



TACOMA HOUSING AUTHORITY

BOARD OF COMMISSIONERS MEETING MINUTES REGULAR SESSION WEDNESDAY, FEBRUARY 22, 2017

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, February 22, 2017.

1. CALL TO ORDER

Vice Chair Flauding called the meeting of the Board of Commissioners of the Housing Authority of the City of Tacoma (THA) to order at 4:53 PM.

2. ROLL CALL

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

PRESENT	ABSENT
Commissioners	
	Chair Arthur Banks
Vice Chair Janis Flauding	
Commissioner Stanley Rumbaugh (arrived late at 5:05 pm)	
	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	
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	

Vice Chair Flauding declared there was a quorum present @ 4:55 pm and proceeded.

3. APPROVAL OF MINUTES OF THE PREVIOUS MEETING

Vice Chair Flauding asked for any corrections to, or discussion of minutes for the Regular Session of the Board of Commissioners for Wednesday, January 25, 2017. 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: None

Motion approved.

4. GUEST COMMENTS

Kischa McGee, Salishan Resident

Ms. Kischa McGee addressed the board. She and other Salishan residents would like to be able to use the Salishan Association community room for their events. According to Director Patterson, the room is used only for association meetings but he encouraged Ms. McGee and others to speak with Salishan Association Executive Director Marty Campbell. He also mentioned that THA is in the process of updating the Family Investment Center (FIC) room reservation guidelines. The FIC may be more suitable for Salishan tenant events. According to Ms. McGee, the FIC does not have a working kitchen, whereas the association office does. Director Patterson encouraged Ms. McGee to visit the FIC and request a copy of the tenant CC&R. Director Claycamp suggested having a copy of the CC&R and perhaps a fact sheet posted on the THA site.

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

Nothing to report.

Citizen Oversight Committee—Vice Chair Banks

Nothing to report.

6. COMMENTS FROM THE EXECUTIVE DIRECTOR

Deputy Executive Director April Black addressed the board on Executive Director (ED) Mirra's behalf. She noted that HUD is proposing changes in how it calculates whether a MTW agency is fulfilling its statutory responsibility to serve "substantially the same"

number of households as it would if it were not MTW. The Steering Committee representing the MTW agencies and THA submitted letters to HUD commenting on the HUD proposal. April provided the board with copies. She also recounted some details of this issue and how it may affect THA.

HUD issued its proposal before President Trump took office and before he issued his regulatory freeze. The effect of that freeze on HUD's proposal is not clear.

7. ADMINISTRATIVE REPORTS

Finance

Finance Department (FD) Director Ken Shalik directed the board to the finance report. THA ended 2016 in good financial shape. It ended the year with a surplus of \$2.9 million. The year was interesting due to the Rental Assistance Demonstration (RAD) conversion. HUD Grants Fund Operating Revenue for the year is \$1.6 million but THA actually received \$660,000. There is still minimal MTW cash on hand, which is good. THA has \$8.3 million in unencumbered funds. Finance does not know what funding is going to look like with the new administration. Commissioner Rumbaugh asked about RAD funds. Director Shalik responded that finance is justifying the use of RAD funds in more meaningful ways.

Commissioner Rumbaugh moved to ratify the payment of cash disbursements totaling \$10,599,392 for the month of January 2017. Commissioner Young seconded.

Upon roll call, the vote was as follows:

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

Motion Approved.

Client Services

Client Services (CS) Director Grey Claycamp directed the board to his report. At the April board meeting, Director Claycamp will provide a full report on addressing the declining utilization rate. Commissioner Rumbaugh asked for alternative sources of revenue to increase utilization, and how much more valuable the voucher needs to be. According to Director Claycamp, the primary issue is not the value of THA vouchers. The primary issue is that as the market tightens landlords get choosier and our voucher families do not compete well with market rate families who have stronger rental and credit histories. CS is moving forward with the Landlord Liaison position, which will help build relationships with landlords. At the end of 2016, not counting rapid rehousing lease ups, THA was at 96% utilization. CS may be issuing a Request for Proposal (RFP)

for Project Based Vouchers. Aging & Disability Resource Center (ADRC) partnership is a possibility where utilization will essentially be 100%. ADRC is a first stop for older adults and individuals with disabilities of all ages, family members, caregivers, service providers, and community professionals. Their focus is on helping individuals remain safe and independent in their own homes in the community as long as it is practical.

