sale and clean up on Saturday, June 25, at 10 am, at 1120 S. 11th (former Hilltop Key Bank parking lot). There will be food, music, and an opportunity to sell, donate, or dump unwanted items. Artists and consultants will gather input for THA's future developments.

8. NEW BUSINESS

**8.1 Resolution 2016-06-22 (1)
Approval of Tenant Account Receivable Write Offs**

WHEREAS, Tacoma Housing Authority (THA) provided housing services to Public Housing and Housing Choice Voucher participants who discontinued housing assistance with debt owing to THA; and

WHEREAS, Tacoma Housing Authority (THA) provided housing assistance payments to property owners in excess to the amount the owner is entitled to receive and the owner has not repaid this amount to THA; and

WHEREAS, Each individual included in this tenant account write off has been notified of their debt and given the opportunity to pay prior to this resolution; now, therefore, be it

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

Authorizes THA staff to “write off” the following accounts and send these debts to an external collection agency to pursue collection action:

Collection Status	Project	Client #	Balance
W-O Collect			
	Section 8		
		00000492	\$2,574.00
		00009721	\$424.00
		000295	\$381.00
		000725	\$250.00
		711438	\$424.00
		714586	\$190.00
		716258	\$140.00
		717088	\$1,141.00
		717125	\$495.00
		717731	\$250.00
		717758	\$140.00
		717797	\$150.00
		Subtotal	\$6,559.00
Collection Status	Project	Client #	Balance

W-O Collect	N G Str		
		00143314	\$24,390.60
	6th Ave		
		00010227	\$3,780.08
	Bergerson Terrace		
		00009567	\$540.95
		00009567	\$40.68
		Subtotal	\$581.63
	Dixon Village		
		00120500	\$331.21
		00143989	\$2,798.96
		Subtotal	\$3,130.17
	S M Str (EB Wilson)		
		00008769	\$1,689.79
		00010387	\$552.77
		00143866	\$221.98
		00144393	\$128.51
		Subtotal	\$2,593.05
*W-O No Collect			
	North K Street		
		00005460	\$107.34
Grand Total Write offs			\$41,141.87

*Uncollectable accounts where tenant is deceased, bankruptcy or old balance under \$30.00

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

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

Motion Approved: June 22, 2016

 Stanley Rumbaugh, Chair

**8.2 Resolution 2016-06022 (2)
Revised Variable Pay Policy**

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

WHEREAS, THA Policy HR-20.35 establishes THA's Variable Pay Policy; and

WHEREAS, the most recent collective bargaining agreement that the Board approved with the Trades Council allows THA to extend this policy to the Maintenance staff making them eligible to receive incentives for excellent job performance; and

WHEREAS, the Variable Pay policy sets forth the criteria and process for such incentives; and

WHEREAS, THA and the Trades Council recognize that this policy covers mandatory subjects of bargaining and thus the content or application of this policy to Trades Council represented employees may be re-opened for bargaining as permitted by applicable law; and

WHEREAS, THA should implement the extension of the Variable Pay program to maintenance staff. Doing so will reinforce the culture, climate and work performance that THA needs in order to be effective; now, therefore, be it

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

The Board authorizes the revision to THA Policy HR-20.35 Variable Pay in substantially the form set forth in the attached redlined version.

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

Upon roll call, the vote was as follows:

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

Motion Approved: June 22, 2016

Stanley Rumbaugh, Chair

**8.3 Resolution 2016-06-22 (3)
Fiscal Year 2016 Annual Budget**

WHEREAS, The Housing Authority of the City of Tacoma (“Authority”) approved a FY 2016 Budget on December 16, 2015; and

WHEREAS, Authority staff determined that the FY 2016 Budget should be revised based upon updated Federal funding levels, RAD closing dates, and internal funding and expenditure needs; and

WHEREAS, Authority staff has prepared, and the Board of Commissioners of the Housing Authority of the City of Tacoma, has reviewed and provided input to the proposed revised Fiscal Year 2016 annual budget; now, therefore, be it

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

The Board of Commissioners of the Housing Authority of the City of Tacoma adopts the revised FY 2016 Agency wide budget and authorizes THA’s Executive Director to implement and execute said budget. Expenses and other cash outflows are projected as follows:

<u>Expenses</u>	
Executive	\$ 879,454
Human Resources	644,094
Finance	1,224,104
Administration	2,008,835
Client Services Overhead	155,932
Rental Assistance	36,259,705
Community Services	2,188,018
Development	3,894,233
Policy, Innovation & Evaluation	897,381
Property Management Overhead	1,092,083
Property Management	<u>5,133,795</u>
Subtotal	54,377,634
<u>Additional Cash Outflows</u>	
Capital Expenditures	12,755,312
Debt Service	<u>67,581</u>
Subtotal	12,822,893
TOTAL APPROVED BUDGET	\$ <u>67,200,527</u>

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

Upon roll call, the vote was as follows:

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

Motion Approved: June 22, 2016

Stanley Rumbaugh, Chair

**8.4 Resolution 2016-06-22 (4)
Commitment of Moving to Work Reserves**

WHEREAS, For THA has to be effective in its mission it must plan its use of financial resources over multi-year periods and has assembled reserves for those purposes; and

WHEREAS, The Authority has assembled adequate reserves for those purposes through its responsible prudent, and patient management and budgeting; and

WHEREAS, The attached Schedule of MTW Reserve Commitments updates Resolution 2016-07-30(2), and reflects the Authority's current plans for such capital and operational expenditures of MTW reserve's; and

WHEREAS, The Authority intends to include a Schedule of MTW Reserve Commitments in the MTW annual report, including language that allows for shifting monies between the identified commitments; now, therefore, be it

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

1. The Board authorizes commitments of the Authority's MTW Reserves as outlined in the attached Schedule of MTW Reserve Commitments, subject to adjustment in future budgets and budget revisions.
2. The Board authorizes THA's Executive Director to include the latest MTW Reserve Commitments in the annual MTW Report submitted to HUD.

