



# TACOMA HOUSING AUTHORITY

## BOARD OF COMMISSIONERS MEETING MINUTES REGULAR SESSION WEDNESDAY, OCTOBER 26, 2016

The Commissioners of the Housing Authority of the City of Tacoma met in Regular Session at 602 South Wright Avenue, Tacoma, WA at 4:45 PM on Wednesday, October 26, 2016.

### 1. CALL TO ORDER

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

### 2. ROLL CALL

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

PRESENT	ABSENT
<b>Commissioners</b>	
Chair Arthur Banks	
	Vice Chair Janis Flauding
Commissioner Stanley Rumbaugh (arrived at 5:03 pm)	
Commissioner Minh-Anh Hodge (arrived at 5:31 pm)	
Commissioner Derek Young	
<b>Staff</b>	
	Michael Mirra, Executive Director
Sha Peterson, Executive Assistant	
April Black, Deputy Executive Director	
Ken Shalik, Finance Director	
Toby Kaheiki, 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 Banks declared there was a quorum present at 5:03 pm and proceeded.

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

Chair Banks asked for any corrections or discussion of the minutes of the Regular Session of the Board of Commissioners on Wednesday, September 28, 2016. Commissioner Rumbaugh 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 COMMENTS

**Danette Percival, 602 S. Wright Street, Unit 313**

Ms. Percival addressed the board regarding rumors that THA would pay tenants \$50 each day they are not in their apartments to allow for renovations. She was informed that THA will discuss relocation and details with tenants prior to renovation, but will not pay tenants.

### 5. COMMITTEE REPORTS

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

Nothing to report.

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

Nothing to report.

***Education Committee—Commissioner Hodge***

Commissioner Hodge was not in attendance.

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

Nothing to report.

### 6. COMMENTS FROM THE EXECUTIVE DIRECTOR

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

THA held an all-staff meeting on October 10 to discuss the high volume of work that must be done by the end of the year. THA is making plans for Rental Assistance Demonstration (RAD) closing and will also be training and testing the new THA software. To ensure that work is done as planned, THA asked staff to limit the amount of vacation they take at the end of the year. In turn, staff will receive additional days off in December.

THA received an award from the Affordalbe Housing Coalition. ED Michael Mirra also received the Margaret M. Sevy Affordable Housing Lifetime Achievement Award, recognizing and celebrating his sustained work, exceptional vision and unwavering commitment to promoting affordable housing in Washington State.

Policy, Innovation and Evaluation (PIE) department had a meeting with Community Services. THA is working closely with Community Services regarding the house on Bismark. Community Services raised 132k. They are on schedule to open on November 2. This was a two-month turn around request. THA Board Commissioners are welcome to visit the facility.

## **7. ADMINISTRATIVE REPORTS**

### **Finance**

Finance Department (FD) Director Ken Shalik directed the board to his report.

The next report will be in November. There are no challenges currently. One thing that keeps changing is the closing of RAD. There are also legal and financial expenses on the tax credit side.

The audit for 2015 is over. There was a preliminary exit conference a month ago and there were no problems or challenges at that time. Another exit conference is scheduled for October 28, 2016, and Director Shalik is hoping to discuss the 2017 budget and plans on how to proceed. 2017 will be a lean year with RAD and IT Conversion expenses; there will be no cash back until 2018. Director Shalik has not had a chance to discuss the 2017 Budget with ED Mirra. The November Board Study Session will be re-scheduled for December.

Commissioner Rumbaugh moved to ratify the payment of cash disbursements totaling \$7,160,543 for the month of September, 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 Grey Claycamp directed the board to his report.

Associate Director for Community Services Mia Navarro submitted her resignation. Mia's last day will be Friday, November 4. Director Claycamp is contemplating whether or not to fill the position. A little over a year ago, the Community Services division reorganized with the idea of eliminating the associate director position. Client Services (CS) will complete this review next week. The department is currently strong enough to go forward without the associate director position. Duties will be parceled out among the CS leadership team. CS is also considering developing a Section 3 Specialist position.

CS just received funding recommendation from the City of Tacoma. This will be a 4-year cycle for housing stabilization. Funding will go towards the elementary school housing program formerly known as the McCarver program. An important piece on the application was funding for mental health services. Services will be provided by Hope Sparks.

