



TACOMA HOUSING AUTHORITY

BOARD OF COMMISSIONERS

BOARD PACKET

August 22, 2018



Michael Mirra
Executive Director

TACOMA HOUSING AUTHORITY

BOARD OF COMMISSIONERS

Janis Flauding, Chair
Minh-Anh Hodge, Vice Chair
Dr. Arthur C. Banks
Stanley Rumbaugh
Derek Young

ANNUAL MEETING Board of Commissioners

WEDNESDAY, August 22, 2018

The Board of Commissioners of the Housing Authority of the City of Tacoma will hold its Annual Meeting on **Wednesday, August 22, 2018, at 4:45 pm.**

The meeting will take place at:

**Salishan Family Investment Center (FIC)
1724 East 44th Street, Tacoma, WA 98404**

The site is accessible to people with disabilities. Persons who require special accommodations should contact Sha Peterson (253) 207-4450, before 4:00 pm the day before the scheduled meeting.

I, Sha Peterson, certify that on or before August 22, 2018, I faxed / EMAILED, PUBLIC MEETING NOTICE before:

City of Tacoma	747 Market Street Tacoma, WA 98402	fax: 253-591-5123 email: CityClerk@cityoftacoma.com
Northwest Justice Project	715 Tacoma Avenue South Tacoma, WA 98402	fax: 253-272-8226
KCPQ-TV/Channel 13	1813 Westlake Avenue North Seattle, WA 98109	email: tips@q13fox.com
KSTW-TV/Channel 11	1000 Dexter Avenue N #205 Seattle, WA 98109	fax: 206-861-8865
Tacoma News Tribune	1950 South State Tacoma, WA 98405	fax: 253-597-8274
The Tacoma Weekly	PO Box 7185 Tacoma, WA 98406	fax: 253-759-5780

and other individuals and organizations with residents reporting applications on file.

Sha Peterson
Executive Assistant



TACOMA HOUSING AUTHORITY

AGENDA

ANNUAL BOARD OF COMMISSIONERS MEETING

August 22, 2018, 4:45 PM

Salishan Family Investment Center (FIC), 1724 East 44th Street, Tacoma, WA 98404

1. ELECTION OF OFFICERS
2. REVIEW OF BY-LAWS
3. ANNUAL CERTIFICATION



TACOMA HOUSING AUTHORITY

AGENDA

REGULAR BOARD OF COMMISSIONERS MEETING

August 22, 2018, 4:45 PM

Salishan Family Investment Center (FIC), 1724 East 44th Street, Tacoma, WA 98404

1. **CALL TO ORDER**
2. **ROLL CALL**
3. **APPROVAL OF MINUTES**
 - 3.1 Minutes of June 27, 2018—Regular Meeting (AMENDED)
 - 3.2 Minutes of July 25, 2018—Regular Meeting
4. **GUEST COMMENTS**
5. **COMMITTEE REPORTS**
6. **COMMENTS FROM THE EXECUTIVE DIRECTOR**
7. **ADMINISTRATION REPORTS**
 - 7.1 Finance
 - 7.2 Policy, Innovation and Evaluation
 - 7.3 Client Support & Empowerment
 - 7.4 Rental Assistance
 - 7.5 Property Management
 - 7.6 Real Estate Development
8. **OLD BUSINESS**
9. **NEW BUSINESS**
 - 9.1 2018-08-22 (1) Amendment #1 for Line of Credit with Heritage Bank
 - 9.2 2018-08-22 (2) Authorize Investment Institutions and Authorized Signers
 - 9.3 2018-08-22 (3) Disposition Application for 1800 Hillside Terrace
 - 9.4 2018-08-22 (4) Disposition Application to HUD for the 7 Salishan Lots
 - 9.5 2018-08-22 (5) Ratify Collective Bargaining Agreement with Pierce County Trades Council Contract
 - 9.6 2018-08-22 (6) Ratify Collective Bargaining Agreement with the Office and Professional Employees International Union (OPEIU)
(WALK-ON)
10. **COMMENTS FROM THE COMMISSIONERS**
11. **EXECUTIVE SESSION, if any**
12. **ADJOURNMENT**



TACOMA HOUSING AUTHORITY

MINUTES



TACOMA HOUSING AUTHORITY

AMENDED BOARD OF COMMISSIONERS MEETING MINUTES **REGULAR SESSION** **WEDNESDAY, JUNE 27, 2018**

The Commissioners of the Housing Authority of the City of Tacoma met in Regular Session at 2302 6th Avenue, Tacoma, WA 98403 at 4:45 PM on Wednesday, June 27, 2018.

1. CALL TO ORDER

Commissioner Young called the meeting of the Board of Commissioners of the Housing Authority of the City of Tacoma (THA) to order at 5:08 PM.

2. ROLL CALL

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

PRESENT	ABSENT
Commissioners	
	Chair Janis Flauding
Vice Chair Minh-Anh Hodge (Arrived late at 5:26 pm)	
	Commissioner Arthur Banks
Commissioner Stanley Rumbaugh (Arrived late at 5:06 pm)	
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	
Frankie Johnson, Property Management Director	
Kathy McCormick, Real Estate Development Director	
Sandy Burgess, Administrative Services Director	
Julie LaRocque, Rental Assistance Director	
Cacey Hanauer, Client Support and Empowerment Director	

Commissioner Young declared there was a quorum present @ 5:09 and proceeded.

3. APPROVAL OF MINUTES OF THE PREVIOUS MEETING

Commissioner Young asked for any corrections to, or discussion of the minutes for the Regular Session of the Board of Commissioners on Wednesday, May 23, 2018. Commissioner Rumbaugh moved to adopt the minutes; Vice Chair Hodge seconded.

Upon roll call, the vote was as follows:

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

Motion approved.

4. GUEST COMMENTS

Susan Harmon-Payne

Ms. Harmon-Payne lives at 6th Avenue Apartments. Although Director Johnson already had a discussion with Ms. Harmon-Payne prior to the board meeting, she still wanted to share her concerns with the board. According to Ms. Harmon-Payne, tenants have been having issues with a broken fence, defective alarm and cameras, and tenants blocking doors. She also feels that tenants who have been arrested for possession or use of drugs should be rehabilitated prior to being accepted back into their building.

Darlene Howard

Ms. Howard is a Section 8 tenant who has been on medical leave since April. She initiated a change of circumstance with THA to decrease her rent payment and complied with everything she needed to do. Her request has been denied three times. Rental Assistance Director Julie LaRocque then conferred with Ms. Howard.

5. COMMITTEE REPORTS

Real Estate Development Committee—Commissioner Rumbaugh

Nothing to report.

Finance Committee—Vice Chair Hodge and Commissioner Young

Nothing to report.

Education Committee—Vice Chair Hodge

Nothing to report.

Citizen Oversight Committee—Commissioner Banks

Nothing to report.

6. COMMENTS FROM THE EXECUTIVE DIRECTOR

Executive Director (ED) Michael Mirra highlighted some of the topics in his report:

- The House and Senate Appropriation Committees are writing the FY 2019 budget. They each have issued proposals for the HUD budget. Each proposal rejects the Trump Administration's budget proposal that would have cut HUD's budget significantly. The budget for FY 2020 will likely be very challenging.
- Discussions regarding tenant protection proposals are headed to the City Council. ED Mirra and staff have been meeting with landlords and tenant representatives. Those discussions suggest notable agreement among the groups.

ED Mirra showed a drawing of Bay Terrace from a child who lives there. THA will get the name of the artist and will have the drawing framed and showcased at Bay Terrace.

7. ADMINISTRATIVE REPORTS

Finance

Finance Department (FD) Director Ken Shalik directed the board to the finance report. The State auditors will commence audit for 2017 within the next week or so. The Finance Committee will have an entrance meeting sometime in July and will also discuss the 2019 budget. THA remains in good financial condition. Its unencumbered reserves are currently at \$1 million, which is lower than we need it to be. We will replenish it when we get to final closing of the books on the Renew Tacoma refinancing and on Bay Terrace II (BTII). Director McCormick announced that both Renew Tacoma and BTII are with investors. These deals will add another \$9 million to our unencumbered reserves.

Commissioner Rumbaugh moved to ratify the payment of cash disbursements totaling \$4,826,948 for the month of May 2018. Vice Chair Hodge seconded.

Upon roll call, the vote was as follows:

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

Motion Approved.

Administrative Services

Administrative Services (AS) Director Sandy Burgess directed the board to her report. She provided the board a Per Unit Per Year (PUPY) report, which shows that all properties are operating below PUPY. AS and Property Management (PM) will look at the report again in August with hopes of finding the same result. Commissioner Young

asked if there were specific items THA was expecting but did not see. Salaries and maintenance, replied Director Shalik. Commissioner Rumbaugh inquired about the differential for Highland Crest and reserve fund. According to Director Burgess, THA budgeted conservatively. Director Shalik added that when THA purchased Highland Crest last year, it was funded at \$200K. Commissioner Rumbaugh noted that the board talked about trying to capture the cash flow or expense incurred on properties owned by THA as opposed to RAD conversion. Director Burgess said she hopes to have this report to the board ready at its August meeting.

Property Management

Property Management Director Frankie Johnson directed the board to her report. For the fourth month, PM is showing less than 20 days to turn a unit key to key. Commissioner Rumbaugh said this is remarkable. Since February PM, Finance and compliance have been doing Lifecycle of the Tenant trainings, working on customer service, efficiency, and OpenDoor. Director Johnson acknowledged Rental Assistance Housing Specialist Cathy Forslund, who has been influential in the decrease of leasing days.

Real Estate Development

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

- The third-party analysis for Renew Tacoma is complete and a letter will go out to Walsh with the final contract amount.
- There is full funding for the Arlington Drive Crisis Residential Center (CRC). RED will meet with the County and City to find out when THA can start drawing on funds. THA submitted a tax credit application yesterday for the rental housing.. The Washington Housing Commission staff will need to verify funds, but they expressed confidence that THA will receive an allocation.
- THA launched the planning for the James Center North planning. RED is pleased with the design team and consultants.
- RED is getting ready to issue a Request for Qualification (RFQ) for Housing Hilltop. The Greater Tacoma Community Foundation has agreed to partner with THA, and RED hopes to start attracting others like the Library.
- Commissioner Rumbaugh mentioned a complaint he received New Look tenants do not receive adequate notice of what is going on with the reconstruction. RED is aware of the complaints, have talked to the tenants, and is doing everything to address their concerns.

8. OLD BUSINESS

None.

9. NEW BUSINESS

9.1 RESOLUTION 2018-06-27 (1) (Purchase & Sale Agreement for Sale of 7 Lots at Salishan)

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

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 RCW 35.82.070(2) provides that a housing authority may “prepare, carry out, acquire lease and operate housing projects: and “provide for the construction, reconstruction, improvement alteration or repair of any housing project or any part thereof...”; 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 dwellings, apartments, mobile home parks or other living accommodations for person of low income”; and

WHEREAS, The Authority is authorized by the Housing Authorities Law (chapter 35.82 RCW) to, among other things: (i) “prepare, carry out, acquire, lease and operate housing projects; to provide for the construction, reconstruction, improvement, alteration or repair of any housing project or any part thereof” (RCW 35.82.070(2)); (ii) “lease or rent any dwellings . . . buildings, structures or facilities embraced in any housing project” (RCW 35.82.070(5)); (iii) “make and execute contracts and other instruments, including but not limited to partnership agreements” (RCW 35.82.070(1)); (iv) “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 (v) “make . . . loans for the . . . acquisition, construction, reconstruction, rehabilitation, improvement, leasing, or refinancing of land, buildings, or developments for housing persons of low income.”; and

WHEREAS, The Executive Director and the Board of Commissioners find the terms of the Purchase and Sale Agreement acceptable to THA; now, therefore, be it

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

1. The Executive Director has the authority to negotiate, and if those negotiations are successful, to execute a Purchase and Sale Agreement with TAC Build LLC.
2. Acting Officers Authorized. The proper officers of the Authority are and are hereby authorized, empowered, and directed to take such further action on behalf of the Authority as they deem necessary to effectuate the foregoing sections of this resolution. Any action required by this resolution to be taken by the

Executive Director of the Authority may in his absence be taken by the duly authorized acting Executive Director of the Authority.

3. This resolution shall be in full force and effective from and after its adoption and approval.

Commissioner Rumbaugh motioned to approve the resolution. Vice Chair Hodge seconded the motion.

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

Motion Approved: June 27, 2018

Janis Flauding, Chair

9.2 RESOLUTION 2018-06-27 (2)
(Authorization to Adopt New Procurement Policy)

A **RESOLUTION** approving amendments to the Tacoma Housing Authority's Procurement Policy.

WHEREAS, The Housing Authority of the City of Tacoma (the "Authority") intends has a policy governing its procurement of goods and services, THA Policy PI-01. It needs amendment to conform to state and federal law, to govern THA's procurements for other entities and to make it easier for staff to understand; now, therefore, be it

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

1. THA adopts as new THA Policy PCI-01 – Procurement in substantially the form set out in the attached draft. Staff may further amend the policy without Board review for purposes of minor clarification, formatting changes and the addition or modification of flow charts and other visualizations, and forms.
2. 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.

Vice Chair Hodge 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: 2

Motion Approved: June 27, 2018

Janis Flauding, Chair

9.3 RESOLUTION 2018-06-27 (3)
(Approval of Small Assets Disposition Policy)

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

WHEREAS, The Housing Authority of the City of Tacoma (the “Authority”) is the recipient of Federal funding through various instruments issued by the Department of Housing and Urban Development (“HUD”); and

WHEREAS, HUD has adopted 2 CFR 200, which includes certain administrative requirements, cost principles, audit requirements, and requirements for procurements conducted by recipients of Federal funding; and

WHEREAS, Public housing authorities, including the Authority, are required to adopt policies that meet the requirements of 2 CFR §200; and

WHEREAS, Following an audit that HUD conducted between July 31 and August 4, 2017, HUD raised a concern about the lack of a disposition policy; and

WHEREAS, A proposed Small Asset Disposition policy that satisfies and adopts the requirements of 2 CFR §200 is attached as Attachment A; now, therefore, be it

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

1. THA adopts THA Policy G-15 Small Asset Disposition in substantially the form set out in the attached draft policy. Staff may further modify this policy without further Board review for minor changes, changes in format, visualizations and forms.

SR how do we keep track. Sandy says when they are obsolete and such we dispose of them.

Commissioner Rumbaugh motioned to approve the resolution. Vice Chair Hodge seconded the motion.

Upon roll call, the vote was as follows:

AYES: 3
NAYS: None
Abstain: None

Absent: 2

Motion Approved: June 27, 2018

Janis Flauding, Chair

9.4 RESOLUTION 2018-06-27 (4)
(Approval of Update to THA's Ethics Policy)

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

WHEREAS, The Housing Authority of the City of Tacoma (the "Authority") approved the update of THA's Procurement Policy; and

WHEREAS, In the course of revision of THA's Procurement Policy, Legal Counsel advised an update to THA's Ethics and Conflicts of Interest Policy to comply with HUD regulation 2 CFR Part 200; and

WHEREAS, A proposed revised Ethics and Conflicts of Interest Policy that satisfies the recommendation of Legal Counsel is attached hereto as Exhibit A; now, therefore, be it

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

1. THA adopts a new version of THA Policy G-10 - Ethics and Conflicts of Interest in substantially the form set forth in the attached draft. Staff may make further amendments to this policy without further Board review to make minor clarifications, format changes and visualizations and to reference forms.
2. This resolution shall be in full force and effect from and after its adoption and approval.

Commissioner Rumbaugh motioned to approve the resolution. Vice Chair Hodge seconded the motion.

Upon roll call, the vote was as follows:

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

Motion Approved: June 27, 2018

Janis Flauding, Chair

10. COMMENTS FROM COMMISSIONERS

- Commissioner Young thanked the directors and staff for their great work. He dropped by Salishan during the book fair and was impressed with the volunteers.
- ED Mirra informed the board that they will be receiving an invitation for a celebration at Salishan on July 17 at 3:30 pm to note the ribbon cutting on Heritage Bank's new Salishan branch. Speakers will be Children's Savings Account program participants, Mayor Woodards, Superintendent Santorno, Councilmember Ushka, Heritage Bank officials and Prosperity Now President Andrea Levere from D.C. Marty Campbell will preside.
- Commissioner Rumbaugh inquired about the Americas Credit Union offer for supplemental escrow accounts for home purchases. ED Mirra will contact Paul Miller and will be handing this project off to Director of Client Support and Empowerment Cacey Hanauer.
- Commissioner Young's schedule has more flexibility allowing him to be in Tacoma on Mondays and Wednesdays.
- Commissioners were invited to a Tenant Residents Action Coalition (TRAC) event at People's Park on July 27th from 12:00-3:00 pm.

11. EXECUTIVE SESSION

None.

12. ADJOURNMENT

There being no further business to conduct the meeting ended at 6:17 PM.

APPROVED AS CORRECT

Adopted: July 25, 2018

Dr. Minh-Anh Hodge, Chair



TACOMA HOUSING AUTHORITY

BOARD OF COMMISSIONERS MEETING MINUTES REGULAR SESSION WEDNESDAY, JULY 25, 2018

The Commissioners of the Housing Authority of the City of Tacoma met in Regular Session at Ludwig, 5425 S. Lawrence Street, Tacoma, WA 98409 at 4:45 PM on Wednesday, July 25, 2018.

1. CALL TO ORDER

Chair Flauding 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 Janis Flauding	
Vice Chair Minh-Anh Hodge (arrived late at 5:03 pm)	
Commissioner Arthur Banks	
Commissioner Stanley Rumbaugh (arrived late at 5:05 pm)	
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	
Frankie Johnson, Property Management Director	
	Kathy McCormick, Real Estate Development Director
Sandy Burgess, Administrative Services Director	
	Julie LaRocque, Rental Assistance Director
Cacey Hanauer, Client Support & Empowerment Director	

Chair Flauding declared there was a quorum present @ 4:56 pm and proceeded.

3. APPROVAL OF MINUTES OF THE PREVIOUS MEETING

Chair Flauding asked for any corrections to, or discussion of the minutes for the Regular Session of the Board of Commissioners on Wednesday, June 27, 2018. Commissioner Rumbaugh moved to **amend** the minutes: *Under Comments from Commissioners, Paul Miller is not with Paul Miller Brokerage but rather with Americas Credit Union.* Commissioner Banks seconded.

Upon roll call, the vote was as follows:

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

Motion approved.

4. GUEST COMMENTS

Senta McKnight, Fawcett Tenant

Senta thanked Tacoma Housing Authority and the board for their assistance and gave special thanks to Executive Director Michael Mirra, Property Management Director Frankie Johnson, and Property Management Operations Coordinator Yvonne Ginoulis. She said that they have been very helpful to her and to the Tenant Residents Action Coalition. (TRAC). She said that TRAC's annual board meeting and picnic is scheduled Friday, July 27.

5. COMMITTEE REPORTS

Real Estate Development Committee—Commissioner Rumbaugh

Nothing to report.

Finance Committee—Vice Chair Hodge and Commissioner Young

Nothing to report.

Education Committee—Vice Chair Hodge

Nothing to report.

Citizen Oversight Committee—Commissioner Banks

Nothing to report.

6. COMMENTS FROM THE EXECUTIVE DIRECTOR

Executive Director (ED) Michael Mirra provided an update on the homeless encampment at People's Park. He reviewed what he had reported in writing to the board: he signed the "trespass authorization" that the city requested allowing the police to remove the encampment from THA property around its building at 902 S. L Street. He reviewed the

factors that made that the correct, if difficult, decision. ED Mirra acknowledged staff's contribution to the encampment puzzle.