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

Upon roll call, the vote was as follows:

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

Motion Approved: June 22, 2016

Stanley Rumbaugh, Chair

**8.5 Resolution 2016-06-22 (5)
Arlington Drive Land Use Proposal for Youth Housing and Services**

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

WHEREAS, The City of Tacoma and Pierce County have a growing population of homeless youth without families and homeless young adults; and

WHEREAS, The City of Tacoma and Pierce County are presently without the services necessary to responsibly and effectively serve these young people; and

WHEREAS, As a result these young people face physical and sexual exploitation, lifelong developmental and educational impairments, health and mental health damage, and blighted economic and emotional prospects, and our City and County face increased costs of emergency services, mental health and health services and judicial and jail services; and

WHEREAS, The City and the County over years of planning have identified the continuum of services necessary to address the problem; and

WHEREAS, This a promising and rare occasion to help our community address this problem, for several reasons: the City and the County show a willingness to commit the funds necessary to build and operate these services, they have chosen Community Youth Services, a high capacity service provider, for the purpose; the State of Washington is offering funds for operational expenses; and

WHEREAS, The City, the County and the service provider have asked THA for use of THA's property of Arlington Drive near Salishan, valued at \$1 million, to site a Crisis Residential Center; and

WHEREAS, After two years of looking, the City has not been able to identify other sites; and

WHEREAS, Serving homeless youth without families and homeless young adults fits well within THA's mission and strategic objectives; now, therefore, be it

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

1. THAs Executive Director is directed and authorized to negotiate and if those negotiations are successful, to sign a letter committing the use of Arlington Drive as the site for a Crisis Residential Center. This letter shall state that the commitment is contingent on THA and the City of Tacoma reaching agreement in the form of a contract stating the terms of use for the Arlington Drive site. The letter may be in substantially the form showing in the attached draft.

2. The Executive Director is directed to negotiate a contract with the City of Tacoma and others setting the terms of use for the Arlington Drive site, and if he judges those negotiations to be successful, to submit the agreement to the Board for its review and approval. The terms of the agreement will cover the following:

- ***Lease of the land and Required Uses***

The contract will provide for THA's lease to the City of Tacoma of all 3.5 acres of Arlington Drive. THA would not charge rent for this use. The rent free use of this \$1 million property would be THA's contribution to the effort to serve these homeless and needy young people of our community.

The City will be required to use the land as a campus for services for homeless or needy youth and young adults aged 12-24. The City will be responsible for providing or arranging the finances to build and operate the necessary facilities on a schedule that the contract will direct. The City will own the facilities. These facilities will include the following:

- the first planned use of the site would be approximately one acre for the Crisis Residential Center facility to be built and opened within eighteen (18) months of the execution of the agreement;

- a young adult shelter and daytime drop in center within eighteen (18) months of the execution of the agreement, unless the City, within that time, develops and opens an adequate shelter and drop in center at another site in the City;

- transitional housing for young adults;

- a job training center;

- administrative offices for the service provider(s) at the site.
- *THA shall approve design standards for any structure to be built at Arlington Drive.*
- *THA shall serve as the lead master planner and developer for the entire site.*
- *High Capacity Services Provider*
The City shall contract with and manage a high quality service provider to manage each building, and its services, on the site. The City shall obtain THA's approval of any such provider, which approval THA will not unreasonably withhold. The contract will provide a process that will allow THA or the City to direct a change in providers should either judge that a change is appropriate or necessary to ensure the provision of high quality service to the youth.
- The agreement will provide for a meaningful consultation process to elicit and consider the views of the community for the use of Arlington Drive in both its initial development and in its ongoing operations.
- The City will retain ownership of any building built on Arlington Drive. After the lease terminates for any reason, ownership of any buildings on the site will revert to THA.
- The lease shall provide for an early termination for the City's failure to fulfill its terms, at which time ownership of any buildings on the site will revert to THA.

9. COMMENTS FROM COMMISSIONERS

Commissioner Flauding thanked the board and staff for a card she received. It meant a lot to her and her family.

10. EXECUTIVE SESSION

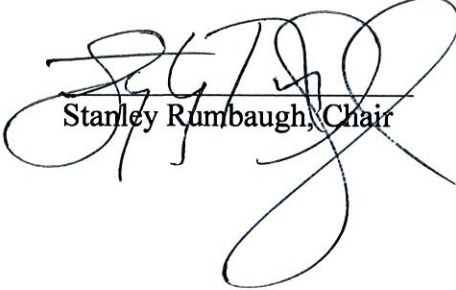
None.

11. ADJOURNMENT

There being no further business to conduct the meeting ended at 6:23 PM.

APPROVED AS CORRECT

Adopted: July 27, 2016


Stanley Rumbaugh, Chair