## **Property Management**

Property Management (PM) Director Pat Patterson directed the board to his report.

Last month, Commissioner Flauding requested that a representative from the new Salishan security address the board. Director Patterson will reschedule the visit. There have been no complaints regarding the new security company. The new reporting matrix has been top notch.

## **Real Estate Development**

Real Estate Development (RED) Department Director Kathy McCormick directed the board to her report.

THA is moving toward taking sole ownership of New Look. To do this Tacoma Housing Development Group (THDG) will have to exit partnership and transfer ownership to THA. There will be no transfer of funds, just interest.

## **8. NEW BUSINESS**

### **8.1 RESOLUTION 2016-10-26 (1) (Adoption of 2017 Payment Standards)**

A **RESOLUTION** of the Board of Commissioners of the Housing Authority of the City of Tacoma authorizing the THA Executive Director to increase THA's payment standards to 100% of the 2017 HUD fair market rents.

**WHEREAS**, HUD sets fair market rents annually; and

**WHEREAS**, The housing authority sets payment standards based on market and participant data; and

**WHEREAS**, New payment standards will go into effect January 1, 2017; 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 THA's Executive Director to increase THA's payment standards to 100% of the 2017 HUD fair market rents.

**Approved:** October 26, 2016

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

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

**Motion Approved:** October 26, 2016

\_\_\_\_\_  
Dr. Arthur C. Banks, Chair

**8.2 RESOLUTION 2016-10-26 (2)  
(Choice Mobility Options for Project Based Voucher Households)**

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

**WHEREAS**, The Tacoma Housing Authority (THA) is converting its 809 Public Housing units to the Rental Assistance Demonstration (RAD) with Project Based Voucher (PBV) assistance; and

**WHEREAS**, HUD requires THA to offer Choice Mobility vouchers to the tenants these units; and

**WHEREAS**, THA had used its MTW flexibility to withhold the Choice Mobility option for the tenants of its 411 PBV-funded units that had never been public housing units and THA can continue to withhold this option from these tenants or it can confer the option on them; and

**WHEREAS**, THA had also used its MTW flexibility to withhold the Choice Mobility option for the tenants of PBV units owned by other organizations;

**WHEREAS**, THA's Asset Management Committee recommends that THA confer the Choice Mobility option on tenants of THA PBV units that had never been public housing units and that it confer with its partner organization to discuss whether to do the same for their PBV tenants;

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

Direct THA's Executive Director to extend the Choice Mobility option to all THA owned and operated Project Based Voucher (PBV) funded units and to confer with the community partners with PBV contracts to discuss whether to extend CM eligibility to PBV households in partner units.

**Approved:** October 26, 2016

Commissioner Rumbaugh 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:** October 26, 2016

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Dr. Arthur C. Banks, Chair

**8.3 Tacoma Housing Authority 2016-10-26 (4)  
(MLK New Look, LLC – Alberta J. Canada LLLP)**

A **RESOLUTION** authorizing the Authority to accept the gift of the New Look Apartments from MLK New Look, LLC, and to form a limited liability limited partnership, and providing for other matters properly related 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**, MLK New Look, LLC (the "Company") owns and operates a 49-unit low-income housing apartment building, that includes ground floor commercial space, located at 1102 South 11<sup>th</sup> Street in Tacoma, Washington, and commonly known as the New Look Apartments (the "Apartment Complex"); and

**WHEREAS**, On September 29, 2015, the Authority, Tacoma Housing Development Group (“THDG”) and Oregon Equity Fund IV Limited Partnership (the “Investor”) entered into a Second Amended and Restated Operating Agreement and other related documents pertaining to the Company, and the Authority lent the Company \$1,200,000 to refinance certain existing debt and pay for certain improvements to the Apartment Complex; and  
**WHEREAS**, The Investor has consented to the Authority’s request that the Company transfer the Apartment Complex to the Authority, for no consideration, on or shortly after December 1, 2016; and