ED Mirra reported that THA, also at City request, will now consider whether THA has any other property suitable to host a temporary encampment under the City's new code that allows for it. He reviewed the conditions that THA would require for it to do this: the encampment would not interfere with THA's construction schedule for the property; another organization with the skills and experience to do so would manage the encampment; THA will need help to pay for it; a robust community consultation that the City will help to lead. Director Frankie Johnson is the project manager for this effort. ED Mirra asked the board if it would favor making the land available for temporary encampment:

- Commissioner Rumbaugh is worried about liability issues. Commissioner Rumbaugh is also worried about the time it would take for people to leave and the mess that would be left behind. His answer is therefore a conditional "Yes."
- Commissioner Banks wants the city to buy into the plan and be responsible for weekly trash, restrooms and porta-potties. Supportive services should also be part of the plan.
- Chair Flauding stated that: (a) if THA does not have legal responsibility, (b) the city is willing to be involved, (c) THA finds someone else to manage it, (d) and there is a plan at the end of the temporary encampment -- then she favors the plan. She would like to see a program of services.
- Vice Chair Hodge is concerned about tracking who goes in and out of the encampment in case crimes are committed. Commissioner Rumbaugh stated that it would have to be tracked by someone who knows how to manage the encampment.
- Commissioner Rumbaugh likes the tiny homes idea and making them mobile. They can also be manufactured.
- Commissioner Young thinks that creating tiny homes can add value to the site. He added that Seattle is doing something similar and THA should inquire about how they are responding to the concerns associated with tiny homes. Director Johnson is scheduled to visit the tiny homes community in Seattle.

7. ADMINISTRATIVE REPORTS

Finance

Finance Department (FD) Director Ken Shalik directed the board to the finance report. He is not seeing challenges at this time. The state auditors started their audit early this month. They still need to meet the September deadline so they need to finish by the end of August. The entrance conference is scheduled for the first week in August; ED Mirra

will be out of town but Deputy Executive Director Black will be standing in for him. Both Vice Chair Hodge and Commissioner Young are scheduled to attend.

Finance is still waiting for funds for Rental Assistance Demonstration (RAD) closing and Bay Terrace (BT) totaling \$1.5M in unrestricted funds. Finance is also still working on closing Boston Financial Investment Management (BFIM).

Commissioner Banks moved to ratify the payment of cash disbursements totaling \$4,716,477 for the month of June 2018. Commissioner Young seconded. Upon roll call, the vote was as follows:

AYES:	3
NAYS:	None
Abstain:	None
Absent:	2 (Vice Chair Hodge and Commissioner Rumbaugh were not yet in attendance)

Motion Approved.

Policy, Innovation and Evaluation

Policy, Innovation and Evaluation (PIE) Director April Black directed the board to her report. In addition to her board report, she is also submitting a Moving to Work (MTW) plan amendment. The plan will go out for public comment in August. Staff will submit it to the board in September for the Board's approval. The only proposed new activity will modify how THA assesses whether a section 8 rental property complies with Housing Quality Standards. The modification will allow occupancy despite "minor" shortfalls that the landlord can repair later. Director Black said minor fails include window seals, cracked switch cover, etc. They would not involve items that threaten health or safety.

Chair Flauding noted that Eric Lane is now going to be part of Rental Assistance (RA). Director Black said PIE is excited about this move. Chair Flauding is excited as well because she knows THA needs a Landlord Engagement Specialist.

Client Support and Empowerment

Client Support and Empowerment (CSE) Director Cacey Hanauer directed the board to her report. Director Hanauer is reorganizing her department. The table in her report shows how the reorganization will focus the team and their expertise. The effort will devise better key performance indicators to allow staff to track their success. A Request for Proposal (RFP) for Arlington Drive was released and closes September 4.

Rental Assistance

Rental Assistance (RA) Director Julie LaRocque was not in attendance. Director Black addressed the board on her behalf. Director LaRocque's report touched on Eric Lane's move to RA and her excitement at this new hire. RA continues to see dips in utilization in Housing Choice Voucher (HCV) and Housing Opportunity Program (HOP) as Tacoma's rental market continues to tighten and gets still more expensive. Eric is engaging landlords and beginning to talk to them about property-based vouchers. This department is focused on utilization and following up with movers and tenants shopping for more than 60 days, to see if they can stay under their current lease.

Commissioner Rumbaugh inquired about other strategies for improving utilization. Director Black said one of the resolutions for the board's consideration that day would allow a new way to subsidize apartments. It is called "property-based subsidies". This is a novel approach that THA has devised. Director Black explained how it differs from project-based subsidies. She said there is already one apartment owner interested. Also, RA is continuously working on strategies such as THA paying for screening fees, security, or past debts, to make it more appealing for tenants.

Commissioner Rumbaugh is concerned about concentrating subsidized units in only one geographic area. Director Black noted the concern and how THA does track the extent of concentration and spread among its voucher participants. She also noted some reasons why concentrating in one part of the City can make sense. For example, THA is seeking property-based voucher units within walking distance of Tacoma Community College (TCC) and Tacoma Public Schools to further THA's school partnerships. Commissioner Rumbaugh likes the idea but he feels there are problems with it. Director Black will put in a maximum number of units per property. She also asked for and received the Board's approval to increase the total number of authorized property based units to 500.

ED Mirra added that another factor affecting utilization will come into play on September 30 when state law outlaws discriminate against people who participate in the voucher program.

Property Management

Property Management (PM) Director Frankie Johnson directed the board to her report. PM is reporting unit turns below 20 days for the fifth month in a row; unit turns this month were done in an average of 17 days. PM is interviewing to fill a maintenance supervisor position to continue to keep this number down. The Commissioners expressed their appreciation for this achievement.

At the June board meeting, one tenant read a letter outlining concerns; Director Johnson included her response to that letter in her report.

Real Estate Development

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

- Arlington Drive rental housing received an award of tax credits. THA's Request for Proposals seeking a service provider is now out.
- Last week, RED presented the James Center North project to a convening of national design experts in Seattle. They agreed that the site has great potential.
- Commissioner Rumbaugh inquired about Hilltop Housing. According to ED Mirra, THA owns 7 parcels in two blocks. Commissioner Rumbaugh suggested to have as many of the parcels in one permit.

Human Resources

Human Resources (HR) Director Toby Kaheiki directed the board to his report. HR is excited about 2018 and has been involved with a lot of new beginnings, new directors, medical plans, and organizational structures. Commissioner Rumbaugh inquired about the Trades and OPEIU negotiations. Director Kaheiki responded that HR is on the tail end of OPEIU negotiations — working on pay and benefits. There have been four meetings and he is hopeful things will wrap up in August. For Trades, HR had its second meeting that day and he reports things are going well. Director Kaheiki will keep the board informed and hopes to come to the August board meeting with resolutions for the board to consider approving new collective bargaining agreements.

8. OLD BUSINESS

None.

9. NEW BUSINESS

9.1 RESOLUTION 2018-07-25 (1) (Amendment #2 to Architectural and Engineering Services with SMR Architects Arlington Drive Youth Campus)

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

WHEREAS, On September 28, 2016, the Board approved Resolution 2016-09-28 (4) authorizing the Executive Director to negotiate and execute a contract for A&E services for the Crisis Residential Center and master plan for Arlington Drive property to SMR Architects in an amount not-to-exceed \$300,000; and

WHEREAS, On May 12, 2017, THA entered into a contract with SMR Architects to provide A&E design and master planning services in the amount of \$205,335; and

WHEREAS, On December 8, 2017, THA and SMR Architects executed Addendum No. 1 in the amount of \$940; increasing the contract to \$206,275; and

WHEREAS, At this time, THA would like to revise the total contract for SMR Architects to include A&E fees for the rental housing portion of the development; 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 increase the contact amount with SMR Architects by \$983,725 for a total not-to-exceed amount of \$1,190,000.

Comments: Commissioner Rumbaugh hopes that the scope has expanded which is why the contract amount is increasing. According to Project Manager Roberta Schur, the initial resolution submitted to the board was just for CRC and her understanding is that this is the final amount.

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

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

Motion Approved: July 25, 2018

Janis Flauding, Chair

9.2 RESOLUTION 2018-07-25 (2)
(2018 MTW Plan Amendment to Add Property Based Subsidy Activity)

WHEREAS, The MTW Plan is required by HUD; and

WHEREAS, The purpose of the MTW Plan is to establish local goals and objectives for the fiscal year; and

WHEREAS, Rising rental costs and stagnant HUD funding make it difficult for voucher recipients to lease in the private market; and

WHEREAS, THA will update its MTW Plan to allow for a property-based subsidy program to secure more affordable housing units in the market; and

WHEREAS, Changes to the MTW Plan must be approved by THA Board of Commissioners; now, therefore, be it

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

THA's Executive Director is authorized to submit this amendment to THA 2018 MTW Plan.

Comments: Chair Flauding inquired about a cap with 500 units. Director Black will discuss this internally. She asked for approval to go out to bid for the 75 units with the condition to change it after. The request was approved by the board. Commissioner Young inquired about how small a property Director Black envisions would be interested in property-based vouchers. Director Black is unsure, but possibly a small owner in Hilltop with units less than 20.

ED Mirra acknowledged Director Black's idea for creating the property-based voucher program. He feels this is where Director Black shines — her innovation and creativity in a hard market.

Commissioner Rumbaugh moved to **amend** the resolution *subject to administrative protocols regarding centralized location of low-income housing*. Chair Flauding seconded.

Upon roll call, the vote was as follows:

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

Motion Approved: July 25, 2018

Janis Flauding, Chair

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

Upon roll call, the vote was as follows:

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

Motion Approved: July 25, 2018

Janis Flauding, Chair

9.3 RESOLUTION 2018-07-25 (3)
(Amendment to Architectural and Engineering Services with Buffalo Design for Alberta J. Canada (formerly New Look) Apartments)

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

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 in the City of Tacoma, Washington (the “City”); and

WHEREAS, On March 23, 2016, the Board approved Resolution 2016-03-23 (5) authorizing the Executive Director to negotiate and execute a contract not-to-exceed \$150,000 with Buffalo Design for the New Look Apartments; and

WHEREAS, On December 14, 2016, The Board approved Resolution 2016-12-14 (7) authorizing the Executive Director to negotiate an Amendment No. 1 to increase Buffalo Design’s agreement not-to-exceed \$237,404 for Construction Administration services for a total contract amount of \$387,404; and

WHEREAS, On December 13, 2017, the Board approved Resolution 2017-12-13 (6) authorizing the Executive Director to negotiate and amend Buffalo Design’s agreement in an amount not-to-exceed \$109,201 for a total contract amount of \$496,605; and

WHEREAS, At this time, THA would like to revise the total contract with Buffalo Design to include the additional services of \$24,128 and \$10,000 in contingency costs bringing the new not-to-exceed contract amount to 530,733.00; 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 increase the contact amount with Buffalo Design by \$34,128 for a total not-to-exceed contract amount of \$530,733.

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

Upon roll call, the vote was as follows:

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

Motion Approved: July 25, 2018

Janis Flauding, Chair

10. COMMENTS FROM COMMISSIONERS

None.

11. EXECUTIVE SESSION

None.

12. ADJOURNMENT

There being no further business to conduct the meeting ended at 6:01 PM.

APPROVED AS CORRECT

Adopted: August 22, 2018

Dr. Minh-Anh Hodge, Chair



TACOMA HOUSING AUTHORITY

Real Estate Development Committee

Commissioner Stanley Rumbaugh

Finance Committee

Chair Minh-Anh Hodge

Vice Chair Derek Young

Citizen Oversight Committee

Commissioner Arthur C. Banks

Education Committee

Chair Minh-Anh Hodge



TACOMA HOUSING AUTHORITY

**COMMENTS FROM THE
EXECUTIVE DIRECTOR**



TACOMA HOUSING AUTHORITY

**ADMINISTRATION
REPORTS**



TACOMA HOUSING AUTHORITY

FINANCE



TACOMA HOUSING AUTHORITY

Motion

Adopt a consent motion ratifying the payment of cash disbursements totaling \$4,617,655 for the month of July, 2018.

Approved: August 22, 2018

Dr. Minh-Anh Hodge, Chair

TACOMA HOUSING AUTHORITY
Cash Disbursements for the month of July 2018

		Check Numbers					
		From	To	Amount		Totals	
A/P Checking Account							
Accounts Payable Checks	Check #'s	92,110	-	92,266			
Business Support Center				452,571	Program Support		
Moving To Work Support Center				54,317			
Moving To Work Buildings (used by Support Center)				221,600			
Tax Credit Program Support Center				27,969			
Section 8 Programs				118,655	Section 8 Operations		
Hillside Terrace 1800 Court F				166	Properties		
Hillsdale Heights				3,842			
KeyBank Building				2,063			
Salishan 7				11,569			
Salishan Common Areas				547			
Hillside Terrace 1800 Court G Development				2,368	Development		
Allenmore Brownstone Apts				15,000			
James Center				563			
Salishan Area 4 - Arlington				3,941			
Salishan Developer Fee				114			
Hilltop Redevelopment				7,508			
Bus Development Activity				7,738			
SAFE				561	Client Support		
Community Services MTW Fund				9,182			
Education Private Grants (Gates, etc.)				227			
COT-Landlord Incentives				843			
AMP 6 - Scattered Sites				79,282	Public Housing		
AMP 7 - HT 1 - Subsidy				9,760			
AMP 8 - HT 2 - Subsidy				4,519			
AMP 9 - HT 1500 - Subsidy				1,073			
AMP 10 - SAL 1 - Subsidy				13,192			
AMP 11 - SAL 2 - Subsidy				14,200			
AMP 12 - SAL 3 - Subsidy				11,920			
AMP 13 - SAL 4 - Subsidy				12,569			
AMP 14 - SAL 5 - Subsidy				29,174			
AMP 15 - SAL 6 - Subsidy				13,861			
THA SUBTOTAL				1,130,893			
Hillside Terrace 1 through 1500				4,966	Tax Credit Projects - Reimbursable		
Bay Terrace I & II & Community Facility				3,358			
Alberta J Canada Bldg				6,361			
Arlington Youth Campus				738			
Renew Tacoma Housing				7,138			
Salishan I - through Salishan 6				9,537			
TAX CREDIT SUBTOTAL (Operations & Development - billable)				32,098		1,162,991	
Section 8 Checking Account (HAP Payments)							
SRO/HCV/VASH/FUP/NED	Check #'s	482,462	-	482,512	20,122		
	ACH				2,808,874	\$	2,828,996
Payroll & Payroll Fees - ADP						\$	625,668
Other Wire Transfers							
						\$	-
TOTAL DISBURSEMENTS						\$	4,617,655



TACOMA HOUSING AUTHORITY

Date: August 22, 2018

To: THA Board of Commissioners

From: Ken Shalik
Director of Finance

Re: Finance Department Monthly Board Report

1. FINANCIAL STATEMENT COMMENTS

I present the July, 2018 disbursement report for your approval.

The Finance Department is submitting the financial statement for the period through June 30, 2017. This is the mid-year report, reflecting the agency's performance for the first half of the year.

For 2018, to date, the agency remains in good financial shape. There are some income related issues that I will discuss in the narrative. The expenses are for the most part in line by category. Our average Housing Assistance Program (HAP) expenditure continues to increase at approximately \$2.00 per month for 2018. As we did receive an increase in HAP funding for 2018, the impact on other critical areas we fund is lessened this year.

For the period ending on June 30, line 68 shows a Year to Date (YTD) operating surplus of \$1,873,921. With the sales proceeds from the AMP 6 Single Family homes, the overall YTD surplus is \$2,296,507 (line 72). I have attempted to project out what the financials will look like at year end based on current information and understandings. At this point in time, using the most educated assumptions, if our trajectory does not change, I am estimating a \$1.053 million surplus at the end of 2018 (line 72) as compared to a budgeted \$2.808 million.

I do not see any areas of concern at the moment, but will comment on a few areas that contain anomalies, or need to keep watch on as the year progresses:

- *Line 1 & 2 – Tenant Revenue* – This increased amount is due to conservative budgeting for 2018.
- *Line 3 – Section 8 HAP Reimbursement* – When funding came out earlier this year, we were allocated approximately \$1.4 million more than we budgeted. That is reflected in our projected actual. You will see that for June, we are approximately \$3 million over budgeted YTD. That is primarily due to an extra advance provided by Housing and Urban Development (HUD) in June. This will even out over the remainder of the year, with an excess over budget being around the \$1.4 million.
- *Line 5 – HUD Grant Public Housing* – Final funding for Public Housing (PH) subsidy for our Tax Credit properties will be approximately \$200K more than budgeted.

- *Line 10 – Investment Income* - The \$4.2 million budgeted included payment from RTH on capitalized interest from the development phase, plus \$900K cash on repayment of THA loan from the waterfall. Neither will be received until 2019.
- *Line 12 – Other Revenue-Developer Fee Income* – The funds for Bay Terrace 2 and Rental Assistance Demonstration (RAD) redevelopment will come in the 2nd part of the year.
- *Lines 15-34 – Administrative Expenses* – The majority of the variances result in underspending to date. The projection is that we will end the year with a variance of approximately 6.1% under budget. There are no major areas of concern to address.
- *Lines 36-40 – Tenant Services* - The Tenant Services line items are under budget for 2018 to date. Timing of grant expenditures have the biggest impact on the budget.
- *Lines 41-45 – Project Utilities* – This category is higher than budgeted. We will monitor as the year progresses.
- *Lines 46-47 – Maintenance Salaries and Benefits* - This is slightly under budget with no concerns at this point.
- *Line 61 – Section 8 HAP* - YTD expenditures are approximately 1.7% under budget. Average Housing Assistance Program (HAP) has been increasing as expected, yet utilization has been less than budgeted. There is an expectation that utilization may increase over the remainder of the year, and the projected HAP reflects that increase.
- *Lines 70-71 – Capitalized Line Items* – The biggest impact on this budget is the \$4 million earmarked for property acquisitions. None of these funds have been expended to date in 2018.

2. INVESTMENTS

Surplus funds are invested in Heritage checking and the Washington State Investment Pool. Rates with Heritage Bank currently remaining at .45%. The Washington State Local Government Investment Pool currently provides a return rate of 1.8%.

3. AUDIT

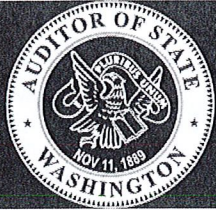
The Washington State auditors are working on both the financial portion and compliance portion of our audit, and will have the financial portion completed in time for the REAC submission deadline of September 30th. This will be followed by the Accountability audit. An entrance conference with the Finance Committee was held on August 1st. The document they provided is provided in the Board packet.

4. BUDGETS

We are starting the process for the 2019 annual budget, and are in the process of distributing worksheets out to the various departments. We will start the actual budget discussions in September.

5. YEAR END UPDATE

There is no update at this time.



Office of the Washington State Auditor

Pat McCarthy

Entrance Conference: Tacoma Housing Authority

The Office of the Washington State Auditor's vision is increased trust in government. Our mission is to provide citizens with independent and transparent examinations of how state and local governments use public funds, and develop strategies that make government more efficient and effective.

The purpose of this meeting is to share our planned audit scope so that we are focused on the areas of highest risk. We value and appreciate your input.

Audit Scope

Based on our planning, we will perform the following audits:

Accountability audit for January 1, 2017 through December 31, 2017

We will examine the management, use and safeguarding of public resources to ensure there is protection from misuse and misappropriation. In addition, we will evaluate whether there is reasonable assurance for adherence to applicable state laws, regulations and policies and procedures.

Financial statement audit for January 1, 2017 through December 31, 2017

The purpose of our financial statement audit is to provide an opinion on whether your financial statements are presented fairly, in all material respects, in accordance with the applicable reporting framework. The audit does not attempt to confirm the accuracy of every amount, but does search for errors large enough to affect the conclusions and decisions of a financial statement user.

Federal grant compliance audit for January 1, 2017 through December 31, 2017

An audit is required pursuant to the federal Single Audit Act of 1984 when a local government spends \$750,000 or more annually in federal financial assistance. Our objective is to determine whether there is compliance with federal requirements that could have a direct and material effect on a major federal program and to report on noncompliance.

We plan to test the following federal program:

- Moving to Work, CFDA 14.881

Federal requirements stipulate the submission of these audit reports, along with the Data Collection Form, to the federal clearinghouse within 30 days after receipt of the report or nine months after the end of the audit period, whichever is earlier.

Engagement Letter

We have provided an engagement letter that confirms both management and auditor responsibilities, and other engagement terms and limitations. Additionally the letter identifies the cost of the audit, estimated timeline for completion and expected communications.

Work of Other Auditors

A financial statement audit was performed by Loveridge Hunt and Finney Neal of the Authority's Tax Credit Partnerships.

In accordance with professional standards, we considered the audit report and audit work performed by the other auditors in the planning of our audit. This includes communicating with the other auditors, evaluating the quality and results of the other auditor's work, and identifying areas that could affect our audit, including those in which we could leverage the work already performed.