Property Management

Property Management (PM) Director Pat Patterson directed the board to his report. He provided the board updates from the last board meeting:

- Parking is tight at Dixon. Our RAD fix up did not increase the number of parking spots. It is adequate but tight. Households at Dixon normally have 2-3 vehicles. PM will look into the parking situation. PM will also make sure emergency vehicles can get in.
- All playgrounds at Dixon meet safety requirements. Playground has a fall rating of 7 feet and the surface that kids fall on meets requirements.
- PM will educate tenants, but it is common that ground floor windows are designed to vent and not open all the way. This is for safety.
- The code for Dixon doors states that they cannot be double locked. PM staff tried to educate tenants on other means to keep children inside their homes and distributed materials for devices to put on their doors to prevent a child from letting himself or herself out. Commissioner Rumbaugh noted that although code says you can only put on one lock the code does not prevent THA from providing such precautions.
- Regarding the tenant request for special accommodation, PM is working through the request. The Review Committee will make a decision if accommodation is approved.

PM and CS staff are working to determine how to reduce lease up time. The current process identifies the prospective tenants, but tenants are not always ready to lease up. For example, they may be in the middle of their present lease. The new Open Door system will have a process that will provide PM with five fresh tenant names ready to go for each vacancy. Vice Chair Flauding has received multiple questions at Salishan regarding carpets, particularly from the older units. The carpets are 10 years old and are very difficult to clean. Residents spend to clean their carpets only to receive notice from PM to clean them again. According to Director Patterson, replacing the carpets would be a huge expense. RAD proceeds will be devoted to the tax credit portfolios and PM will address deferred maintenance and wear and tear, including carpets. PM judges whether to replace carpets case by case.

Real Estate Development

Real Estate Development (RED) Department Director Kathy McCormick directed the board to her report. RED submitted two 9% tax credit applications this year. The applications were not successful. RED staff are actively looking at properties to buy and will meet with the City about Hilltop Lofts and funding the gap. At the March board meeting, John Hall with GGLO will be invited to do a brief presentation about housing at Hilltop. RED applied for Housing Trust Fund financing for four projects. Looking ahead, the 2018 9% tax allocation will be competitive. RAD is going along great.

8. OLD BUSINESS

None.

9. NEW BUSINESS

8.1 RESOLUTION 2017-02-22 (1) (Conversion of Subsidy for Bay Terrace I from Public Housing to RAD)

A **RESOLUTION** of the Board of Commissioners of the Housing Authority of the City of Tacoma authorizing the Authority's participation in HUD's Rental Assistance Demonstration program with respect to the Bay Terrace I Project; authorizing the amendment of agreements to address requirements of HUD's Rental Assistance Demonstration program; and determining related matters.

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, RCW 35.82.070 authorizes the Housing Authority of the City of Tacoma (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," "make and execute contracts and other instruments, including but not limited to partnership agreements," and "make . . . loans for the . . . rehabilitation, improvement . . . or refinancing of land, buildings, or developments for housing of persons of low income"; and

WHEREAS, The Authority is the general partner of 2500 Yakima LLLP (the "Partnership"), which limited liability limited partnership developed a 70-unit affordable rental housing project commonly known as Bay Terrace I (the "Project"), on property located at 2550 South G Street in Tacoma, Washington, that was leased to the Partnership by the Authority, and 26 units of rental housing in the Project currently are administered as public housing units; and

WHEREAS, The Authority applied to the U.S. Department of Housing and Urban Development ("HUD") to allow the public housing units in the Project to

be converted to project-based Section 8 units under HUD's Rental Assistance Demonstration ("RAD") program, and HUD has approved of such conversion; and

WHEREAS, In connection with the conversion of the Project's public housing units to project-based Section 8 units, certain provisions of the Partnership's limited partnership agreement, project lease, loan documents and related documents must be amended, certain existing public housing agreements must be terminated, and certain RAD program agreements must be entered; and