**WHEREAS**, The Apartment Complex is in need of repairs and renovations, the total financing for which will require the use of various funding sources, including low-income housing tax credits, commercial loans, and state and local grants and loans, and certain of these funding sources will require the formation of a limited liability limited partnership to maximize the benefits and minimize the risks to the Authority; and

**WHEREAS**, RCW 35.82.020 defines “housing project” to include, among other things, “any work or undertaking . . . to provide decent, safe and sanitary urban or rural dwelling apartments, mobile home parks or other living accommodations for persons of low income;” and

**WHEREAS**, RCW 35.82.070 authorizes the Authority, among other things, to “prepare, carry out, acquire, lease and operate housing projects; [and] to provide for the construction, reconstruction, improvement, alteration or repair of any housing project or any part thereof,” “lease or rent any dwellings . . . buildings, structures or facilities embraced in any housing project,” “acquire, lease, rent, sell, or otherwise dispose of any commercial space located in buildings . . . containing a housing project,” “make and execute contracts and other instruments, including but not limited to partnership agreements,” and “make . . . loans for the . . . acquisition, construction . . . rehabilitation, improvement . . . or refinancing of land, buildings, or developments for housing of persons of low income;” and

**WHEREAS**, RCW 35.82.040 authorizes the Authority to “delegate to one or more of its agents or employees such powers or duties as it may deem proper;” and

**WHEREAS**, The Board finds and determines that both the Partnership (as defined below) and the Apartment Complex will provide for the necessary support of the poor within the City, and that any financing provided by the Authority for the Apartment Complex is important for project feasibility and is necessary to enable the Authority to carry out its powers and purposes under chapter 35.82 RCW; and

**WHEREAS**, Based on the consideration of funding sources available for the Apartment Complex, the need for affordable housing in the City, and other matters, it is necessary that the Authority proceed with the transactions described in this resolution; now, therefore, be it

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

1. The Authority, as the Company's special member, approves the transfer of the Apartment Complex from the Company to the Authority for no consideration. The Authority's Executive Director, the Authority's Deputy Executive Director and their respective designees (each, an "Authorized Officer" and, collectively, the "Authorized Officers"), and each of them acting alone, are authorized on behalf of the Authority (acting on its own behalf or as the Company's special member) to cause the Company to transfer the Apartment Complex to the Authority and, in connection therewith, to cause the Authority and the Company to enter into such assignment and assumption agreements, and to make amendments to such agreements, as are necessary to properly evidence the transfer of the Apartment Complex and the assumption by the Authority of the Company's obligations in connection with the Apartment Complex. Without limiting the foregoing authority, the Authority is authorized to enter into (i) assignment and assumption agreements with any lender that has made a loan to the Company that is outstanding; and (ii) an agreement with the Washington State Housing Finance Commission assuming responsibility for complying with the extended use agreement for the Apartment Complex.
2. Once the transactions described in Section 1 are completed, the Authority is authorized to assist THDG with actions necessary to unwind the Company and cause liquidating distributions to be made to the Authority and the Investor. The Authorized Officers, and each of them acting alone, are authorized on behalf of the Authority (acting on its own behalf or as the Company's special member) to execute, deliver and, if applicable, file (or cause to be delivered and/or filed) any and all documents necessary to liquidate and terminate the Company.
3. The Authority is authorized to participate in the formation of, and become a partner in, a Washington limited liability limited partnership (the "Partnership"). The Board intends that the Partnership will acquire and rehabilitate the Apartment Complex and receive low-income housing tax credits in connection therewith. The Authorized Officers, and each of them acting alone, are authorized on behalf of the Authority to: (i) execute, deliver and file (or cause to be executed, delivered and filed), to the extent required by law, a partnership agreement, a certificate of limited partnership and all such forms, certificates, applications and other documents that are necessary to form the Partnership; (ii) determine the name of the Partnership; and (iii) take any other action that they deem necessary and advisable to give effect to this resolution and the transactions contemplated herein. The Authority's Executive Director is delegated the authority to cause, in his discretion, the Partnership to be created as a Washington limited liability

company, in which case all references in this resolution to limited liability limited partnership, partnership agreement, general partner, limited partner, chapter 25.10 RCW, and certificate of limited partnership shall be deemed to be references to limited liability company, operating agreement, managing member, investor member, chapter 25.15 RCW and certificate of formation, respectively.