Levels of Reporting

Findings

Findings formally address issues in an audit report. Findings report significant deficiencies and material weaknesses in internal controls; misappropriation; and material abuse or non-compliance with laws, regulations or policies. You will be given the opportunity to respond to a finding and this response will be published in the audit report.

Management Letters

Management letters communicate control deficiencies, non-compliance or abuse with a less-than-material effect on the financial statements or other issues with significance to the audit objectives. Management letters are referenced, but not included, in the audit report.

Exit Items

Exit items address control deficiencies or non-compliance with laws or regulations that have an insignificant effect on the audit objectives. These issues are informally communicated to management.

Important Information

Confidential Information

Our Office is committed to protecting your confidential or sensitive information. Please notify us when you give us any documents, records, files, or data containing information that is covered by confidentiality or privacy laws.

Audit Costs

The cost of the audit is estimated to be approximately \$69,000, plus travel expenses.

Expected Communications

During the course of the audit, we will communicate with Duane Strom, Finance Manager, on the audit status, any significant changes in our planned audit scope or schedule and preliminary results or recommendations as they are developed.

Please let us know if, during the audit, any events or concerns come to your attention of which we should be aware. We will expect Duane Strom to keep us informed of any such matters.

Audit Dispute Process

Please contact the Audit Manager or Assistant Director to discuss any unresolved disagreements or concerns you have during the performance of our audit. At the conclusion of the audit, we will summarize the results at the exit

conference. We will also discuss any significant difficulties or disagreements encountered during the audit and their resolution.

Loss Reporting

State agencies and local governments are required to immediately notify our Office in the event of a known or suspected loss of public resources or other illegal activity. These notifications can be made on our website at <http://portal.sao.wa.gov/saoportal/public.aspx/LossReport>.

Peer Reviews of the Washington State Auditor's Office

To ensure that our audits satisfy *Government Auditing Standards*, our Office receives external peer reviews every three years by the National State Auditors Association (NSAA). The most recent peer review results are available online at <http://www.sao.wa.gov/about/Pages/PeerReviews.aspx>. Our Office received a “pass” rating, which is the highest level of assurance that an external review team can give on a system of audit quality control.

Emerging Issues

Some of the emerging issues affecting local governments are the following:

GASB Pronouncements Effective for the Reporting Year 2018

- **Statement No. 75, *Accounting and Financial Reporting for OPEB***
This is the guidance for reporting OPEB by employers. It replaces GASB Statement No. 45 is comparable to GASB Statement No. 68 for pension plans. (See GASB Implementation Guide 2017-3).
- **Statement No. 85, *Omnibus 2017***
This statement addresses a mix of implementation issues related to blending component units, goodwill, fair value measurement, pensions and OPEB, etc.
- **Statement No. 86, *Certain Debt Extinguishment Issues***
Main topics are debt extinguishment as the result of placing exclusively the existing resources in trust and accounting for prepaid insurance on refunded debt.

GASB Pronouncements Effective for the Reporting Year 2019

- **Statement No. 83, *Certain Asset Retirement Obligations***
Under this statement, a government that has a legal obligation for future capital asset retirement activities is required to recognize a liability and a corresponding deferred outflow of resources.
- **Statement No. 84, *Fiduciary Activities***
This guidance clarifies what constitutes a fiduciary activity for financial reporting purposes and the fund types to be reported. An implementation guide is expected in Dec 2018.
- **Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements***
This statement provides additional requirements for disclosure in notes to government financial statements related to debt, including direct borrowings and direct placements.

GASB Pronouncements Effective for the Reporting Year 2020

- **Statement No. 87, *Leases***
Scope includes definition of a lease, lease terms, short-term leases, subleases, sale-leaseback. Accounting and reporting for lessee and lessor. An implementation guide is expected in Jan 2019.
- **Statement No. 89, *Accounting for Interest Cost Incurred before the end of a Construction Period***
Suspends paragraphs 5-22 of GASB 62. Do not capitalize interest cost related to capital assets – expense as incurred.

Working Together to Improve Government Audit Survey

When your report is released, you will receive an audit survey from us. We value your opinions on our audit services and hope you provide us feedback.

Local Government Support Team

This team provides support services to local governments through technical assistance, comparative statistics, training, and tools to help prevent and detect a loss of public funds. Our website and client portal offers many resources, including a client Help Desk that answers auditing and accounting questions. Additionally this team assists with the online filing of your financial statements.

Performance Center

The Performance Center is a resource for local governments that need to solve problems, reduce costs, and improve the value of their services to citizens. The Center offers training and tools to help local governments improve performance and effectiveness.

Audit Team Qualifications

Kelly Collins, CPA, Director of Local Audit – Kelly has been with the Washington State Auditor’s Office since 1992. In her role, she oversees the audit teams which perform the audits for over 2,200 local governments. She serves on the Washington Finance Officers Association Board and is a member of the Washington Society of Certified Public Accountants’ Government Auditing and Accounting Committee. Phone: (360) 902-0091 or Kelly.Collins@sao.wa.gov

Mark Rapozo, CPA, Assistant Director of Local Audit – Mark has been with the Washington State Auditor’s Office since 1983. In his role as Assistant Director he assists with the statewide oversight and management of all the audits for local government. He also served as the chairman of the Local Records Committee of the Washington State Archives for 10 years. Phone: (253) 593-2047 Ext. 111 or Mark.Rapozo@sao.wa.gov

Joanne Klein, Audit Manager – Joanne has been with the State Auditor’s Office since 1999. In her role as Manager, Joanne manages the Tacoma Team, which performs financial, single and accountability audit work for local governments in the Pierce and South King County areas. She also serves as the office's school specialist and provides training with Washington Association of School Business Officials. Phone: (253) 593-2047 x128 or Joanne.Klein@sao.wa.gov

Gus Ramos, Assistant Audit Manager – Gus has been with the Washington State Auditor’s Office since 2014. During his employment with the Office, Gus has participated and led a variety of different audits including cities, counties, water/sewer districts, fire districts, and school districts. Prior to SAO, he has 10 plus years’ experience in the banking industry. He completed his MBA in 2013 and is currently studying for the CFE certification. Phone: (253) 593-2047 or ramosa@sao.wa.gov

David Smolko, Audit Lead – David has been with the State Auditor’s Office since 1987. During his employment with the Office, Dave has planned and supervised many of our large state agency audits; participated and led a variety of local audits including cities, counties, water/sewer districts, fire districts, school districts, park districts and housing authorities. Phone: (253) 593-2047 x127 or David.Smolko@sao.wa.gov

TACOMA HOUSING AUTHORITY
AGENCY WIDE

		Through June 2018				Thru 12/31/2018		
		CURRENT QUARTER	YEAR TO DATE	BUDGETED	VARIANCE	PROJECTED	BUDGETED	VARIANCE
		ACTUAL	ACTUAL	YTD		ACTUAL		
OPERATING RECEIPTS								
1	Tenant Revenue - Dwelling rent	722,922	1,377,666	1,200,081	14.80%	2,755,332	2,400,162	14.80%
2	Tenant Revenue - Other	37,128	82,069	61,625	33.17%	164,138	123,250	33.17%
3	HUD grant - Section 8 HAP reimbursemen	11,145,247	21,050,202	18,951,524	11.07%	39,300,405	37,903,047	3.69%
4	HUD grant - Section 8 Admin fee earned	817,357	1,632,948	1,656,309	-1.41%	3,115,895	3,312,617	-5.94%
5	HUD grant - Public Housing subsidy	368,757	674,412	501,563	34.46%	1,198,824	1,003,125	19.51%
6	HUD grant - Community Services	59,822	109,448	137,390	-20.34%	218,896	274,779	-20.34%
7	HUD grant - Capital Fund Operating Reve	400,000	400,000	253,293	57.92%	506,585	506,585	0.00%
8	Management Fee Income	802,696	1,594,153	1,649,786	-3.37%	3,188,305	3,299,571	-3.37%
9	Other Government grants	48,744	73,642	79,251	-7.08%	147,284	158,502	-7.08%
10	Investment income	349,850	369,554	2,129,140	-82.64%	439,554	4,258,280	-89.68%
11	Fraud Recovery Income - Sec 8	2,436	2,766	5,000	-44.68%	5,532	10,000	-44.68%
12	Other Revenue- Developer Fee Income	0	150,000	1,194,432	-87.44%	2,388,863	2,388,863	0.00%
13	Other Revenue	338,955	704,816	1,077,115	-34.56%	1,769,631	2,154,230	-17.85%
14	TOTAL OPERATING RECEIPTS	15,093,913	28,221,675	28,896,506	-2.34%	55,199,244	57,793,011	-4.49%
OPERATING EXPENDITURES								
Administrative Expenses								
15	Administrative Salaries	1,613,739	3,001,560	3,258,410	-7.88%	6,428,120	6,516,819	-1.36%
16	Administrative Personnel - Benefits	596,533	1,147,054	1,344,845	-14.71%	2,469,107	2,689,689	-8.20%
17	Audit Fees	2,842	2,842	39,014	-92.71%	78,240	78,028	0.27%
18	Management Fees	587,941	1,188,146	1,287,388	-7.71%	2,376,292	2,574,776	-7.71%
19	Rent	0	0	7,200	0.00%	0	14,400	0.00%
20	Advertising	2,460	3,659	6,768	-45.93%	13,319	13,535	-1.60%
21	Information Technology Expenses	162,179	269,722	274,709	-1.82%	539,443	549,418	-1.82%
22	Office Supplies	13,872	20,852	36,200	-42.40%	61,704	72,400	-14.77%
23	Publications & Memberships	3,421	30,001	33,041	-9.20%	66,082	66,082	0.00%
24	Telephone	17,452	31,391	44,251	-29.06%	77,781	88,502	-12.11%
25	Postage	7,616	13,466	17,060	-21.06%	31,933	34,120	-6.41%
26	Leased Equipment & Repairs	53,400	83,521	68,925	21.18%	167,042	137,850	21.18%
27	Office Equipment Expensed	31,218	47,356	52,702	-10.14%	94,712	105,403	-10.14%
28	Legal	66,281	98,345	141,875	-30.68%	276,691	283,750	-2.49%
29	Local Milage	1,450	3,211	4,700	-31.67%	6,423	9,400	-31.67%
30	Staff Training/Out of Town travel	51,849	80,311	155,524	-48.36%	250,622	311,047	-19.43%
31	Administrative Contracts	133,163	170,161	303,055	-43.85%	590,322	606,110	-2.60%
32	Other administrative expenses	33,472	69,134	62,645	10.36%	138,268	125,290	10.36%
33	Due diligence - Perspective Development	36,556	56,999	217,500	-73.79%	263,998	435,000	-39.31%
34	Contingency	0	0	60,250	-100.00%	0	120,500	-100.00%
35	Total Administrative Expenses	3,415,443	6,317,731	7,416,060	-14.81%	13,930,098	14,832,119	-6.08%

		Through June 2018			Thru 12/31/2018			
		YEAR TO DATE ACTUAL	BUDGETED YTD	VARIANCE	PROJECTED ACTUAL	BUDGETED	VARIANCE	
Tenant Service								
36	Tenant Service - Salaries	210,299	402,905	444,951	-9.45%	855,810	889,902	-3.83%
37	Tenant Service Personnel - Benefits	84,856	168,190	212,942	-21.02%	348,380	425,884	-18.20%
38	Relocation Costs	1,426	3,281	31,250	-89.50%	30,000	62,500	-52.00%
39	Tenant Service - Other	49,160	131,046	122,525	6.95%	262,091	245,050	6.95%
40	Total Tenant Services	345,741	705,421	811,668	-13.09%	1,496,281	1,623,336	-7.83%
Project Utilities								
41	Water	26,360	49,055	36,175	35.60%	98,110	72,350	35.60%
42	Electricity	25,965	55,840	32,150	73.69%	91,680	64,300	42.58%
43	Gas	1,233	2,678	2,563	4.50%	5,356	5,125	4.50%
44	Sewer	50,750	93,129	88,065	5.75%	186,258	176,130	5.75%
45	Total Project Utilities	104,308	200,702	158,953	26.27%	381,404	317,905	19.97%
Ordinary Maintenance & Operations								
46	Maintenance Salaries	42,051	78,392	96,189	-18.50%	176,783	192,378	-8.11%
47	Maintenance Personnel - Benefits	8,678	18,846	24,422	-22.83%	45,691	48,843	-6.45%
48	Maintenance Materials	34,993	60,287	54,625	10.36%	120,573	109,250	10.36%
49	Contract Maintenance	125,438	234,543	273,870	-14.36%	524,085	547,740	-4.32%
50	Total Routine Maintenance	211,158	392,066	449,106	-12.70%	867,133	898,211	-3.46%
General Expenses								
51	Protective Services	9,162	13,844	6,900	100.63%	27,688	13,800	100.63%
52	Insurance	41,852	121,036	95,862	26.26%	192,072	191,724	0.18%
53	Other General Expense	368,865	692,379	592,457	16.87%	1,359,758	1,184,913	14.76%
54	Payment in Lieu of Taxes	3,596	7,192	6,262	14.86%	14,385	12,524	14.86%
55	Collection Loss	0	0	29,871	-100.00%	45,000	59,742	-24.68%
56	Interest Expense	152,400	248,245	266,350	-6.80%	532,700	532,700	0.00%
57	Total General Expenses	575,875	1,082,696	997,702	8.52%	2,171,603	1,995,403	8.83%
58	TOTAL OPERATING EXPENSES	\$ 4,652,526	\$ 8,698,617	\$ 9,833,487		\$ 18,846,519	\$ 19,666,974	
Nonroutine Expenditures								
59	Ext. Maint/Fac Imp/Gain/Loss Prop Sale	4,238	13,216	7,500	76.21%	26,431	15,000	76.21%
60	Casualty Losses	0	0	2,500	-100.00%	0	5,000	-100.00%
61	Sec 8 HAP Payments	8,765,156	17,626,785	17,835,060	-1.17%	35,653,571	35,670,119	-0.05%
62	Total Nonroutine Expenditures	8,769,394	17,640,001	17,845,060	-1.15%	35,680,002	35,690,119	-0.03%
63	TOTAL EXPENDITURES	13,421,920	26,338,618	27,678,547	-4.84%	54,526,520	55,357,093	-1.50%
64	OPERATING SURPLUS/(DEFICIT)	<u>1,671,993</u>	<u>1,883,057</u>	<u>1,217,959</u>	<u>54.61%</u>	<u>672,724</u>	<u>2,435,918</u>	<u>-72.38%</u>
65	Debt Service Principal Payments	0	(9,135)	(33,791)	-72.96%	(67,581)	(67,581)	0.00%
66	Surplus/Deficit Before Reserve Appropriations	1,671,993	1,873,921	1,184,169	58.25%	605,143	2,368,337	
67	Reserve Appropriations - Operations	0	0	0	0.00%	0	0	0.00%
68	Surplus/Deficit Before Captial Expenditures		<u>1,873,921</u>	<u>1,184,169</u>		<u>605,143</u>	<u>2,368,337</u>	
69	Capitalized Items/Development Projects	(734,527)	(1,974,164)	(3,690,013)	-46.50%	(2,387,333)	(7,380,025)	-67.65%
70	Reserve for Replacement	0	(28,013)	(56,025)	-50.00%	(56,026)	(112,050)	-50.00%
71	Revenue - Capital Grants/Sale of Property	777,191	777,191	1,077,668	-27.88%	1,200,000	2,155,335	-44.32%
72	Reserve Appropriations - Capital	582,017	1,619,559	2,888,325	-43.93%	1,691,261	5,776,650	-70.72%
73	THA SURPLUS/(DEFICIT)	624,681	2,296,507	1,404,124		1,053,045	2,808,247	

TACOMA HOUSING AUTHORITY			
CASH POSITION - July 2018			
Account Name		Current Balance	Interest
HERITAGE BANK			
Accounts Payable		853,590	0.45%
Section 8 Checking		4,029,628	0.45%
THA Affordable Housing Proceeds-Salishan		3,440,361	0.45%
THA Scattered Sites Proceeds		4,252,102	0.45%
FSS Escrows		146,019	0.45%
CSA Escrows		100	0.45%
Note Fund Account		101	0.45%
Credit Card Receipts		8,624	0.45%
Key Bank Security Deposits		4,011	0.45%
THA Investment Pool		333	0.45%
THA LIPH Security Deposits		603	0.45%
THA Travel Advance Account		2,005	0.45%
THDG - Tacoma Housing Development Group		706,416	0.45%
Salishan 7 Operations		1,617,490	0.45%
Salishan 7 Security Deposit		27,582	0.45%
Salishan 7 Replacement Reserve		259,483	0.45%
Salishan 7 Operating Reserve		201,124	0.45%
Outrigger Operations		157,769	0.45%
Outrigger Security Deposit		26,231	0.45%
Outrigger Replacement Reserve		99,007	0.45%
Highland Crest Operations		376,360	0.45%
Highland Crest Security Deposit		40,232	0.45%
Highland Crest Replacement Reserve		200,306	0.45%
Prairie Oaks Operations		85,267	0.45%
Prairie Oaks Security Deposit		2,961	0.45%
Prairie Oaks Replacement Reserve		18,164	0.45%
Payroll Account		8,086	0.45%
WASHINGTON STATE			
Investment Pool		\$ 100	1.80%
1. TOTAL THA CASH BALANCE		\$ 16,564,055	
Less:			
2. Total MTW Cash Balance		\$ 726,000	
<i>Less Minimum Operating Reserves</i>			
2.01 Public Housing AMP Reserves (4 months Operating Exp.)			
2.02 S8 Admin Reserves (3 months Operating Exp.)		726,000	
2.10 Total Minimum Operating Reserves		\$ 726,000	
3. MTW Cash Available (Lines 2-2.10)		\$ -	
3. MTW Cash Held By HUD			
3.11 Undisbursed HAP Reserves Held by HUD		\$ -	
3.20 Total MTW Cash Held By HUD		\$ -	

TACOMA HOUSING AUTHORITY				
CASH POSITION - July 2018				
4. Non MTW Cash Restrictions				
<i>Other Restrictions:</i>				
4.01	Mod Rehab Operating Reserves	85,105		
4.02	VASH, FUP & NED HAP Reserves	174,249		
4.03	FSS Escrows	159,323		
4.04	Security Deposit Accounts	101,621		
4.05	Gates Foundation	219,442		
4.06	Highland Crest Replacement Reserves	200,306		
4.07	Outrigger Reserves	99,007		
4.08	Prairie Oaks Replacement Reserves	58,164		
4.09	Salishan 7 Reserves	800,607		
4.10	THDG	706,416		
4.11	Area 2B Sales Proceeds (Afford Hsg)	3,440,361		
4.12	Scattered Sites Proceeds (Afford Hsg)	4,252,102		
4.13	BFIM Buyout LOC Collateral-Potential TC Loss	2,500,000		
4.20	Total - Other Restrictions		\$ 12,796,704	
5. Agency Liabilities:				
5.13	Agency Contracted or Budgeted Commitments ¹		\$ 1,104,847	
5.12	Development Draw Receipts for Pending Vendor Payments		\$ -	
5.14	Development Advances/Due Diligence Commitments		\$ (160,427)	
5.20	Total Agency Liabilities		\$ 944,420	
6. Total Non MTW Cash Restrictions (Lines 4.20+5.20)			\$ 13,741,124	
7. THA UNENCUMBERED (Non-MTW) CASH (Lines 1-2-6)			\$ 2,096,931	
8. 2018 Board Reserve Commitments				
8.01	Renovation/Remodel of Salishan FIC/Maintenance Shop		\$ 1,241,650	Under Contract
8.02	Software Conversion		300,000	Ongoing
8.03	Education Projects - McCarver & Others		310,000	Future
8.04	Childrens Savings Cohort payments		270,000	Ongoing
8.05	Development Projects (Hilltop)		2,500,000	Future
8.06	Bay Terrace 3 Funding Gap		2,500,000	2019
8.10	Total Reserve Commitments (Lines 8.01 through 8.06)		\$ 7,121,650	
9. Agency Contracted or Budgeted Commitments remaini		Board Approval	Expended	Balance Remaining
9.01	Salishan/Maintenance Shop remodel	\$ 1,473,301	\$ 1,477,037	\$ (3,736)
9.02	James Center North Capital	\$ 350,000	\$ 75,120	\$ 274,880
9.03	Alberta Canada Tenant Improvements	\$ 463,000	\$ 189,297	\$ 273,703
9.04	BFIM Buyout	\$ 560,000	\$ -	\$ 560,000
¹ Total Contracted or Budgeted Commitments outstanding				\$ 1,104,847
Agency Advances for Current Development Projects				
	Arlington Heights		\$ 160,427	
			\$ -	
Total Agency Advances			\$ 160,427	



TACOMA HOUSING AUTHORITY

**POLICY, INNOVATION, AND
EVALUATION**



TACOMA HOUSING AUTHORITY

DATE: August 22, 2018

TO: THA Board of Commissioners

FROM: April Black
Deputy Executive Director
Director of Policy, Innovation and Evaluation

RE: Policy, Innovation and Evaluation Department Board Report

1. Introduction

Attached you will find a summary memo regarding the proposed changes to Tacoma Housing Authority's (THA) waiting list.