WHEREAS, Based on the consideration of funding sources available for the Project, 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. Existing Project Documents and HUD Documents. The Authority's Executive Director and the Authority's Deputy Executive Director (each, an "Authorized Officer" and, collectively, the "Authorized Officers") (and each of them acting alone) are authorized and directed to negotiate, execute, deliver and, if applicable, file (or cause to be executed and delivered and, if applicable, filed) on behalf of the Authority (acting on its own behalf or in its capacity as general partner of the Partnership, as applicable): (i) those documents described in Exhibit A under the headings "Existing Project Documents" and "HUD Documents"; (ii) such other documents relating to the Partnership or the Partnership's existing loans as any Authorized Officer determines to be necessary or desirable to accomplish the conversion of the Project from a public housing project to a project-based Section 8 project; and (iii) any document not described in Exhibit A under the heading "HUD Documents" that HUD requires in connection with such conversion.
2. Supplemental Authorization. The Authorized Officers, and each of them acting alone, are authorized on behalf of the Authority (acting on its own behalf or in its capacity as general partner of the Partnership, as applicable) to: (i) determine that any document authorized by this resolution is, at the time such document otherwise would be executed, no longer necessary or desirable and, based on such determination, cause the Authority and/or the Partnership not to execute or deliver such document; (ii) negotiate, execute and deliver and, if applicable, file (or cause to be delivered and/or filed) any government forms, affidavits, certificates, letters, documents, agreements and instruments that such officer determines to be necessary or advisable to give effect to this resolution and to consummate the transactions contemplated herein; and (iii) cause the Authority and/or the Partnership 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.

3. Acting Officers Authorized. Any action required by this resolution to be taken by the Executive Director or Deputy Executive Director may, in such person's absence, be taken by any employee of the Authority that has been designated by the Executive Director to act in the absence of the Executive Director or Deputy Executive Director.
4. Changes to Titles or Parties. While the titles of and parties to the various documents listed in Exhibit A hereto may change, no change to such titles or parties shall affect the authority conferred by this resolution to execute, deliver, file (if required), enforce and perform the documents in their final form.
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.

EXHIBIT A

TRANSACTION DOCUMENTS

Existing Project Documents

- An amendment to the Partnership's First Amended and Restated Agreement of Limited Partnership as necessary or desirable to remove references to public housing requirements, to insert references to RAD program requirements, and to remove any obligation of the Authority to make rental subsidy contributions with respect to public housing units;
- An amendment to the Lease Agreement between the Authority and the Partnership as necessary or desirable to remove references to public housing requirements and to insert references to RAD program requirements, and a corresponding amendment to the Memorandum of Lease Agreement to reflect amendments made to such Lease Agreement;
- An amendment to the existing priority and subordination agreement for the Project as necessary or desirable to list the relative priorities of HUD's Rental Assistance Demonstration Use Agreement and existing encumbrances and to insert references to RAD program requirements;
- Amendments to the existing loan documents with Commerce, TCRA, the Authority, and JPMorgan Chase Bank, N.A., all as necessary or desirable to remove references to public housing requirements, to insert references to RAD program requirements, and to remove any obligation of the Authority to make rental subsidy contributions with respect to public housing units;

- Amendments to the loan or grant agreements, and related documents, for loans and grants underlying the Authority's various loans to the Partnership, all as necessary or desirable to remove references to public housing requirements and, where applicable, to insert references to RAD program requirements;