4. The Authorized Officers, and each of them acting alone, are authorized on behalf of the Authority (in its individual capacity and/or in its capacity as the Partnership's general partner) to: (i) apply for, and enter into contracts relating to, such funding for the Apartment Complex as they deem necessary or desirable, including without limitation public and/or private sector financing, Community Development Block Grant(s), Washington State Housing Trust Fund grant(s) and/or loan(s), an allocation of private activity bond volume cap from the Washington State Department of Commerce, and other federal, state and local funds; (ii) apply for any and all necessary approvals from the U.S. Department of Housing and Urban Development in connection with such funding; (iii) lend or grant all or any portion of the money derived from such funding sources to the Partnership, and/or cause any contracts relating to such funding to be assigned to the Partnership; (iv) apply to the Washington State Housing Finance Commission for an allocation of (or approval of the use of) low-income housing tax credits for the Apartment Complex (depending on whether the Authorized Officers determine to pursue "9%" or "4%" tax credits), enter into such agreements (including a credit reservation and carryover allocation contract), provide such documents (including cost certifications) necessary to secure such allocation (or approval), and cause such allocation (or any portion thereof) to be assigned to the Partnership if the allocation initially is made to the Authority; (v) seek and approve investors to serve as subsequent limited partners in the Partnership in connection with the receipt of low-income housing tax credits for the Apartment Complex; (vi) negotiate with potential investors regarding their acquisition of limited partnership interests in the Partnership and, if the Executive Director determines the same to be advisable, limited partner or member interests in limited partnerships and/or limited liability companies formed to finance other Authority tax credit projects; (vii) execute documents pursuant to which Authority funds (including amounts granted or lent to the Authority for the Apartment Complex) may be lent to the Partnership; (viii) prepare all appropriate resolutions for Board review and approval; (ix) prepare all documents required so that the Authority and the Partnership comply with state and federal securities laws; (x) negotiate contracts relating to the use, management and naming of the Apartment Complex; (xi) take all necessary and appropriate actions for the Partnership to acquire the Apartment Complex by sale or lease from the existing owner thereof (including entering into any option to lease, or lease, necessary to provide the Partnership with control of the Apartment Complex site); (xii) apply for bond insurance and other credit enhancement for any bonds

to be issued by the Authority for the Apartment Complex (but only if the Authority's Executive Director determines such credit enhancement to be cost effective); (xiii) solicit investment banking firms to serve as the lead underwriter(s) and as members of a selling group (if any) for any bonds to be issued for the Apartment Complex, and select such lead underwriter(s) and the members of any selling group (if the Executive Director determines that a selling group is desirable); (xiv) apply for ratings of any bonds to be issued by the Authority for the Apartment Complex (but only if the Authority's Executive Director determines such ratings to be desirable); (xv) assist in the preparation of any official statement to be used in connection with the offering of any bonds by the Authority for the Apartment Complex; and (xvi) otherwise execute the Authority's rights under the Partnership Agreement. Nothing herein shall commit the Authority to issuing bonds to finance the Apartment Complex.

5. The Authority is authorized to expend such funds as are necessary to pay for all filing fees, application fees, registration fees and other costs relating to the actions authorized by this resolution. To the extent any fees or predevelopment costs are incurred and payable by the Partnership prior to the time the Authority enters into a formal loan agreement, the Authority may lend money to the Partnership to pay such costs, with the loan bearing interest at such rate that the Executive Director determines, in his discretion (which may be 0% per annum).
6. 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, including, but not limited to, a development services agreement between the Partnership and the Authority (and/or others) providing for the development of the Apartment Complex, contracts with architects, engineers and other consultants, and construction contracts.
7. 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.
8. This resolution shall be in full force and effect from and after its adoption and approval.

Commissioner Rumbaugh 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:** October 26, 2016

\_\_\_\_\_  
Dr. Arthur C. Banks, 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. 2016-10-26 (4) (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 October 26, 2016, 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 on October 26, 2016.  
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 5:31 pm.

**APPROVED AS CORRECT**

**Adopted:** November 16, 2016

  
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Dr. Arthur C. Banks, Chair