2. Proposed Changes to THA's waiting lists

The attached memo proposes nine (9) short-term and four (4) long-term changes to THA's waiting list. Some of the changes are minor like keeping the consolidated waiting list for THA's portfolio and Housing Opportunity Programs. The other changes are fairly significant and include removing households from other waiting lists when they are housed, changing how we assign the number of bedrooms based on household size and when someone can be reinstated to THA's waiting lists.

Karen Bunce is the project manager on this project and has done a thorough job outlining the problems THA is attempting to solve and the proposed solution. She, along with THA operational staff, will be holding public meetings and meetings with stakeholders to seek feedback from households that could be impacted by these proposals. Karen will complete direct mailings to households that could be most impacted by the proposed changes. The public hearings are scheduled for September 5th at 10 am and 5 pm in the Bay Terrace Community Room. The Board is welcome to attend these meetings to hear directly from applicants about these changes.

The final recommendations will be presented to the Board at the September board meeting and will include the feedback that is received during the consultation process.

3. Housing Opportunity Program (HOP) Expansion

PIE is continuing to analyze the financial and utilization impacts that could occur with an expansion of the HOP program to Housing Choice voucher holders. We had intended to share initial results this month but will need more time to complete this work. We hope to have a conversation with the Board about possibilities at the September Board meeting.



**Tacoma
Housing
Authority**

Executive Director
Michael Mirra

Board of Commissioners
Dr. Minh-Anh Hodge, Chair | Derek Young, Vice Chair
Dr. Arthur C. Banks | Stanley Rumbaugh | Shennetta Smith

WAITING LIST MANAGEMENT FOR THE PORTFOLIO

Summary of the Report and Recommendations

Prepared for: Michael Mirra, Executive Director
From: Karen K Bunce, Department Manager
Policy, Innovation and Evaluation

August 3, 2018

This report is submitted with recommendations to improve Tacoma Housing Authority's (THA) management of the waiting list for THA's managed portfolio and for the Housing Opportunity Program (HOP). This report does not pertain to THA properties that THA does not manage directly.

This report and its recommendations are preliminary only. THA is planning to confer with people on its waiting lists, its community partners and the public. THA may change its recommendations in response to what it learns. THA's Board of Commissioners will make the final choices.

1. SUMMARY

1.1 Background

THA has reviewed its management of its waiting lists for both the housing portfolio that it manages and for its Housing Opportunity Program of rental assistance. It undertook this review to address serious challenges related to those waiting lists. The first challenge was the long time THA took to turn a vacant unit. Part of the problem was the "leasing time" necessary to find the next tenant. In 2017, that leasing time hit an all-time high of 65 days. It took this long even though Tacoma's rental market has become very competitive and the region has a crisis shortage of affordable housing. THA should have no shortage of customers.

The administration of the waiting lists is also complicated, confusing, and burdensome for both applicants and THA. THA closed its Property Waiting Lists 2 years ago. Some applicants have been waiting for more than 8 years for an offer of a housing unit. THA allows applicants to apply to one or more properties when the waiting lists are open. This can be hard on THA to track. Leasing staff usually must contact several names on the list until they hear back from an applicant. Often applicants are not ready to lease a unit. For example, they may be in the middle of a fixed-term lease. Or their eligibility status has changed since they applied several years previously. Just as often THA cannot contact an applicant who may have moved several times in the years since applying.

THA has made earlier efforts to address these challenges, with some notable successes. In 2014 and again in 2016, THA engaged outside consultants. We also convened a working group of THA staff to map the waiting list process to prepare for our new enterprise software system, Open Door. These efforts resulted in several waiting list improvement recommendations. However, THA did not implement all recommendations. The work clearly remained unfinished. In December 2017 THA's Board of Commissioners approved Resolution 2017-12-13. This consolidated our Property Waiting Lists and the Housing Opportunity Program (HOP) Waiting List into one combined list, sorted by bedroom size. THA exhausted its HOP Waiting List at the time. Instead of opening the separate HOP waiting list and accepting more separate HOP applications the board allowed THA to offer a HOP subsidy to applicants already on the Consolidated Property Waiting List. That helped to simplify administration and to offer a HOP voucher to people who had been waiting

years for a unit and would wait years more. That also helped improve THA's voucher utilization rate.

More significantly, Property Management led a thorough review of its unit turn and lease processes. THA now takes less than 20 days, key to key, to turn a vacant unit. Leasing time accounts for only 6 of those days.

Further work is necessary to sustain and improve this progress and to make the wait list management easier for THA staff and for applicants. To do this, THA convened a Waiting List Mapping Team of THA staff. This team had representatives from Asset Management, Property Management, Rental Assistance, and Policy Innovation and Evaluation. THA asked the Team to recommend ways to improve the wait list management. The team reviewed all the previous work and study, including recommendations from consultants. It assessed the advantages and disadvantages of having waiting lists. It consulted over 50 market rate property managers and landlords, nonprofit subsidized housing providers, and Moving to Work and Non-Moving to Work housing authorities. These consultations included one-on-one interviews, emails, phone calls, electronic surveys and web site research.

This report with recommendations is the result of that effort.

The report conveys 13 recommendations. Nine are interim recommendations that THA should implement immediately. Later, THA should implement four long term recommendations. THA should create a project to get them done. It should assign that project to a Policy, Innovation and Evaluation Project Manager. The project will implement the recommendation, update operational procedures across the agency, evaluate the result and make necessary adjustment. Some recommendations will require community consultation and public notification.

If THA opens its waiting list prior to implementing the long term recommendations, it should cap the applicants added to the list to a number that limits the wait time to two years.

The interim and long term recommendations account for the following:

- The needs and conveniences of the property waiting list applicants.
- The capacity and availability of staff.
- THA's need to turn units under 20 days, preferably fewer days.
- The capacity and limitations of THA's new software, OpenDoor.
- The recommendations on the topic from outside consultants, TCAM and HDC.
- The practices of other high performing PHAs, affordable housing providers and market rate property managers.

- Making THA Portfolio Management more consistent with other THA programs.

1.2 Interim Proposals (See Section 7.1 of full report)

THA should implement the following recommendations immediately. THA's duty to offer a reasonable accommodation to disabled persons may allow or require an exception to the recommended policies or procedures.

1.2.1 *Continue to Use THA's Property Waiting Lists.*

Some recommend that THA do without waiting lists for its portfolio. THA would then manage as market rate portfolio's do. They advertise and consider applicants, first come, first served. This report recommends that THA keep property waiting lists, for two reasons. **First**, doing so aligns with THA's mission to serve the most needy in our community. Many of them do not have the means or the savvy to monitor unit availability or to respond to an advertisement quickly enough. A waiting list gives them an equitable chance.

Second, the experience of other housers does not show that lease up times reduce without waiting lists. The only advantage we can expect from eliminating waiting lists is a greater ease of administration and some possible cost reduction. Yet THA will get those benefits plus lower lease up times by implementing the recommendation on Pre-Resident Orientation process (7.1.8) and an Online Property Portal (7.2.2) for virtual tours. These will better prepare potential tenants in advance for lease up, address issues or barriers they may have early in the process and decrease the likelihood that they will decline a unit based on property type or location. *See Section 6 for the Advantages and Disadvantages of Property Waiting Lists.*

1.2.2 *Refine the definition of "housed" and remove "housed" households from THA waiting lists.*

THA should refine its definition of which applicants on the waiting list are "housed". It should remove "housed" applicants from the waiting list.

Currently, THA keeps a person on its waiting lists even when THA gives them a HOP voucher or rents him or her an apartment, including an apartment in a property that they chose. In these cases, THA allows them to remain on the list waiting for other properties that they also choose.

This report recommends that THA consider as "housed" all persons using a THA subsidy, either through a rental assistance voucher or an apartment or home. THA should consider them ineligible for another type of assistance and remove them from all waiting lists. The only exception that would have THA offer them an alternative type of assistance would be when necessary and reasonable as an accommodation to a disability or through another qualified transfer request.

THA should apply this change to applicants on the current Consolidated Waiting List as well as new applicants.

1.2.3 Continue consolidated (combined) waiting list for the portfolio and the HOP Program.

THA should continue to have one consolidated waiting list for its managed properties and the HOP Program. A Consolidated Waiting list is easier to manage. It give applicants a chance to get housing assistance sooner. It speeds the pace of voucher issuance and in that way helps utilization.

THA would offer an applicant who comes to the top of the waiting list a choice of an apartment or a voucher. If the applicant chooses a HOP voucher but cannot use it, he or she would resume his or her place on the waiting list for an apartment. THA would not offer them another voucher.

1.2.4 Remove property selection option.

THA should not allow applicants to choose which property they would accept. Instead, THA will place applicants on a waiting list based on the bedroom size they qualify for based on household size. THA will offer applicants the first available unit of that size at any property.

THA should apply this recommendation to those applicants on the current Consolidated Waiting List as well as new applicants.

1.2.5 Limit and Redefine “Good Cause” to Decline a Unit.

Presently THA allows applicants to decline an apartment for “good cause.” They may do this repeatedly. Many applicants turn down a unit that would suit their needs because they know they will have a chance at another unit that they prefer. Applicants also turn down a unit because they are in a lease and would incur penalties they move. THA does not presently consider this “good cause”.

Tacoma is in a housing crisis with no end in sight. Homelessness is at an all-time high. The City has declared a state of emergency. THA is doing everything within its means to provide affordable, safe and stable housing to as many households as possible. To account for this, we recommend revising the “good cause” policy to allow for only one “good cause” turn down and to limit the definition of “good cause” to being in a lease that the applicant cannot terminate without penalty.

This proposal will apply to those applicants on the current Consolidated Waiting List as well as new applicants.

1.2.6 Adopt the HOP occupancy standards for property waiting list applicants and future THA property residents.

THA uses occupancy standards to determine how many bedrooms a family is eligible to receive in both its portfolio of apartments and in its rental assistance programs. THA uses different occupancy standards for them. The rental assistance programs assigns two persons per bedroom regardless of age, familial status, and sex. THA's property occupancy standard is more complex. It allows separate bedrooms for adults and children or children of opposite sex. This makes administration and determination of bedroom size confusing for both staff and clients. This is especially the case when we offer rental assistance to a Property Waiting List applicant who may qualify for a bigger bedroom sizes if he or she waited for an apartment. Also, THA's landlord partners who accept our rental assistance object that we impose on them and their tenants a less generous occupancy standard that we apply to ourselves and our own tenants.

This report recommends that THA adopt the HOP Occupancy Standards for Property Waiting List applicants. This action will also reduce administrative burden and provide consistency by adopting one Occupancy Standard across our portfolio and programs. It will also mean that THA will house ore people.

This proposed policy will apply to those applicants on the current Consolidated Waiting List as well as new applicants. It would not apply to current tenants.

1.2.7 Change reinstatement policy from 12 months to 6 months.

Every now and then THA writes to applicants on the waiting list to confirm their continued interest in the housing they have applied to get. If a household does not respond THA removes them from all THA waiting lists. Under current policies, removed applicants can ask THA to reinstate them if they contact THA within twelve months of being removed from the list(s). THA should reduce this grace period 12 months to six (6) months.

This change leaves applicants a reasonable time to request reinstatement. It eases the administrative burden of wait list management. THA should apply this change to current and future applicants on the list.

1.2.8 Refine pre-resident orientations – “Renter Ready”

To help improve lease up time, Property Management began developing a program in January 2018 to assist applicants to prepare to rent. THA is still developing this program. Its basic feature will have THA require an applicant to attend a Pre-Resident Orientation. THA will do this as the applicant approaches the top of the waiting list. The orientation will include the following:

- THA will verify the household's eligibility.

- THA will determine the bedroom size the household is eligible to receive.
- They are shown all available buildings with their approved bedroom size. The applicant can request an in-person tour of the building and / or view the Online Property Virtual Tour when it becomes available.

1.2.9 Require applicants to check in quarterly.

In order to further decrease lease up time on THA units, THA should begin requiring waiting list applicants to check in every 3 months. THA should allow them to check in at an office or by telephone. THA is also developing an on-line portal to allow for remote check-ins. THA should begin this change once that portal is working.

This check-in will help ensure that THA always has the current contact information and that the client is still interested in and eligible for the same bedroom size based on household size and income. It is also an opportunity to engage with a potential tenant and measure their interest and preparedness when a suitable unit does become available. THA will remove applicants from the waiting list if they fail to check-in.

1.3 Long Term Recommendations (See Section 7.2 of full report)

Long Term Proposals require follow up. THA does not need to implement them prior to reopening the waiting list. THA should assign these recommendations to a PIE Project Manager. That manager will develop a project outline to get them done. See Section 7.2.

1.3.1 Consider a “fluid” reinstatement time period policy.

If the rental market begins to weaken, THA should have a “threshold” in which we would consider going back to a longer reinstatement time frame and easing our turn down policy. THA put establish a trigger to signal that we should adjust our reinstatement policy. This trigger can be based on vacancy rate in the market and our utilization rate. THA could evaluate this threshold each year as a component of the payment standard analysis.

1.3.2 Refine Online Virtual Property Look-Book Website.

THA’s Communications and Marketing Manager is developing a new virtual tour website for all THA properties. The project is scheduled to finish by December 31, 2018. That will help applicants judge their interest in an apartment.

1.3.3 Build an algorithm to predict waiting list opening.


THA will contract with a consultant to build an algorithm to calculate the cap on the number of applicants we should allow on the waiting list so no person

waits longer than 2 years. This algorithm will account for the average length of a tenancy and resulting turnover, the need for various bedroom sizes, the number of applicants who will prefer a HOP voucher or a unit, and the number of available units of various bedroom sizes and HOP vouchers. This algorithm will allow THA to determine when it should reopen the waiting list to ensure a steady supply of customers to keep vacancy rates low and utilization rates high.

1.3.4 Complete a Business Process Improvement Analysis.

Conduct a thorough analysis of the waiting list and lease up process for THA properties. Mapping should include a breakdown of each task and step based on the current waiting list model. Time and cost efficiencies should be considered. THA should develop a process manual. It should consider clarification to the Administration Plan and ACOP. The Business Process Improvement Manager will analyze the entire waiting list and lease up process.

Property Waiting List Practices

																	
	First Come, First-Served (no wait list)	Deposit req'd to apply for unit	Deposit to be notified of an available unit	Waiting List for each Property Site	Master Waiting List by Bedroom Size	Stay on Separate Property Lists once housed	Removed once housed at a property	Voucher offer to waiting list applicant	Remains on list if turns down unit	Priority Status Option	Reinstatement Policy	Remains on all lists	Posts "Now-Serving" Client # List	Portal for Waitlist Status	Portal for Check-In	On-Line Application	
Moving to Work Housing Authorities (38)				X	X	X	X	X	X	X	X	X	X	X	X	X	
Regional Non-Moving To Work Housing Authorities (33)	X			X	X	X	X	X	X	X	X	X	X			X	
Non-Profit Housing Providers (2)				X	X		X		X	X		X					
Private Housing Providers & Management Companies (4)	X	X	X													X	

Survey of Moving to Work HA's, Regional Non-Moving to Work HA's, Regional Non-Profit Housers, Regional Private Property Managers May 2018 [Tacoma Housing Authority]



TACOMA HOUSING AUTHORITY

**CLIENT SUPPORT
& EMPOWERMENT**



TACOMA HOUSING AUTHORITY

DATE: August 22, 2018

TO: THA Board of Commissioners

FROM: Cacey Hanauer
Director of Client Support & Empowerment

RE: Client Support & Empowerment Department Monthly Board Report

1. STRATEGIC OBJECTIVE: HOUSING AND SUPPORTIVE SERVICES

Tacoma Housing Authority (THA) will provide high quality housing, rental assistance and supportive services. Its supportive services will help people succeed as tenants, parents, students, wage earners and builders of assets who can live without assistance. It will focus this assistance to meet the greatest need.

2. DIRECTOR'S COMMENT

The Client Support and Empowerment (CSE) department has been working hard this summer to put on several events, to help families prepare for the beginning of the school year, and helping many clients work through crisis and trauma. With an average caseload of more than 100 clients/families, staff have been tirelessly attentive to the individual needs of each person they work with and we have seen some great results of that hard work. In between event planning and crisis intervention, CSE has continued to work on delivering consistent services and begun to incorporate evidence-based practices and interventions into their everyday work.

In the last month, CSE has focused on using a person-centered and strengths-based approach to working with clients. Staff are being urged to think about their client's protective factors such as family supports, goals, resilience, and/or their interests. As a client's protective factors are identified, staff can leverage them and work with the client to expound upon those protective factors, which will in turn help the client overcome barriers more easily. The goal is to look first at what clients can do with their skills and resources and to shift away from seeing them as someone who has multiple barriers and/or problems that need to be solved. A strengths-based approach is the opposite of a deficit-centered approach, which is too often the route of service providers.

Staff are also learning about and beginning to utilize Motivational Interviewing with THA clients. Motivational Interviewing is an evidence-based approach where staff work with clients to unpack the motivation for their behavior, whether it be positively or

negatively impacting their lives. Motivational Interviewing understands that behaviors are adaptive and originated to solve problems in a person's life. It is also clear that many behaviors that have been adopted become dysfunctional and counter-productive over time, despite their origins in functionality. Using Motivational Interviewing helps staff better understand the perceived function of a behavior and in-turn helps staff assess alongside clients whether the behavior is still functioning as intended.

In the coming months, CSE will continue to focus on learning about and incorporating evidence-based practices and interventions, and as a result CSE will have more reliable service delivery and, eventually, outcomes. Developing key performance indicators remains a high priority.

3. CLIENT SUPPORT & EMPOWERMENT

3.1 NUMBER OF PEOPLE AND HOUSEHOLDS SERVED

Program Entries, Exits, and Unduplicated Number of Households Served

July 2018	Program/ Caseload Entries this Month	Program/ Caseload Exits this Month	Number Served (Month)	Unduplicated Number Served (YTD)
Case Staffing (Eviction Prevention Services)	11	4	29	40
Family Self Sufficiency (FSS)	7	2	191	215
General Services	19	20	80	119
Hardship	0	0	0	0
Housing Opportunity Program (HOP) Case Management	5	3	36	60
Children's Savings Account (CSA) K-5th Grade	3	0	75	75
Children's Savings Account (CSA) 6th - 12th Grade	4	0	63	63
Elementary School Housing Assistance Program (ESHAP)	0	0	36	36
Senior & Disabled	9	12	52	105
DEPARTMENT TOTAL	58	41	562	713

3.2 PROGRAM UPDATES

- 3.2.1 CSE is partnering with several other agencies in Pierce County on an application to become an “Anchor Community.” A Way Home Washington and the Office of Homeless Youth have released a Request for Proposal asking communities across the state to come together and build a sustainable statewide system that will prevent and end youth and young adult homelessness in Washington State. The hope is to build a system that is data-informed, performance-driven, and holds young people and families at the center.

Pierce County submitted the application on behalf of more than ten agencies, including THA, Community Youth Services, Oasis Youth Center, the REACH Center, the Greater Tacoma Community Foundation and Team Child, among others. The proposal submitted would have the community come together to first assess at which points young people birth-to-24 become homeless. Then, a landscape scan will be done to identify which services are available to those folks that become homeless, and a gap analysis will then take place. If Pierce County is awarded the grant, A Way Home Washington and the Office of Homeless Youth would provide technical assistance, support in building local infrastructure, capacity-building to elevate youth voice, support around the collection and utilization of quality data, and intentional connection with other Anchor Communities across the state.

Taking part in this application will both elevate THA as a thought partner in helping to find solutions to youth and young adult homelessness, and will show the desperate need for more services, and more service dollars to address this issue in Tacoma and Pierce County.