HUD Documents

- Rental Assistance (RAD) Conversion Commitment (Public Housing; First Component) between the Partnership and HUD, together with any necessary or desirable amendments thereof;
- Rental Assistance Demonstration Use Agreement among the Authority, the Partnership and HUD, together with the Rider to Use Agreement Relating to Foreclosure (for PBV and PBRA RAD conversions from Public Housing) among the Authority, the Partnership and HUD;
- PBV Housing Assistance Payments Contract New Construction or Rehabilitation between the Partnership and HUD, together with Rental Assistance Demonstration (RAD); Rider to the Section 8 Project Based Voucher Program (PBV) Housing Assistance Payments (HAP) Contract for New Construction or Rehabilitated Housing (Public Housing Conversions; First Component) between the Partnership and the Authority, the LIHTC Rider to Housing Assistance Payment Contract (for PBV RAD conversions from Public Housing) among the Partnership, the Authority and HUD, and the Lender Rider to Housing Assistance Payment Contract (for PBV RAD conversions from Public Housing) among the Partnership, the Authority and HUD;
- Consolidated Owner Certification -- Rental Assistance Demonstration by the Authority and the Partnership;
- Certification and Assurances by the Authority and the Partnership;
- Termination of Mixed Finance Amendment to Annual Contributions Contract with respect to the Project between the Authority and HUD; and
- Termination of Regulatory and Operating Agreement between the Authority and the Partnership.

CERTIFICATE

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

1. That the attached copy of Resolution No. 2017-02-22 (1) (the "Resolution") is a full, true and correct copy of the resolution of the Board of Commissioners of the Authority, as adopted at a meeting of the Authority held on February 22, 2017, and duly recorded in the minute books of the Authority; and

2. That such meeting was duly convened and held in all respects in accordance with law; that a quorum was present throughout the meeting and a majority of the members of the Board of Commissioners of the Authority present

at the meeting voted in the proper manner for the adoption of the Resolution; that all other requirements and proceedings incident to the proper adoption of the Resolution have been duly fulfilled, carried out and otherwise observed, and that I am authorized to execute this Certificate.

IN WITNESS WHEREOF, I have hereunto set my hand on February 22, 2017.

Michael Mirra, Secretary and Executive Director
of the Authority

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

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

Motion Approved: February 22, 2017

Dr. Arthur C. Banks, Chair

**8.2 RESOLUTION NO 2017-02-22 (2)
(Crisis Residential Center Development Agreements)**

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

WHEREAS, On June 22, 2016, the Board of Commissioners authorized THA's Executive Director to lease its Arlington Drive property to the City of Tacoma to develop a youth home; and

WHEREAS, The City of Tacoma has prepared terms for funding the design and construction of a Crisis Residential Center on one-acre of land at the Arlington property; and

WHEREAS, The City of Tacoma has set aside \$1M in CDBG and other City funds for construction of the CRC; and

WHEREAS, Additional funds has been pledged by Pierce County to CYS for capital to construct the CRC; and

WHEREAS, The proposed terms are outlined in a loan agreement that is acceptable to THA; and

WHEREAS, The City of Tacoma will record a Regulatory Agreement against the property to ensure it is used for housing low income youth experiencing homelessness; and

WHEREAS, THA has identified unaccompanied homes youth and young adults as some of Tacoma and Pierce County's citizens in most need; 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 finalize the loan agreement and regulatory agreement with the City of Tacoma to begin the design and construction of a Crisis Residential Center for youth experiencing homelessness.

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

Upon roll call, the vote was as follows:

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

Motion Approved: February 22, 2017

Dr. Arthur C. Banks, Chair

**8.3 RESOLUTION 2017-2-22 (3)
(Extension of Project Based Voucher Contract: Pacific Courtyard)**

WHEREAS, THA has been providing project based voucher assistance to MDC's Pacific Courtyard property since 2005; and

WHEREAS, Pacific Courtyard houses formerly homeless families; and

WHEREAS, A one year extension will allow THA and MDC to negotiate the terms of a longer term contract; and

WHEREAS, Failure to extend this contract would lead to a loss of affordable housing units; now, therefore, be it

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

The Board authorizes THA's Executive Director to negotiate, and if those negotiations are successful, to execute a one (1) year extension to the MDC Pacific Courtyard Project Based Voucher Housing Assistance Payment Contract.

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: None

Motion Approved: February 22, 2017

Dr. Arthur C. Banks, Chair

9. COMMENTS FROM COMMISSIONERS

None.

10. EXECUTIVE SESSION

None.

11. ADJOURNMENT

There being no further business to conduct, the meeting ended at 6:39 PM.

APPROVED AS CORRECT

Adopted: April 26, 2017

Dr. Arthur C. Banks
Dr. Arthur C. Banks, Chair