- 3.2.2 **Staff Highlight:** Kye Hillig has been at THA for less than a year and has been an incredible addition to the staff team. Kye serves all of the senior and disabled buildings, often walking into crisis and being called on to help clients meet their basic needs. He handles himself with grace, maintains a good sense of humor, and works tirelessly to ensure everyone’s wellness at every turn. He also steps in to think proactively about how to mitigate problems and engage clients in positive, pro-social activities, decreasing the likelihood of crisis and working to build community within the buildings. Kye was asked about what he has done in the last month and the list below represents just some of his activities:

- Worked alongside TRAC board to ensure a successful annual meeting
- Partnered with Mercy Housing to promote their National Night Out event

- Presented to Tacoma Family Medicine to engage their volunteers at our buildings
- Problem-solved with Rental Assistance to resolve long-standing client compliance issues
- Increased efficiencies in communication and operations with the Making a Difference organization
- Welcomed five new tenants into the senior and disabled buildings
- Engaged clients and THA staff in crisis mitigation and crisis management addressing root problems rather than managing symptoms
- Participated in the active violence drill and debrief at THA's main office
- Helped a client expand her crochet classes into additional senior and disabled buildings, engaging clients in pro-social activities
- Worked alongside Property Management to help resolve a recurring bed bug problem
- Participated in new and targeted case-staffing process to address client mental health needs



TACOMA HOUSING AUTHORITY

RENTAL ASSISTANCE



TACOMA HOUSING AUTHORITY

DATE: August 22, 2018

TO: THA Board of Commissioners

FROM: Julie LaRocque
Director of Rental Assistance

RE: Rental Assistance Department Monthly Board Report

1. STRATEGIC OBJECTIVE: HOUSING AND SUPPORTIVE SERVICES

Tacoma Housing Authority (THA) will provide high quality housing, rental assistance and supportive services. Its supportive services will help people succeed as tenants, parents, students, wage earners and builders of assets who can live without assistance. It will focus this assistance to meet the greatest need.

2. DIRECTOR'S COMMENT

Over the course of the past month, the Landlord Engagement Specialist (LES) has been in contact with over 50 landlords and has had either a face-to-face contact or a conversation over the phone detailing the role of the Landlord Engagement Specialist. This provides the landlords with reassurance that they have a singular point of contact to reach for any issue they may be dealing with related to their work with THA. Through this outreach, we have been able to reveal issues that landlords have been dealing with for periods of time. As a result, we have resolved ledger issues that stemmed from our conversion to Intact and we are hearing that some landlords are pleased with the new process.

A joint landlord training including Associated Ministries was held in mid-July for housing providers that work with landlords. While this was primarily geared towards the Rapid Rehousing Program, there were quite a few takeaways that the LES was able to bring back to THA.

The LES has also provided individual trainings to 3 Property Management companies, 2 of them had never accepted voucher holders or had done so on a very limited basis. More are scheduled for August.

The LES is in the process of recognizing landlords that have had significant difficulties with THA (rent-payment, client issues, etc.). THA will continue its commitment to build partnership with landlords large and small. LES and Rental Assistance understands this is not just our journey but an agency journey. The LES will begin meeting with other THA departments to ensure everyone knows the basics of our programs and can pass on questions to the LES.

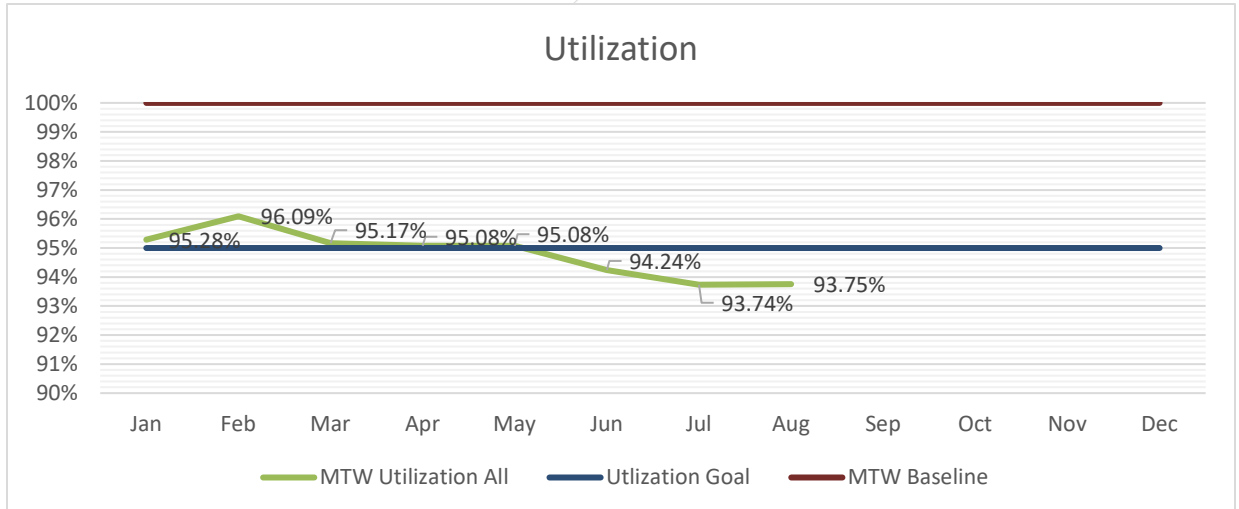
3. RENTAL ASSISTANCE AND LEASING

3.1 Utilization Report

Housing Choice Voucher utilization is reported at **93.75%** for the month of August 2018. This number now includes projected data for Rapid Rehousing funds based off the most recent report from the City which includes numbers for January through April and partial numbers for May. We have taken the average utilization for the six complete months of data and applied that going forward. As new numbers are reported by the city, the chart below will be updated retroactively.

The chart below show our continued struggle with utilization. The Rental Assistance department has made this priority with supporting LES, landlords, as well as shoppers. RA and Client Support and Empowerment have scheduled one-on-one meetings with shoppers starting with the clients that have been shopping the longest. Staff discusses the market, make referrals and give them advice based on the barriers they have.

The RFP for Project Based and Property Based subsidies was issued in early August. THA is able to subsidize 200 Property Based units and 50 Project Based units. We will review applications after 30 days to score the applicants. This RFP will remain open until units are filled.



Below is a breakdown of the utilization of THA's special programs and project based vouchers.

The Veterans Administration Supportive Housing (VASH) program continues to be underutilized. We have met with the Veterans Administration (VA), as well as neighboring housing authorities to discuss this problem. The problem remains the same. The VA is unable to make referrals due to staffing issues. The VA also states that areas such as Tacoma and King County also have to deal with the tough market. The VA staff we deal with on a regular basis feel the frustration as well. Recently Housing and Urban Development (HUD) contacted THA to ask about these problems and shared that the problem is wide spread with the VA.

Rental Assistance has scheduled meetings with other partners that are under performing.

Program Name	Units Allocated	Units Leased	Shoppers	Percentage Leased
VASH (Veterans Administration Supportive Housing)	177	145	21	82%
NED (Non Elderly Disabled) Vouchers	100	94	8	94%
FUP (Family Unification Program)	50	41	6	82%
CHOP (Child Welfare Housing Opportunity Program)	20	15	5	75%
McCarver Program	50	36	3	72%
CHAP (College Housing Assistance Program)	150	47	37	31%
TOTAL	547	378	80	69%

The Rental Assistance Department staff are in contact with our partners to work on ways to increase utilization regarding the special programs. The VA and Department of Social and Health Services (DSHS) both have new staff committed to providing referrals for these programs. Staffing issues from these departments are the issue but should be resolved soon. We will continue to monitor.

Project-Based Properties	Units Allocated	Units Leased	Percentage Leased	Vacancy Comments
Bay Terrace 1 & 2	72	71	99%	
Eliza McCabe Townhomes	10	10	100%	
Flett Meadows	13	13	100%	Amendment for manager's unit to be removed was signed on 7/5/18
Guadalupe Vista	38	36	95%	Vacancy One – Pending approval; Vacancy Two – Pending Inspection
Harborview Manor	145	142	98%	Vacancy One – Pending Lease Vacancy Two – Pending inspection Vacancy Three – Pending inspection
Hillside Gardens	8	8	100%	
Hillside Terrace 1500	12	12	100%	
Hillside 2	13	12	92%	
Nativity House	50	48	96%	Vacancy One – Pending Application Review Vacancy Two – Nativity House waiting on referral from Coordinated Entry
Pacific Courtyard	23	18	78%	Vacancy One – Pending Inspection Vacancy Two – Pending Inspection Vacancy Three – Waiting for referral from MDC

				Vacancy Four – Waiting for referral from MDC Vacancy Five – Waiting for referral from MDC
New Tacoma Phase II	8	8	100%	
Salishan 1-7	340	332	98%	
Tyler Square	15	14	93%	Vacancy One – Waiting for referral from TRM
TOTAL	747	724	97%	



TACOMA HOUSING AUTHORITY

PROPERTY MANAGEMENT



TACOMA HOUSING AUTHORITY

Date: August 22, 2018

To: THA Board of Commissioners

From: Frankie Johnson
Director of Property Management

Re: Property Management Monthly Board Report

1. OCCUPANCY OVERVIEW

1.1 Occupancy

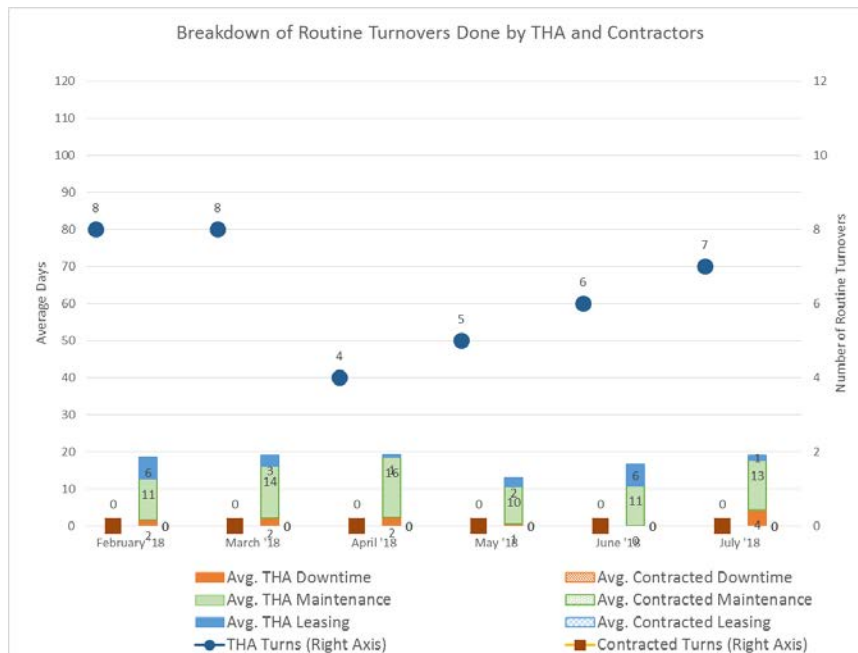
PROPERTY	UNITS AVAILABLE	UNITS VACANT	UNITS OFFLINE	UNITS OCCUPIED	% MONTH OCCUPIED	% YTD OCCUPIED
All Hillside/Bay Terrace	206	0	0	206	100%	99%
Family Properties	118	0	0	118	100%	99%
Salishan	631	7	0	624	91%	99%
Senior/Disabled	353	3	2	349	99%	99%
All Total	1,308	4	2	1,297	99%	99%

Occupancy is reported for the first day of the month. This data is for the month of July 2018. The chart above reflects THA's current portfolio of 1,308.

1.2 Vacant Unit Turn Status



August 2018 - Board of Commissioners Meeting
PROPERTY MANAGEMENT DEPARTMENT MONTHLY REPORT
Page 2



All Turns - Performed by THA and Contractors

Today's Date 8/8/2018

Select End Month & Year	July	7	2018
	June	6	2018
	May	5	2018
	April	4	2018
	March	3	2018
Beginning Month	February	2	2018

6-months - based on month and year selected from orange cell

		All THA Turnover Information						
Year	Month	Total Number of Turns	Total THA Turns	Total Meth Turns	Avg. Total Days	Avg. Downtime Days	Avg. Maintenance Days	Avg. Leasing Days
2018	July	7	7	0	19.0	4.3	13.4	1.3
2018	June	6	6	0	16.5	0.2	10.7	5.7
2018	May	5	5	0	13.0	0.6	10.0	2.4
2018	April	4	4	0	19.3	2.3	16.3	0.8
2018	March	8	8	0	19.0	2.1	14.0	2.9
2018	February	9	8	0	18.5	1.5	11.1	5.9
		All Contracted Turnover Information						
Year	Month	Total Number of Turns	Contracted Turns	Total Meth Turns	Avg. Total Days	Avg. Downtime Days	Avg. Maintenance Days	Avg. Leasing Days
2018	July	7	0	0	0.0	0.0	0.0	0.0
2018	June	6	0	0	0.0	0.0	0.0	0.0
2018	May	5	0	0	0.0	0.0	0.0	0.0
2018	April	4	0	0	0.0	0.0	0.0	0.0
2018	March	8	0	0	0.0	0.0	0.0	0.0
2018	February	9	1	0	50.0	1.0	48.0	1.0

The average unit turn time for the month of July was 19 days for seven (7) routine unit turns by Tacoma Housing Authority (THA) staff.

Routine - units with repairs that fall under the category of normal wear and tear that can be repaired within 5-15 days.

Exempt - units with special circumstances, such as transfers, temporary hotel holds or moves relating to a Reasonable Accommodation.

Proposed Changes for Improvement in Unit Turn Times:

- **Downtime** - Start the unit turn process within 1 day of vacancy. Reduce downtime to 1 day.
- **Repair make ready**
 - ✓ Identify appropriate staffing levels needed to complete maintenance work during the move-out inspection.
 - ✓ Procure contractors who will respond to request for service if needed that have the appropriate staff to assign multiple units.
 - ✓ Increase inspections to deter heavy damage at move out.
 - ✓ Unit work every working day. Unit is the sole priority by assigned staff.
 - ✓ Use of tracking charts to monitor projected progress.
- **Leasing**
 - ✓ Prescreen to identify ready applicants.
 - ✓ Site-based leasing. Concentrated efforts on units. Each property staff will be responsible for the leasing efforts to fill their units.
 - ✓ THA staff will undergo training to better lease out units that are not subsidized. THA is competing with the open market in some cases. Having better tools and tactics will be helpful to attract applicants that will accept the units in a timelier manner.

Proposed

Downtime	Repair Make ready	Vacant	Total days
1	17	2	20

1.3 THA Meth Data Trends

Per July 2017 Board discussion, Meth information will be included only when there are updates to report.

1.4 Work Orders

Completed WO's by Priority for Month Ending July 2018

Property Name	Priority			
	Routine	Urgent	Emergency	Grand Total
6th Ave Apartments	41	2		43
Bay Terrace Phase One	13	1		14
Bay Terrace Phase Two	11	2		13
Bergerson Terrace	27	7	2	36
Dixon Village	11	5		16
E.B. Wilson	20		1	21
Fawcett Apartments	9		1	10
Hillside Terrace 1500 Block	2	1		3
Hillside Terrace Ph 1	6			6
Hillside Terrace Ph II	4			4
Ludwig Apartments	10	6		16
North G St	13		1	14
North K St	7	3	1	11
Salishan Five	29	2		31
Salishan Four	31			31
Salishan One	16			16
Salishan Seven	32		1	33
Salishan Six	27			27
Salishan Three	20			20
Salishan Two	21	1		22
Wright Ave	30	2		32
Grand Total	380	32	7	419

In the month of July, 100% of emergency work orders were completed within 24 hours; maintenance staff completed 380 non-emergency work orders with a total of 2,554 for the calendar year. The year-to-date average number of days to complete a non-emergency work order is 12 days.

Property Management (PM) continues to bring down the number of outstanding work orders and improve customer service.

**Open Work Orders by Priority BR
as of Month Ending July 2018**

Property Name	Priority			Grand Total
	Routine	Urgent	Emergency	
6th Ave Apartments	77	0	1	78
Bay Terrace Phase One	5	0	0	5
Bay Terrace Phase Two	27	1	0	28
Bergerson Terrace	7	0	0	7
Dixon Village	1	0	4	5
E.B. Wilson	1	0	0	1
Hillside Terrace 1500 Block	31	0	0	31
Hillside Terrace Ph 1	2	0	0	2
Hillside Terrace Ph II	7	1	0	8
Ludwig Apartments	1	1	0	2
North G St	13	0	0	13
Salishan Five	42	0	0	42
Salishan Four	42	2	0	44
Salishan One	105	0	0	105
Salishan Seven	29	1	0	30
Salishan Six	23	1	1	25
Salishan Three	54	1	2	57
Salishan Two	65	0	0	65
Wright Ave	8	0	0	8
Grand Total	540	8	8	556

Processes that PM has implemented to improve customer service are as follows:

- Make every attempt to address routine work orders within five (5) days. When this is not possible, contact the tenant and provide them an alternate date that they may expect service;
- Improve communication with the tenants when services will be delayed and/or when procurement is needed to service the request; and
- Close work orders within 48 hours of completion.

Property management has consistently met and exceeded the goal of 20 days from key to key for the last 6 months.



TACOMA HOUSING AUTHORITY

REAL ESTATE DEVELOPMENT



TACOMA HOUSING AUTHORITY

DATE: August 22, 2018

TO: THA Board of Commissioners

FROM: Kathy McCormick
Director of Real Estate Development

RE: Real Estate Development Department Monthly Board Report

1. SALISHAN/HOPE VI

1.1 Phase II Construction

Area 2A, Community Core Development

Discussions continue with Bates Technical College and Community Health Services regarding the Salishan Core. Staff also showed space at the Family Investment Center (FIC) to a local child care operator who expressed some interest in providing day care or before/after school programs at this location. These discussions are all in the very early stages.

1.2 Salishan Family Investment and Maintenance Shop Renovations

Project is essentially complete with the exception of alternative measures to remedy the extra wear on the classroom flooring that occurred during the temporary staff moves. New flooring is scheduled to be installed in early August.

1.3 Sale of Salishan Lots

Tacoma Housing Authority (THA) received an offer from TAC Build LLC to purchase the 7 lots designated for rate rental units. TAC Build is owned by Michael Hopkins, local MBE firm. THA and TAC Build are negotiating the Purchase and Sale Agreement; it should be executed by the end of July. Closing is anticipated by the end of October pending disposition approval from Housing and Urban Development (HUD).

2. NEW DEVELOPMENT

2.1 1800 Hillside Terrace Redevelopment

Scope

The redevelopment of 1800 Hillside Terrace will incorporate a single building with 4-stories of affordable housing. The housing units are programmed as one and two bedroom units serving individuals and small families earning less than 60% of Area Median Income (AMI) with 50% of the units @ 30% AMI, 25% of the units @ 40% AMI and 25% of the units @ 60% AMI.

Staff is evaluating whether or not reducing the units to 64 makes more sense financially. This is attributed to the increasing construction costs.

Proposed Distribution by BR and Set Aside

	1-BR	2-BR	TOTAL
Low Income	22	20	42
Homeless	7	7	14
Disabled	7	7	14
TOTAL	36	34	70

A set-a-side of 20% of the units will serve individuals with disabilities and a 20% set-a-side will serve individuals and small families experiencing homelessness.

Financing

The project total development cost is currently budgeted at \$20,166,000 and is fully funded. On January 25, 2018, staff was informed THA's tax credit application was successful in receiving an allocation of annual tax credits of \$1,424,413 generating an estimated \$13,104,600 in equity. On March 23, 2018, staff was informed of an award of \$1,850,000 from the Washington State Department of Commerce Housing Trust Fund. The below table reflects all development sources.

Residential Source Name	Residential Source Type	Committed Amount
Permanent Tax-Exempt Loan	Private	\$3,040,000
Tax Credit Equity	Private	\$13,104,600
UDAG Grant	TCRA	\$300,000
HTF	State – Housing Trust Fund	\$1,800,000
Sponsor Financing	Sponsor	\$1,921,400
	Total	\$20,166,000

Procurement

The Architectural and Engineering (A&E) negotiations have been completed. Staff has accepted a fee proposal from SMR Architects in the amount of \$895,926 which

is within the amount approved by the board in May 2018. Staff is recommending Tacoma Housing Authority's (THA) Executive Director to enter into a contract for services.

Staff is preparing a Request for Proposal (RFP) to solicit proposals for a Construction Manager/General Contractor (CM/GC). The RFP will be available to bidders during the week of June 18, 2018.

3. OTHER PROJECTS

3.1 James Center North

Background

THA purchased James Center North because it offers a unique opportunity to acquire a property that is attractive for public and private developers. It is positioned to be redeveloped to provide both market rate and affordable rental housing in a mixed-use setting that is adjacent to a transit center and within walking distance of grocery stores, parks and Tacoma Community College (TCC).

Capital Improvements

Minor capital repairs will be completed on an as needed basis in order to keep the property functioning. The goal is to limit the capital investment into the buildings prior to redevelopment.

Leasing

CB Danforth continues to market the available property and provide tours to prospective tenants.

- A 5-year Triple Net Lease (NNN) has been executed for a franchise of Sylvan Learning Centers in unit 1614 -E. A triple net lease is a [lease](#) agreement that designates the tenant, as being solely responsible for all the costs relating to the property being leased, in addition to the rent fee applied under the lease. The structure of this type of lease requires the lessee to pay the net amount for three types of costs, including net real estate taxes on the leased asset, net building insurance and net common area maintenance. The tenant is completing their improvements and should open for business in August 2018.
- Month-to-month leases are being renegotiated with tenants to extend for two to three years at market rents to stabilize cash flow and allow for THA flexibility to redevelop. Healing Places Counseling is currently negotiating their lease and is expected to sign by the end of June.
- Listing Brokers are generating interest for the remaining vacant spaces.

Predevelopment

A contract has been executed with Ankrom Moisan Architects. Their initial background research is underway. Planning is expected to continue over the next 9

months and will conclude with development phasing recommendations, financial analysis and design options. Community outreach will include targeted stakeholder interviews, maintaining an advisory group and conducting open house meetings for those interested in the project. The first advisory group meeting is scheduled for the week of August 20th.

The Urban Land Institute (ULI) report has been drafted and a final version is being edited. These recommendations have been reviewed by THA staff and are being incorporated into planning as applicable.

Specific THA Real Estate Development (RED) staff were selected to participate in the Enterprise Community Partners' 2018 Affordable Housing Design Leadership Institute. In addition to educational webinars the Institute convening provided feedback from designers across the country regarding design options related to the James Center North redevelopment master plan.

Staff met with Vestar, the owner of James Center South. They have agreed to collaborate with the Master Planning work THA is undertaking for James Center North. Efforts are also underway to work with representatives from Fircrest and University Place. City boundaries for these communities are within one-mile of James Center. These communities are evaluating redevelopment options and want to be sure planning efforts are coordinated.

Operating Performance

Property cash flow is steady and work orders are minimal. Previously identified capital improvement repair items are being addressed regularly. Repair costs are consistent with feasibility estimates. A 2018 budget has been approved and Common Area Maintenance (CAM) costs have been calculated and will be charged to tenants.

Reporting and Compliance

The third interest payment has been received by the Enterprise Community Loan Fund.

3.2 Public Housing Scattered Sites

Former Public Housing Scattered Site homes are being rehabilitated and sold at market value. To achieve affordability for households earning 50% to 80% of the Area Median Income (AMI), THA will place a restriction for the difference between market value and the effective sales price on the property. The effective sales price is what a buyer earning 50% to 80% of the AMI can afford. The value of the difference between the market value and effective sales price will be captured in the restrictive covenant in the form of a forgivable loan of which 20% of the loan value will be forgiven every year.

3.2.1 Two homes have been purchased by residents of public housing. One of these buyers was a priority 1 buyer.

3.2.2 The following chart shows the number of units sold, listed, sold price and net proceeds.

Units Sold	Combined Market Value	Combined Sold Price	Combined Rehab Costs	Total Sales Costs	Net Proceeds
26	\$5,417,848.23	\$5,417,848.23	\$683,560.00	\$1,023,059.16	\$3,711,228.84
Units Listed	Market Value	List Price	Rehab Costs	Sales Costs Estimated	Projected Proceeds
7	\$1,895,000.00	\$1,895,000.00	\$315,340.66	\$170,550	\$1,409,109.34
Units in Construction	Scope Preparation	Occupied			
0	0	1			



5814 Swan Creek – Sold



3.2.3 Rehabilitation Work on Scattered Site Units and Sold:

- The work on the last 3 remaining scattered sites is now complete. All available houses (a total of 7) have been listed and are on the market. 6750 East B Street has sold for \$219,000.00 and is now occupied by the new home owner. Twenty- six houses sold, 7 houses remain.
- Community Youth Services (CYS) is occupying 120 Bismark to temporarily house homeless youth. They are consistently at capacity. Staff have been asked to research selling this house to CYS for a permanent Crisis Residential Center.

3.3 Consulting and Community Engagement

Staff is working with the Korean Women's Association (KWA). The joint response to Metro Parks for repurposing of the Portland Community Center was submitted in April and interviews held in early June. KWA plans to relocate their senior programs to the Center and update the facility to support this work. KWA will also offer a host

of community-based services and continued programming at the property. Metro Parks has indicated that they will work directly with KWA on the building lease. This means that THA will not need to enter into an Intergovernmental Agreement with Metro Parks.

3.4 New Look (aka Alberta J. Canada) Capital Planning and Resyndication

Rehabilitation work is underway, with few issues encountered so far. Construction is currently 64% complete. The contractor has been focusing on exterior cladding, Americans with Disabilities Act (ADA) unit conversions and community space construction. The contractor has also been wrapping up the installation of new windows and store fronts.

3.5 Arlington Drive Property

The City of Tacoma allocated \$700,000 to the Tacoma Community Redevelopment Authority (TCRA) and \$300,000 in Community Development Block Grant (CDBG) funds for the development of the Crisis Residential Center (CRC). The COT's 2019-2020 budget includes a request for \$800,000 additional funding for Arlington. The vote for formal confirmation of the intended funding will occur in November, 2018. Pierce County is contributing \$250,000. Staff submitted a proposal request for another \$500,000 in capital from Pierce County and has been recommended for \$435,945 in CDBG funds. Staff are evaluating options to meet a spring, 2019 groundbreaking date.

The state legislature allocated \$4.29M to support the development of the Arlington Drive Project. At this time, staff expects to devote a majority of these funds to the rental housing component of the project.

SMR Architects has completed the master site planning and related preliminary work. A portion of the SMR work will be reimbursed as part of the City of Tacoma/Pierce County agreement for building the CRC and THA will fund the balance associated with the larger master planning process. THA will also develop a portion of the site for rental housing for homeless young adults ages 18-24. THA will fund this development with Low-Income Housing Tax Credit (LIHTC) and related sources. The design development is complete and an initial cost estimate for the CRC has been completed. The cost estimate is significantly higher than anticipated because this project has to meet commercial codes and specific licensing requirements. Staff continue engaging in conversations with the City of Tacoma, Pierce County and others about covering these additional costs, as necessary.

THA will receive an allocation of 9% Tax Credits for this project. THA staff issued the RFP for services to support the homeless young adults the beginning of August. Services to be offered to homeless young adults are a core component of long term

success for this project.

The firm of BDS Planning and Urban design was selected as the consultant for the community engagement and consultation effort. The fifth Community Advisory Committee meeting was held June 12th at the Family Investment Center (FIC).

3.6 Colored Women's Club

THA and the Colored Women's Club (CWC) have resumed conversations regarding the redevelopment of CWC's property located at 2316 Yakima. CWC would like to create a mixed use building that has new office space for them plus a social hall with a commercial kitchen and office space for other African American organizations on the first floor and residential units for seniors on floors 2-6. The parcel next to the CWC was recently sold. THA and CWC met with the new owner and he was receptive to a collaboration. His architect has done a draft massing study to give an idea of what a jointly developed project might look like. Conversations among the three parties continue. THA's role is to be determined based on the outcome of the conversations with the adjoining property owner.

4. DEVELOPMENT PIPELINE PROJECTS

4.1 Intergenerational Housing at Hillsdale Heights

KWA is supportive of an inter-generational housing community and has agreed to use THA as its developer for the senior housing project. The option to sell the land to KWA has been executed. Staff are working with KWA to prepare for a 202 application.

4.2 Hilltop Lofts and THA Owned Properties' Master Development Plan

THA and the City extended the timeline by two years for THA to develop the Hilltop Lofts project. The Council approved the extension request at its November 3, 2015, meeting. The Quit Claim deed was recorded January 18, 2018. According to the covenants recorded the same day, financial feasibility needs to be determined by April 30, 2018, and permanent financing needs to be in place by June 1, 2020. Staff are reviewing financing options for this site and need to confer with the City regarding the timetable. Staff issued an RFQ for architecture services July 3rd; proposals are due August 3rd. THA is now managing the lease for the Mr. Mack store. The new owner of the business is trying to sell. If that is not successful they may liquidate.

4.2.1 City of Tacoma 311 Mobilization

RED, in partnership with the Hilltop Action Coalition, will facilitate the outreach and mobilization so that residents of the Hilltop understand and use the City's 311 customer service line. This will be completed through a series

of workshops, events, canvassing and literature creation. The agreement with the City has been executed and planning work initiated. One of the deliverables is a short documentary. The final filming of the documentary was done Thursday March 22nd at Tacoma Community Arts. We have received the final version of the video. We are awaiting some direction from the City of Tacoma staff before the final touches can be added and we can show the video to the general public. Additional events for the balance of the year include participation in the Hilltop Street Fair, a rummage sale (moved to September), Design the Sign contest (positive community messaging) and oral history project.

4.2.2 Housing Hilltop

THA has begun conversations with external partners for development of the THA parcels on the Hilltop. The Greater Tacoma Community Foundation (GTCF) is interested in locating on the Hilltop. GTCF is working with Forterra and THA to determine feasibility. The group will be meeting monthly.

THA has also commenced conversations with external partners to develop a homeownership program to help those displaced, or at risk of being displaced to purchase homes at an affordable price and address some of the homes in need of rehabilitation. This group will also be meeting monthly.

5. Renew Tacoma Housing, LLLP

5.1 Construction

Property	Construction start	Construction schedule complete	Units complete	Units underway	Units remaining
Bergerson	5/4/2016	12/27/2016	72	0	0
E.B. Wilson	5/4/2016	12/27/2016	77	0	0
Dixon Village	9/16/2016	12/27/2016	31	0	0
Ludwig	6/23/2016	3/15/2017	41	0	0
Fawcett	1/9/2017	5/24/2017	30	0	0
K Street	10/11/2016	3/27/2017	43	0	0
Wright Street	2/6/2017	10/5/2017	58	0	0
6 th Avenue	4/1/2017	9/26/2017	64	0	0
G Street	3/7/2017	9/7/2017	40	0	0

Project Close-out/Conversion:

It is now anticipated that all the close-out requirements and approvals necessary to release the second equity installment will be completed in the fall of 2018. Key variables that impact the timeframe are resolution/close-out of the environmental escrow and L&I's release of retention.

5.2 Watch list

Environmental

K Street:

We continue to wait for Department of Ecology (DOE) to issue the *No Further Action* letter for K Street. DOE required some additional soil vapor intrusion testing. The testing is complete and we are waiting for test results. We have reinforced the critical nature of getting the No Further Action letter issued as soon as possible and work with our consultant to get DOE to get this done. There is the possibility that the original long-term monitoring requirements for K Street may be waived.

Wright Street:

DOE staff stated that removal of contaminated dirt is not required because of the cost. DOE anticipates requiring an Environmental Restrictive Covenant to be filed, issuing of a *No Further Action* letter and long-term monitoring. As stated above, we continue to wait for DOE to issue the *No Further Action* letter for Wright Street. We received notification that DOE is requiring some additional soil vapor intrusion testing. The testing is complete and we are waiting for test results. We have reinforced the critical nature of getting the NFA letter issued as soon as possible and work with our consultant to get DOE to get this done. DOE is considering lengthening the testing intervals of the required long-term monitoring.

Wright Street Neighboring Property:

The environmental condition exists only on the edge adjoining THA property. Of two test bores, one tested clean and the other dirty. The toxic dirt is so far below the surface that no risks for gardening exist right now.

Depending on the DOE's final requirements, THA may buy the neighbor's entire property versus encumbering a portion of the property by filing an Environmental Restrictive Covenant on the contaminated portion of the property. Most likely, the property owner and/or lender will object to the encumbrance.

THA staff made the decision that it will not pursue further legal action against Superior Linen. THA will continue to pursue grants that may reimburse some of the environmental cost.

5.3 Issues Encountered/Status

None at this time, with the exception of close-out.

The following information provides a status as of Draw #20.

Budget	Total budget	Expended	Outstanding
Soft Costs*	\$24,023,498	\$11,015,390	\$13,008,108
Construction	34,482,466	34,482,547	***(\$1.00)
Environmental Escrow	\$3,500,000	**\$1,100,000	\$2,400,000

*Excludes \$30,640,000 Site/Building Acquisition expended at closing draw.

**\$600,000 reallocated to construction budget due to 6th Avenue “*No Further Action Letter*” issued by DOE. \$500,000 reallocated to construction due to significant progress on K and Wright Street remediation.

***Excess “soft cost” budget will cover the \$81.00. Extra construction work was required to meet the 50% test.

5.4 Walsh Construction - MWBE and Section 3 Reporting

	GOAL	ACTUAL AS OF 5/31/2017
MBE	14%	8.78%
WBE	8%	.29%
Section 3 Business	----	7.41%
Section 3 New Hires	30%	27.78% (20 new hires)

Section 3 New Hires:

- The above information represents a combination of Section 3 hires that were hired by Walsh prior to the start of Rental Assistance Demonstration (RAD) and subsequently assigned to RAD and new Section 3 hires in which their initial assignment is the RAD project.

Also please note that the above information is a computation of the % of new hires that meet the Section 3 guidelines under RAD. There were 70 hires total for the RAD project.

Walsh provided some context for why meeting the Minority and Women Business Enterprise (MWBE) goals is a challenge:

- The small work scope is such that it is difficult to package scopes into smaller packages to achieve minority and MWBE results. This is easier to do on larger, single purpose projects;
- The RAD project is complex and maintaining the aggressive schedule is critical. There are significant consequences to any delays in the work. For example, the investor is expecting delivery of 3 projects by the end of 2016. If any one of the projects is not delivered, there is a serious financial and reputational risk. Also, if there are delays in the work, the project will face increased relocation costs;
- AVA Siding is a Section 3 business; however, due to market conditions and their work load, RDF Builders has had to step in and take over some of the siding scope simply to finish the project on time;
- Cerna Landscaping, WCC's go-to MBE landscape subcontractor failed on the Bergerson project, again due to an excessive amount of work that they could not complete;
- There has been difficulty identifying MWBE subs; unfortunately Walsh's outreach results were not what they had hoped; and,

- Walsh's outreach efforts, such as town hall meetings, advertising, speaking at National Association of Minority Contractors (NAMC) meetings, and phone calls were outstanding. We simply had trouble finding MWBE subcontractors. It is possible that this can be attributed to the significant amount of work underway in the South Sound.



TACOMA HOUSING AUTHORITY

NEW BUSINESS

Resolution 1



TACOMA HOUSING AUTHORITY

RESOLUTION 2018-08-22 (1)

DATE: August 22, 2018

TO: THA Board of Commissioners

FROM: Michael Mirra
Executive Director

RE: Resolution Amending Heritage Bank 2018 Line of Credit Resolution

Purpose

This resolution amends Resolution 2018-4-25(2) of the Authority to revise the maturity date of, and to clarify the amount available to be drawn on, the Authority's Taxable Revolving Line of Credit Revenue Note, 2018.

Background

Pursuant to Resolution 2018-4-25(2) adopted by the Authority's Board of Commissioners on April 25, 2018, the Authority authorized the issuance of its Taxable Revolving Line of Credit Revenue Note, 2018 (the "Note") to Heritage Bank to support the Authority's obligation to reimburse draws on a letter of credit to be established by Heritage Bank on the Authority's behalf. The letter of credit will be established to provide the money, if necessary, to compensate Boston Financial Investment Management or an affiliate ("BFIM") for loss of tax credits relating to certain of the Authority's tax credit entities. BFIM has requested that the expiration date of the letter of credit be later than originally discussed, which requires a later maturity date for the Note. Heritage Bank has requested clarification that the amount available to be drawn on the Note not exceed the amount available under the letter of credit.

The Authority is authorized by chapter 35.82 RCW to issue bonds, notes or other obligations for any of its corporate purposes. The issuance of the Note to Heritage Bank to support the Authority's acquisition of the limited partner and investor member interests in tax credit entities will enable Tacoma Housing Authority (THA) to obtain control of the Hillside Terrace Phases I and II, and Salishan One, Two and Three, housing projects. Such control will be in the best interests of THA and the tenants of such projects. The attached Certificate will require board chair signature.

Recommendation

Approve Resolution No. 2018-8-22 (1).



TACOMA HOUSING AUTHORITY

RESOLUTION 2018-08-22 (1) **(Amendment #1 for Line of Credit with Heritage Bank)**

A **RESOLUTION** of the Housing Authority of the City of Tacoma amending Resolution 2018-4-25 (2) to modify and clarify certain provisions relating to the authorization of the Authority's Taxable Revolving Line of Credit Revenue Note, 2018.

WHEREAS, The Board of Commissioners (the "Board") of the Housing Authority of the City of Tacoma (the "Authority") adopted Resolution 2018-4-25 (2) authorizing the issuance of the Authority's Taxable Revolving Line of Credit Revenue Note, 2018 (the "Note") to Heritage Bank (the "Bank") to evidence the Authority's obligations to reimburse the Bank for draws made on a letter of credit to be provided by the Bank to Boston Financial Investment Management and/or its affiliates (collectively, "BFIM") as security for the Authority's potential Low-Income Housing Tax Credit (LIHTC) liability to BFIM for costs associated with the loss or recapture of low-income housing tax credits suffered by the Hillside Terrace Phase I Limited Partnership, Hillside Terrace Phase II Limited Partnership, Salishan One LLC, Salishan Two LLC and Salishan Three LLC; and

WHEREAS, BFIM has requested a later expiration date for the letter of credit and the Bank has agreed to a later expiration date of the letter of credit and a later maturity date of the Note; and

WHEREAS, The Bank has requested clarification that the amount available to be drawn on the Note not exceed the available amount under the letter of credit; and

WHEREAS, Board finds it necessary and advisable and in the best interest of the Authority to provide for a later maturity date of the Note to aid in financing housing projects (by providing for the acquisition of BFIM's interests therein) to provide dwelling accommodations for persons of low income within the City of Tacoma, Washington; now, therefore

Be it resolved by the Board of Commissioners of the Housing Authority of the City of Tacoma, as follows:

Section 1. **Amended Definitions.** The definition of the following terms in Resolution 2018-4-25(2) are amended in their entirety to read as follows:

"Letter of Credit" means the irrevocable letter of credit with a stated initial amount of \$2,500,000 provided by the Bank for the benefit of BFIM.

"Maturity Date" means July 31, 2021, as such date may be extended in accordance with Section 3.

Section 2. **Principal Amount of Note.** The final sentence of the second paragraph of Section 2 of Resolution 2018-4-25(2) is amended and restated in its entirety to provide as follows:

Draws shall be limited to an aggregate principal amount of \$2,500,000 outstanding at any time; provided, the amount available

for advance under the Note will be reduced periodically to the available amount to be drawn on the Letter of Credit.

Section 3. No Other Changes. Except as and to the extent modified by this resolution, Resolution 2018-4-25(2) shall remain in full force and effect.

Section 4. Ratification and Confirmation. 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.

Section 5 Effective Date. This resolution shall be in full force and effect from and after its adoption and approval.

Approved: August 22, 2018

Dr. Minh-Anh Hodge, 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. 2018-8-22 (1) (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 August 22, 2018, 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 August 22, 2018.

HOUSING AUTHORITY OF THE CITY OF
TACOMA

By: _____
Michael Mirra, Executive Director

CERTIFICATE OF MANUAL SIGNATURE

Manual Signature

STATE OF WASHINGTON)
) ss.
COUNTY OF KING)

I, the undersigned affiant, being first duly sworn, on oath depose and say:

My name is: Dr. Minh-Anh Hodge

I have been duly chosen and am qualified and acting as:

Chair, Board of Commissioners

for:

Housing Authority of the City of Tacoma

The signature appearing above is my true manual signature.

This affidavit is made to comply with Chapter 86, Washington Laws of 1969.

Manual Signature

Subscribed and sworn to before me this _____ day of _____, 2018.

Signature of Notary

Legibly Print or Stamp Name of Notary

Notary public in and for the State of Washington,
residing at _____.

My appointment expires: _____

Please sign three times (once in the center of each box) using black ink.

Dr. Minh-Anh Hodge:

Resolution 2



TACOMA HOUSING AUTHORITY

RESOLUTION 2018-08-22 (2)

Date: August 22, 2018
To: THA Board of Commissioners
From: Michael Mirra
Executive Director
Re: Authorize Investment Institutions and Authorized Signers

This resolution would update the institutions Tacoma Housing Authority (THA) conducts financial transactions with, along with the signers.

Background

The annual reorganization, at which a new Board Chair and Vice Chair are elected, necessitates a resolution that authorizes their signatures for the financial institution accounts of the Tacoma Housing Authority.

The resolution replaces Resolution 2017-8-23 (3), which had authorized the prior officers as signers for the bank and investment accounts of the Tacoma Housing Authority and identifies the new ones, as well as the authorized THA staff members.

Recommendation

Approve Resolution 2018-8-22 (2) replacing 2017-8-23 (3) authorizing the signers for the financial institutions.



TACOMA HOUSING AUTHORITY

RESOLUTION 2018-08-22 (2) **(Authorized Signers for Financial Institution Accounts)**

WHEREAS, The Board selects its chair and vice chair at its annual meeting. When these Board officers change, THA needs a resolution changing the authorized signatures for its accounts at its various financial institutions; and

WHEREAS, This resolution does that and replaces Resolution 2017-8-23(3), which had authorized previous offices as signers; and

WHEREAS, The Board of Commissioners needs to formally authorize the financial institutions and the authorized signers on the accounts; now, therefore, be it

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

The funds of THA are hereby authorized by the laws of the State of Washington and the regulations of the Department of Housing and Urban Development to be utilized, held and invested and that said funds may be deposited with any or all of the following institutions:

BANK OF AMERICA
HERITAGE BANK
KEY BANK
J.P. MORGAN CHASE BANK
U.S. BANK
THE BANK OF NEW YORK MELLON TRUST CO.
WASHINGTON STATE INVESTMENT POOL

Or such other institutions as may be found to provide the highest interest rate.

Be it further resolved that any of the below designated individuals are authorized to enter into any and all transactions relating to the above mentioned institutions as they exist now or may be created in the future upon signature of any two (2) of the following designated individuals:

Dr. Minh-Anh Hodge	Chair _____
Derek Young	Vice Chair _____
Michael Mirra	Executive Director _____
Kenneth Shalik	Director of Finance _____
Duane Strom	Comptroller _____

Be it further resolved that this resolution replaces any and all previous resolutions designating authorized financial institutions and signers.

Be it further resolved that the authorized signers acknowledge and accept Heritage Bank's policy of accepting any check with one authorized signature.

Approved: August 22, 2018

Dr. Minh-Anh Hodge, Chair

Resolution 3



TACOMA HOUSING AUTHORITY

RESOLUTION 2018-08-22 (3)

Date: August 22, 2018
To: THA Board of Commissioners
From: Michael Mirra
Executive Director
Re: Disposition Application for 1800 Hillside Terrace

This Resolution will allow for the completion of the Housing and Urban Development (HUD) disposition of the 1800 block of Hillside Terrace.

Background

To develop the vacant lots for the 1800 block of Hillside Terrace, Tacoma Housing Authority (THA) must submit an Inventory Removal Application to the Department of Housing and Urban Development (HUD) Special Application Center (SAC) for disposition approval.

Once approved by HUD, the disposition will allow THA to enter into a long-term lease of land to the "Court F LLLP" for approximately 70 units of affordable rental units. The development will be financed using a combination of Low Income Housing Tax Credits (LIHTC), Housing Trust Fund and other debt.

Upon passage of this resolution, THA is prepared to submit the Inventory Removal Application to the SAC. The SAC is expected to respond with approval in approximately 90 days from presenting the application.

Recommendation

Authorize THA's Executive Director to complete and submit the disposition application for 1800 Hillside Terrace.



TACOMA HOUSING AUTHORITY

RESOLUTION 2018-08-22 (3) (Disposition Application for 1800 Hillside Terrace)

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

WHEREAS, The Housing Authority of the City of Tacoma (the “Authority”) seeks to encourage the provision of affordable rental housing for low-income persons residing within the City of Tacoma, Washington (the “City”); and

WHEREAS, The development of 1800 Hillside Terrace will result in the building of a mixed income community, including new rental units, new infrastructure and new community facilities; and

WHEREAS, Ownership of the land will be converted via a long-term lease from Tacoma Housing Authority to a tax credit ownership entity, Court F LLLP; and

WHEREAS, The development of the 1800 Hillside Terrace and disposition of the land will result in additional affordable rental units and benefit low and very low income residents of Tacoma; and

WHEREAS, There is a continuing need for affordable housing within the City of Tacoma as identified in the City’s consolidated plan; now, therefore, be it

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

THA’s Executive Director is authorized and directed to complete and submit the disposition application for 1800 Hillside Terrace and upon approval by HUD, initiate development activities.

Approved: August 22, 2018

Dr. Minh-Anh Hodge, Chair

Resolution 4



TACOMA HOUSING AUTHORITY

RESOLUTION 2018-08-22 (4)

Date: August 22, 2018
To: THA Board of Commissioners
From: Michael Mirra
Executive Director
Re: Disposition Application for 7 Salishan Lots

This Resolution will allow for the completion of the Housing and Urban Development (HUD) disposition of seven (7) Salishan lots.

Background

To sell the seven (7) lots to TAC Build LLC which the Board approved in May, Tacoma Housing Authority (THA) must submit an Inventory Removal Application to the Department of Housing and Urban Development (HUD) Special Application Center (SAC) for disposition approval.

Once approved by HUD, the disposition will allow THA to close on the sale of lots to TAC Build LLC for the development of eighteen rental units.

Upon passage of this resolution, THA is prepared to submit the Inventory Removal Application to the SAC. The SAC is expected to respond with approval in approximately 65 days from presenting the application.

Recommendation

Authorize THA's Executive Director to complete and submit the disposition application for 4740-4742, 4741-4761 East R, 4808-10 Court Q and 4807-4821 East Q.



TACOMA HOUSING AUTHORITY

RESOLUTION 2018-08-22 (4) (Disposition Application for 7 Salishan Lots)

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

WHEREAS, The Housing Authority of the City of Tacoma owns seven parcels in Salishan that are programmed to be developed into market rate rental housing; and

WHEREAS, The Housing Authority of the City of Tacoma (the “Authority”) has received an offer to purchase the lots for rental development by TAC Build LLC; and

WHEREAS, The development of these seven lots will provide eighteen rental units at the Salishan HOPE VI, mixed income community; and

WHEREAS, Ownership of the land will be conveyed to TAC Build LLC, a local minority-owned development company; and

WHEREAS, The disposition and development of these seven lots will provide more housing choice and rental units benefitting residents of Tacoma; and

WHEREAS, There is a continuing need for affordable housing within the City of Tacoma as identified in the City’s consolidated plan; 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 and directed to complete and submit the disposition application for the seven Salishan lots and upon approval by HUD, sell the lots to TAC Build LLC

Approved: August 22, 2018

Dr. Minh-Anh Hodge, Chair

Resolution 5



TACOMA HOUSING AUTHORITY

RESOLUTION 2018-08-22 (5)

Date: August 22, 2018
To: THA Board of Commissioners
From: Michael Mirra
Executive Director
Re: Ratify the Trades Council Contract

This Resolution would authorize Tacoma Housing Authority's (THA) Executive Director to sign the newly ratified collective bargaining agreement between the Tacoma Housing Authority ("THA") and the Pierce County, Washington Building and Construction Trades Council ("Trades Council").

Background

On August 3, 2018, THA's maintenance staff who constitute the bargaining unit represented by Trades Council voted to ratify the new collective bargaining agreement (CBA) that was negotiated by representatives of Trades Council and THA. This is a 3-year contract that expires on May 31, 2021.

Attached is the new CBA showing deletions from the last contract in ~~black bold~~ and additions from the last contract in **black bold**. The notable items of the new CBA are as follows:

- a. We updated the language in Article 3 and throughout the contract to reflect the recent Supreme Court decision in *Janus v. AFSCME*.
- b. We agreed to add Christmas Eve as an additional paid holiday.
- c. We updated language throughout the contract to comply with Washington's new Paid Sick Leave law.
- d. We negotiated a revision to Article 11.4, Short-Term Employment Program allowing for up to three (3) part-time Groundskeepers each to work up to a maximum of 750 hours each contract year.
- e. Through a Letter of Understanding, both parties agree to explore a trial program that allows On-Call Maintenance staff to use their assigned work vans during call out situations.

- f. We agreed to a 3% equivalent across-the-board increase and a 2% budget for the Variable Pay budget for the years 2018, 2019, and 2020. The agreement contains language that reserves the right to renegotiate the salary increase or Variable Pay fund percentage in upcoming years should THA incur a significant revenue shortfall as a result of state or federal budget reductions.

Recommendation

Approve Resolution 2018-08-22 (5) authorizing THA's Executive Director to sign the new Pierce County, Washington Building & Construction Trades Council-THA collective bargaining agreement.



TACOMA HOUSING AUTHORITY

RESOLUTION 2018-08-22 (5) (Ratify the Trades Council Contract)

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

WHEREAS, The collective bargaining agreement between the Tacoma Housing Authority (THA) and the Pierce County, Washington Building & Construction Trades Council collective bargaining agreement expired on May 31, 2018; and

WHEREAS, THA and the Trades Council reached an agreement on a new collective bargaining agreement; THA staff in the Trades Council bargaining unit voted to ratify the collective bargaining agreement; and

WHEREAS, The Board of Commissioners finds that the collective bargaining agreement is fair and reasonable and that it would serve THA's interests; now, therefore, be it

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

1. THA's Executive Director will sign the ratified THA-Trades Council collective bargaining agreement in the form set forth in the attached draft.
2. This resolution shall be in full force and effect from and after its adoption and approval.

Approved: August 22, 2018

Dr. Minh-Anh Hodge, Chair

AGREEMENT

BETWEEN

HOUSING AUTHORITY OF THE CITY OF TACOMA

AND

PIERCE COUNTY, WASHINGTON BUILDING AND
CONSTRUCTION TRADES COUNCIL

June 1, ~~2014~~2018 – May 31, ~~2017~~2021

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AGREEMENT

THIS AGREEMENT is made and entered into at Tacoma, Washington, this ____ day of _____, **20184**, by and between THE HOUSING AUTHORITY OF THE CITY OF TACOMA, its successors and assigns, hereinafter referred to as the Employer, and the PIERCE COUNTY, WASHINGTON BUILDING AND CONSTRUCTION TRADES COUNCIL, hereinafter referred to as the Union, for the purpose of fixing the wage scale, schedule of hours, and general rules and regulations between the Employer and the Union, and to clearly define mutual obligations between the parties hereto. Therefore, it is mutually agreed as follows:

ARTICLE 1 DEFINITIONS AND CONSTRUCTION

As used in this Agreement:

- 1.1 “Employee” means, except as specifically provided otherwise, any regular, full-time, part-time and probationary employee covered by this agreement, but does not include any temporary employee.
- 1.2 “Regular full-time employee” means any employee who has successfully completed the probationary period in his or her position, who has received a minimum of 2.8 probationary evaluation rating and who is regularly scheduled to work 40 hours per week.
- 1.3 “Regular part-time employee” means any employee who has successfully completed the probationary period in his or her position and who has an established work schedule of less than 40 hours per week.
- 1.4 “Probationary employee” means any employee who has:
 - (a) completed less than 120 calendar days of continuous employment as a new hire; or
 - (b) completed less than 120 calendar days of continuous employment in a new or different position.

The Employer may extend the probationary period in any case by mutual agreement with the Union. The Union shall not unreasonably withhold consent to such extensions.
- 1.5 “Temporary employee” means any employee hired for a limited period of time, not to exceed 120 days, or mutually agreed upon extension.
- 1.6 “Inactive” status means that an employee who has been placed on inactive status because THA has determined that the employee is:
 - (a) unable to perform the essential functions of the job for an indefinite and uncertain period of time and has exhausted all statutory or contractual leave entitlement or;
 - (b) not suitable to perform services for THA for an indefinite and uncertain period of time for reasons such as a pending criminal matter, pending investigation, or a personal situation which the employee has exhausted all statutory or contractual leave entitlements.

Although an inactive employee remains a THA employee and thus retains his/her seniority date should he or she ever resume employment, THA will not hold a position open for an employee on inactive status. An inactive employee does not earn compensation or accrue benefits while on inactive status. Inactive status may not continue longer than six months. If an employee is to be restored to active employment status, the employee will be returned to the first vacant THA position for which the employee is qualified, has applied, and is selected. Inactive status does not confer any entitlement or preference for future employment

- (c) Nothing in this section shall require THA to place any employee on inactive status. Rather, THA shall have the sole discretion to place an employee on inactive status.

- 1.7 “Dependent” when used in connection with THA provided insurance benefits (not including any multi-employer Taft-Hartley Trusts) means (1) the lawful spouse of an employee, (2) any natural or adopted child or stepchild who is primarily dependent on the employee or (3) any minor for whom the employee has legal custody and who is primarily dependent on the employee or (4) a child of the domestic partner that qualifies under the THA Policy HR-20.10: Domestic Partner Benefits. As used in any multi-employer Taft-Hartley Trust, including the Laborers Trust referenced in Section 7.2, “dependent” shall have the same meaning as in the applicable Trust documents.
- 1.8 “Continuous employment” means continuous employment from the most recent date of hire or rehire.
- 1.9 “Anniversary date of service” means the same date each year as the date on which the employee first began work.

Unless a different meaning is clearly required by the subject matter of a particular section, the singular form includes the plural, and the masculine pronoun includes the feminine, and vice versa.

ARTICLE 2

SCOPE OF AGREEMENT

SECTION 2.1 Union Recognition

The Employer recognizes the Union as the exclusive collective bargaining agent for the employees covered by this Agreement.

SECTION 2.2 Coverage

This Agreement applies to the employees holding the job titles set forth in Schedule A to this Agreement. Any positions not covered by Schedule A or any positions which may be established during the life of this Agreement, except those traditionally associated with management and administration, shall be subject to negotiations between the Employer and the Union. In the event the parties are unable to agree on the title and rate of pay for the job in question, the dispute shall be resolved by the arbitration procedure in this Agreement.

SECTION 2.3 Management Rights

Except as expressly restricted or abridged by a specific provision of this Agreement, the Employer shall have and retain all rights to manage and direct the business of the Employer, including but not limited to the right to (i) hire, assign, determine the qualification and competence of, promote, demote, transfer, discipline, suspend, discharge, and lay off employees; (ii) implement and enforce reasonable rules and regulations, and safety, production, and performance standards; (iii) assign and direct employees and the methods, processes, and schedules of doing work; and (iv) subcontract work not covered by this Agreement according to the business needs of the Employer.

The foregoing recitation of specific management rights shall not be deemed to waive, limit or impair any rights of the Employer not so enumerated. The exercise of management rights is the exclusive prerogative of the Employer.

ARTICLE 3 UNION BUSINESS

SECTION 3.1 Union Security and Membership

- a) ~~Union membership. Subject to RCW 41.56.122, all employees who are covered by this agreement shall become members of the Union within 30 days of the date of hire or rehire and maintain membership in good standing during the term of this Agreement. The Employer shall suspend an employee without pay within 3 working days of receipt of notice from the Union of the failure of the employee to maintain union membership in good standing. Continued failure of an employee to maintain union membership in good standing shall be grounds for termination; provided, that the Union shall hold harmless and indemnify the Employer from any liability which the Employer may incur because of the suspension or discharge of an employee pursuant to this section. Nothing in this agreement shall abrogate the right of non-association of an employee based on bona fide religious tenets of a religious body of which said employee is a member~~ Payroll Deductions: The Employer shall honor the terms and conditions of each employee's signed payroll deduction form. The Union shall communicate with the Employer the list of employees for whom monies should be withheld and in what amounts. The employee may revoke the authorization by sending a written notice to the Employer and the Union. Monthly deductions will be promptly transmitted to the Union by check payable to its order.
- b) Orientation Meeting: Within the first seven (7) days of employment, the Employer shall transmit to the Union the newly hired employee's address, work phone number, work email, job title, work shift and job location. The Employer will provide the union an opportunity to meet with newly hired staff at the end of the employee's scheduled on-boarding meeting. If that is not feasible, a separate meeting will be arranged. In either case, the meeting will be on paid time.
- c) Indemnification. The Union shall indemnify, defend and hold the Employer harmless against any and all claims, suits, orders, or judgments that arise out of or by reason of the Employer's compliance with this Section.

SECTION 3.2 Union Representatives and Activity

The Union shall advise the Employer in writing of the names of all Business Representatives, agents, and Union representatives authorized to represent the Union in dealings with the Employer. The Union

shall also provide the Employer with written notice of any change in such Business Representatives, agents and stewards within a reasonable time of a change.

The Business Representative of the Union shall have access to the Employer's premises, at reasonable times and upon reasonable prior notice to the Executive Director or designee to investigate specific employee complaints or grievances relating to this Agreement; except that union business, other than the adjustment of grievances directly between the Executive Director and the Business Representative, shall not involve the Employer's employees during their hours of work, and union meetings shall not be conducted on the Employer's premises unless mutually agreed upon between the Union and the Employer.

A bulletin board shall be made available to the Union for the purpose of posting notices pertaining to union business, provided that such notices shall be submitted to the Human Resource Director of the Authority or designee for approval before being posted, which approval shall not be unreasonably withheld.

ARTICLE 4 WORK SCHEDULE

SECTION 4.1 Workweek - Workday

- (a) The standard workweek of a regular full-time employee shall be forty (40) hours to be scheduled by an appropriate Supervisor or Department Director on five consecutive 8-hour workdays Monday through Saturday. A recurring non-standard workweek, such as a 4 x 10 schedule, may be established for certain jobs or individuals to meet long-term business or personal requirements. Either the Authority or the employee(s) may initiate a request for a non-standard work schedule. Non-standard work schedules must be reviewed and pre-approved in writing ~~using THA Form 25.10(1) Non-Standard Work Schedule Application.~~
- (b) An occasional non-standard workweek may be established for certain jobs or individuals to meet short term business or personal requirements provided that the business needs of THA can be met. Such a non-standard flexible workweek may adjust hours within a given workday or workweek but in no case shall an employee work more than forty (40) hours in a workweek as a result of an occasional non-standard workweek. An occasional non-standard workweek must be mutually agreed upon by THA and the employee.

SECTION 4.2 Lunch and Break Periods

Each 8-hour workday shall include one unpaid lunch period of 30 minutes approximately midway through the workday, and one paid break period of 15 minutes in the morning and one 15 minute paid break in the afternoon. One additional paid break period of 15 minutes may be taken during each three-hour overtime period. The Employer may schedule lunch and break periods to accommodate its business needs. The Employer will provide bargaining unit employees with an additional ½ hour paid lunch (at straight time) on payday.

SECTION 4.3 Overtime

The Employer may require overtime work according to its business needs. Any hours required or pre-authorized by the Employer to be worked by an employee in excess of 40 hours in any workweek shall be compensated at a rate one and one-half times the employee's hourly base rate. Any hours required by the Employer to be worked on a Sunday shall be compensated at a premium rate twice the employee's

hourly base rate. No overtime will be worked unless it has been specifically approved in advance by the employee's supervisor. For the purposes of this section, "hours worked" includes hours worked only.

SECTION 4.4 Call Out Time

When an employee is called out to work other than during normal work hours, a "Call Out Time" minimum of two (2) hours of the applicable rate of pay shall be paid.

SECTION 4.5 Minimum Reporting Pay

An employee, who reports to work during normal working hours, whether or not on overtime status, shall be entitled upon reporting to a minimum of four (4) hours pay, whether or not actually worked.

SECTION 4.6 Inclement Weather

An employee is expected to report to work regardless of weather conditions if the employee can possibly do so. An employee who is unable to get to work or who has approval to leave work early because of weather conditions shall charge the time missed against accrued vacation leave. In the event no vacation leave is accrued, time missed shall be charged to leave without pay. Tardiness due to an employee's inability to report for scheduled work because of severe weather or conditions caused by such weather may be allowed up to one hour at the beginning of the work day, at the sole discretion of the Employer; inclement weather tardiness in excess of that allowed by the Employer shall be charged as provided above.

SECTION 4.7 On-Call

- a. On call duties will be scheduled according to the following procedure:
 - i. On-Call is a responsibility of all maintenance employees, all regular, full-time employees are expected to participate. Employees may apply for reasonable accommodation related to their On-Call responsibilities.
 - ii. Annually all regular, full time employees will choose one week periods to perform On-Call duties. An employee will sign up for on-call status no more than once every three (3) weeks. Without the express written permission of the Portfolio Manager or his/her designee, no employee may be on-call more than one week in each three week period.

The selection of weeks shall be in a "round robin" format. The most senior employee will choose one week, the next senior employee will choose one week and so on until the entire roster of eligible employees have chosen a week. The process will continue for the remaining weeks until eligible employees have an equal number of On-Call weeks.
 - iii. For all one week periods not scheduled by sign-up, the Authority will solicit volunteers to sign-up for the remaining weeks of On-Call duties.
 - iv. For all one week periods not scheduled by volunteer sign-up, the Authority will assign the work by rotating through the roster of employees in reverse seniority.

- b. An employee who is on-call will be given the On-Call phone and must be (1) accessible by telephone; (2) available to return to the worksite within a designated response time; and (3) in a physical condition that allows him/her to perform duty assignments.
- c. If the employee is scheduled for an on-call week but for unforeseen circumstances, will not be able to take the on-call assignment for all or part of that week, the duty may only be traded or reassigned with the prior approval of the Portfolio Manager or his/her designee. If incapacitated or unavailable, it must be noted on the employee's timecard and on-call pay shall be forfeited for that time period.
- d. An employee who is assigned to on-call duty and cannot be reached or does not report within two hours of being contacted may face disciplinary action and shall not receive on-call pay for that day. An employee who has a record of excessive unavailability while on on-call duty may face disciplinary action.
- e. Pay for work performed shall be at the overtime rate of one and one-half (1 1/2) times the straight time hourly rate of pay of the responding employee. In computing time, the nearest one-quarter (1/4) hour shall be used. In accordance with Section 4.5 of the current agreement, a call-out time minimum of two hours of the applicable rate of pay shall be paid.
- f. The On-Call employee may request THA security to the location of the pick-up and drop-off of the maintenance vehicle, provided THA security is on duty. Compensation is paid from the time the individual arrives at their designated vehicle until he or she returns the vehicle to its designated site. On-call time will not be considered "hours worked" for any purpose. The parties agree that the requirements in this policy allow employees to use the on-call time for substantially their own purposes, except when called and receiving pay under this policy.
- g. All work performed on holidays will be paid at the rate of two times the employee's straight time rate of pay plus their regular pay for the holiday.
- h. Employees assigned to on-call duties shall be compensated for (a) up to 30 minutes per day of "work time" that is not "call out" time (e.g. "triage time" talking on the phone with a client or others to resolve the problem) and (b) the inconvenience of being on-call at a rate of \$220.00 per week broken down to the following schedule:
 - i. Monday through Friday \$30.00 per diem
 - ii. Saturday through Sunday \$35.00 per diem

"Time worked" as "triage time" after the 30 minutes will be paid in 15-minute increments at the employee's applicable rate.
- i. The employee will be assigned a Housing Authority vehicle to use during the on-call period, subject to Housing Authority policy.
- j. Nothing in this language shall be interpreted to limit the Authority's rights as set forth in Section 2.3 Management Rights and Section 13.1 Discipline and Discharge of Regular Employees including the right to suspend employees from on-call duty as appropriate disciplinary or corrective action.

SECTION 4.8 Personal Vehicle Use

Employees will not use their personal vehicles as a replacement or substitution for THA vehicles for the daily requirements of their maintenance duties.

SECTION 4.9 Clothing Change

When an employee's clothing becomes soaked by sewage, waste water, water or oil, the employee shall be given the opportunity, on the Employer's time and with prior authorization, to clean up and change clothing. The Employer will provide washing and changing facilities at designated locations. When circumstances require the employee to leave the worksite, he/she shall be compensated for the time required to clean up, not to exceed one (1) hour, at the normal straight time rate.

ARTICLE 5 MAINTENANCE OF BENEFITS AND COLLABORATIVE EFFORTS

All benefits now being extended to the employee shall remain in force and shall not be rescinded during the life of this Agreement provided that any benefit changes to the Laborers Trust will apply to employees covered by the Agreement who are enrolled in that plan. However, the parties agree that if there is any substantial adverse change in the costs of benefits or Employer's financial position, the Employer and Union shall meet to discuss such changes and the appropriate action, if any, to be taken. The employer provides benefits to eligible employees as defined in Appendix A.

ARTICLE 6 COMPENSATION

SECTION 6.1 Base Rates of Pay

Employees shall be paid not less than the minimum for his or her title as set forth in Schedule A.

SECTION 6.2 Pay Periods

Employees shall be paid on a bi-weekly basis (every two weeks).

SECTION 6.3 Temporary

A temporary employee shall be compensated for each hour worked at no less than the minimum starting salary for the position as set forth in Schedule A.

ARTICLE 7 INSURANCE, RETIREMENT AND DEFERRED COMPENSATION

SECTION 7.1 Laborer's Trust Eligibility

The Employer shall contribute the full monthly premium to the Northwest Laborers – Employers Health and Security Trust Fund (the "Laborers Trust") on behalf of each bargaining unit employee who has at least eighty (80) compensated hours in the prior calendar month, provided, however, that no contribution will be due or owing on behalf of (a) any temporary employee on whose behalf fringe benefits are provided as specified in the appropriate local union trust agreement as provided in Section 11.3; (b) any temporary employee who performs less than eighty (80) hours of service for the Employer; and (c) persons performing emergency short-term services under Section 11.4 who the parties agree are not performing bargaining unit work and on that basis are not provided benefits under this section 7.1.

SECTION 7.2 Cost Sharing

THA believes that the agency and all employees share an interest in controlling health care costs. THA believes that such interests are best served if both the agency and employees have a financial stake in the cost of health insurance. ~~Therefore, THA has reduced the wage scale and each employee's wage rate that would otherwise be provided by \$.18/hour to reflect employee sharing in the cost of health insurance for 2014 at 5% of the total premium amount.~~ For each year of this agreement, THA will reduce the applicable percentage wage increase provided in Appendix A for that year in an hourly equivalent amount calculated as follows to share in the premium increase: THA will pay the first five percent (5%) premium increase, THA and the employee will split equally the next 10% premium increase and the employee will be responsible for all amounts over the premium increase. For example, if the premium was \$1,000 and the increase was 10%, the employee would be responsible for an additional \$25 per month (25% of the \$100). That amount would then be converted to an hourly rate ($25 \times 12 / 2080 = \$1.4$) and the wage increase in that year provided in Appendix A would be reduced by that amount. This calculation will be made for each year of this Agreement, based on the date of the premium increase from the Trust.

SECTION 7.3 Retiree Disclaimer

The Employer does not agree to provide, and shall not be required to provide, any health and welfare benefit for any retiree of the Employer.

SECTION 7.4 "Special Flat Rate" Agreement

The parties intend that Sections 7.1 through 7.3 of this Agreement to be the "Special Flat Rate" Agreement with the Laborers Trust Fund. The parties agree that the Employer is contributing to the Laborers Trust fund on a flat rate basis as an "Individual Employer" and is not contributing on an "Active Hour Bank" basis.

SECTION 7.5 Trust Agreement

The parties acknowledge that the plan established by the Northwest Laborers-Employers Health and Security Trust is controlled and administered by a joint Board of Trustees. The Employer agrees to be bound by the Trust Agreement for the Northwest Laborers-Employers Health and Security Trust Fund, as may be amended from time to time, which is incorporated herein by reference.

SECTION 7.6 Dental Insurance

Subject to cost sharing as provided in Section 7.2, the Employer shall provide a dental plan as part of the Northwest Laborers-Employers Health and Security Trust Fund for all eligible employees and dependents.

SECTION 7.7 Retirement and Pension Program

The retirement benefits under the State Employees Retirement System shall be provided for each eligible employee under the rules of the State Employees Retirement Board.

SECTION 7.8 Deferred Compensation Program

All employees shall be eligible to participate in any deferred compensation program implemented by the Employer.

SECTION 7.9 Health Care and Dependent Care Flexible Spending Accounts

The Employer will offer Health Care and Dependent Care Flexible Spending Accounts for employees who choose to participate, as permitted by applicable insurance contracts and/or Trust documents.

SECTION 7.10 Disability Insurance

The Employer shall provide and pay for long term disability insurance policy for all eligible employees. The amount of long-term coverage shall be up to two-thirds of monthly compensation not to exceed a monthly benefit of \$ 5,000.

SECTION 7.11 Employee Assistance Program

The Employer shall provide and pay for an Employee Assistance Program for all eligible employees and families during the term of this Agreement.

ARTICLE 8 HOLIDAYS, VACATION AND LEAVE

SECTION 8.1 Holidays

- (a) Employer observed Holidays. The Employer shall observe the following holidays:

HOLIDAY OBSERVED

New Year's Day
Martin Luther King Day
Presidents' Day
Memorial Day
Independence Day
Labor Day
Veterans Day
Thanksgiving Day
Day after Thanksgiving
Christmas Eve
Christmas Day

Two (2) Floating Holidays. Only employees who have successfully passed probation may take floating holidays. Floating holidays shall be used in eight (8) hour increments only and with prior arrangement and approval of the Employer. Floating holidays do not carry over from one calendar year to the next. **An employee hired on or after August 1st of a given year does not earn any floating holidays for the year of hire.**

And all other Holidays observed by the Employer.

- (b) Holiday Pay. An eligible full-time employee shall be compensated for each Employer holiday which occurs while the employee is on the payroll, whether or not worked by the employee, at the employee's base rate for eight hours. An eligible part-time employee shall be compensated

for each such Employer holiday at the proportion of hours normally worked versus full-time hours. Any hours required by the Employer to be worked on an Employer holiday (except for employee's individually scheduled floating holiday) shall be compensated at the rate of twice the employee's hourly base rate, in addition to holiday pay.

- (c) No Charge against Vacation Credit. A holiday occurring during an employee's scheduled vacation shall not be charged against accrued vacation credits.
- (d) Holidays falling on Saturday shall be observed the proceeding Friday unless otherwise designated. Holidays falling on Sunday shall be observed the following Monday unless otherwise designated.
- ~~(e) If the employee calls in sick the day before or the day after a holiday, the employee will not be paid for the holiday unless the employee's absence[s] are due to a bona fide medical condition supported by written medical verification presented upon return to work.~~

SECTION 8.2 Vacations

- (a) All eligible employees will accrue vacation under the following schedule, ~~provided that any employee with a 2008 vacation accrual rate that is higher than the schedule below will be grandfathered at the 2008 vacation rate:~~

	Length of Service	Total Annual Vacation Days
1)	Employees with 0 to 5 years' service	14 days
2)	Employees with over 5 to 9 years' service	16 days
3)	Employees with over 9 to 14 years' service	18 days
4)	Employees with over 14 to 20 years' service	22 days
5)	Employees with over 20 years' service	24 days

- (b) Paid vacation days shall not accrue during a leave of absence without pay or suspension. Where an employee is on disability leave and is using paid sick time he/she will continue to accrue leave only if it is THA paid leave. Where the employee has exhausted all sick time and other paid leave and is on an unpaid leave of absence, regardless of whether workers compensation or disability insurance may be paying benefits to the employee, he/she would not continue to accrue leave.
- (c) All vacation time must be earned/accrued. Employees in each department may make initial vacation selections by January 31 for that calendar year. The Employer will respond to such vacation requests by February 15 of that year. Employees are encouraged to take vacation a week at a time. In cases of scheduling conflicts, vacation time will be approved based on bargaining unit seniority. Employees are encouraged to take vacations to the amount of earned annual vacation. Employees may not carry over more than forty (40) days of vacation time.

An Employee with 200 or more accrued vacation hours may cash out up to a maximum of forty (40) hours of accrued vacation once during each calendar year of the term of this Agreement. Cash-out requests must be submitted to the Human Resources department to be

paid out the following full pay period after submission and processing is complete. Employees may only cash out once per calendar year. Employees must have the minimum of 200 accrued vacation hours on the date of the submission and have a minimum of 160 accrued vacation hours on the date the cash-out is paid. Upon retirement or departure, the Employer shall pay no more than 40 days of accumulated vacation time.

- (d) Vacation time shall not be taken in units of less than one-half hour.
- (e) Subject to Section 8.2 (c), an employee who is separated from employment with the Employer shall be paid his/her accumulated vacation time at his/her current rate of pay in a lump sum at the time of separation, except for instances when the employee is separated for cause, in which event the employee shall not be reimbursed for accumulated unused vacation time. An employee may not elect to take unpaid time off of work when leave time of any type is available to him/her.
- (f) New employees will accrue vacation days during their probationary period but will not be entitled to use vacation leave until after the successful completion of the probationary period. If the new employee does not successfully complete probation and is terminated, he or she is not entitled to a cash-out of any vacation leave.
- (g) All vacations and leave must be approved in advance by the employee's supervisor, in writing or by comparable electronic means (e.g. email, text, ADP).
- (h) Employees shall make their requests for vacation use in advance with proper notice to their supervisor. Proper notice will constitute at least one day notice for each day requested, except in the case of a catastrophic event.

SECTION 8.3 Sick Leave

- (a) Employees shall accrue sick leave at the rate of one day per month or 12 days per year. All sick time must be accrued prior to taking it. In the event that any employee is sick and has no approved sick time, vacation time shall be charged. In the event that the employee has no sick or vacation time accrued, the employee shall not be paid for time missed. An employee may not elect to take unpaid time off of work when any leave time of any type is available to the employee.
- (b) Sick leave shall not be taken in increments of less than one-half hour.
- (c) Paid sick days shall not accrue during a leave of absence without pay or suspension. Where an employee is on a disability leave and is in a paid leave status, he/she will continue to accrue sick leave. Where the employee is in an unpaid leave status, for whatever reason, including during an occupational injury leave or disability insurance leave, the employee will not continue to accrue sick leave.
- (d) An employee who is unable to report to work as scheduled because of illness, injury, accident or due to state or federal family and medical leave reasons shall notify the employee's immediate supervisor or designee prior to the start of their workday. The Employer may require a physician statement or other proof of the medical necessity for any absence for which sick leave has been used **if the absence continues for more than three consecutive work days.**

- (e) Employees may use sick leave for reasons of illness, injury, accident, medical or dental appointments or in accordance with State, Local or Federal ~~Family Leave Acts~~ law up to a maximum of the employee's standard work shift.
- (f) The State and Federal Family Leave Acts are part of the Employer's sick leave policy and shall apply to employees covered under this Agreement.
- (g) An employee who is separated from employment due to retirement for disability or length of service, or death shall be compensated to the extent of 50% of his/her accrued sick leave, up to a maximum accumulation of 960 hours (480 hours paid). An employee who is separated from employment for reasons other than retirement or death, shall be compensated to the extent of 25% of his/her sick leave accrued up to a maximum accumulation of 960 hours (240 hours paid). In the event that separation results from the employee's death, the Employer shall pay this same compensation to the employee's estate or successor, as provided by law.

SECTION 8.4 Death in Employee's Family

Employees shall be granted four days' ~~Administrative~~Bereavement Leave with Pay upon the death of an immediate family member.

Immediate Family Member: Spouse, registered domestic partner, father, mother, stepparent, mother-in-law, father-in-law, foster parent, brother, sister, stepchild, child, foster child, adopted child, child for whom the employee has parenting responsibility, grandparents, or grandchild of employee.

For the purpose of attending the funeral a maximum of one days' ~~Administrative~~Bereavement Leave with pay may be granted for the death of son-in-law or daughter-in-law of the employee or the death of the employee's-spouse's or employee's registered domestic partner's foster parent, brother, brother-in-law, sister, sister-in-law, stepchild, child, foster child, grandparents or grandchildren.

SECTION 8.5 Jury and Witness Duty

An employee who is subpoenaed for jury duty or as a witness shall be granted a leave of absence. Immediately upon receipt of a subpoena, and prior to the leave of absence, the employee shall provide a copy of the subpoena to the immediate supervisor. An employee who is granted leave for jury duty shall be compensated at the regular rate for each hour absent from work for such duty, not to exceed eight hours per day, less all compensation other than reimbursement for travel expenses received for jury duty. The status of a probationary employee shall be extended an hour for each hour absent due to jury and witness duty. The Employer may require written documentation of the dates of duty and the compensation received.

SECTION 8.6 Military Duty

State and Federal law will apply to define benefits to employees fulfilling military duty to the government.

SECTION 8.7 Leave of Absence Without Pay

The Employer may grant leaves of absence without pay for purposes other than medical leave for a period not to exceed four (4) months. However, the terms of such leaves of absence, including a specific return date, must be in writing.

An employee on an approved leave of absence without pay shall retain all seniority rights and shall be entitled to the same or a comparable position upon returning to employment. An employee on leave of absence without pay shall not be entitled to or accrue any of the benefits of this Agreement; provided, however, that employees on leave of absence without pay may self-pay insurance premiums if permitted by the policies of the provider and in accordance with then current law.

ARTICLE 9 EDUCATION/TRAINING

SECTION 9.1 Education and Training Programs

Each regular employee who is in a pay status is encouraged to participate in educational programs which will mutually benefit the Employer and employee. Management reserves the right to identify an appropriate training schedule/program for all newly hired employees.

SECTION 9.2 Orientation Sessions

The Employer shall provide a new employee orientation session. It will include introduction to shop stewards, if such a position is established per Section 3.2 Union Representatives and Activity.

ARTICLE 10 DEFINITION OF SENIORITY

SECTION 10.1 Definition of Seniority

Seniority shall be defined as an employee's length of continuous full time employment with the Employer in a bargaining unit position.

SECTION 10.2 Accrual of Seniority

For the purpose of continuous employment, the original date of hire shall be observed, unless broken as referred to in Section 10.3 Loss of Seniority, but seniority shall not accrue during either (a) time of separation of one year or less due to layoff (See Section 14.2 Recall) or (b) time of temporary transfer or promotion to non-bargaining unit positions (See Section 10.3 Loss of Seniority). Seniority accrual will resume when the employee resumes the bargaining unit position.

SECTION 10.3 Loss of Seniority

Seniority shall be lost upon resignation, retirement, discharge, layoff (after one year in case of layoff only), failure to report to work within five working days after notice by registered mail of recall from layoff, or a temporary transfer or promotion to a non-bargaining unit position for a period that exceeds 120 days, provided that Employer and Union may extend this 120-day period for a particular employee by written agreement.

SECTION 10.4 Seniority for Vacation and Overtime

- a. Seniority will be observed in prioritizing vacation requests submitted at the same time for the same vacation period.

- b. Overtime shall be assigned to the employee currently assigned to the impacted worksite ~~and then AMP~~ or where two or more employees have substantially the same abilities and qualifications for needed overtime hours, needed overtime hours will be offered first to the more senior employee at that work site ~~and then AMP~~. When employees are unable to work overtime ~~at their assigned AMP~~, overtime hours will be offered to the most senior maintenance employee available to perform the work.

ARTICLE 11 JOB VACANCIES

SECTION 11.1 Vacancy Posting

- (a) The Executive Director has the primary authority for the recruitment and screening of applicants for vacant bargaining unit positions. The Executive Director, or designee, shall decide the relative qualifications, skills, abilities, attendance record, and discipline record of an applicant for a position. First consideration for vacant bargaining unit positions shall be given to bargaining unit employees provided that such employees have the qualifications, skills, abilities, attendance record, and discipline record for the position in question. When these factors for two or more applicants for a given position are substantially equal, as determined by the Employer, seniority shall be the determining factor.
- (b) For all regular positions not filled by an existing union employee pursuant to subparagraph (a), the Employer agrees to notify the Union of such an opening and the skills or qualifications needed for the position. The Employer agrees to consider candidates referred by the Union. The Employer may request by name, qualified individuals to fill open positions, regardless of that individual's position on a Union hall hiring list. The union will be given up to three days to refer candidates. THA is not required to hire from the Union list.
- (c) Employees who wish to apply for posted positions must apply online through the THA website at www.tacomahousing.org.
- (d) In the event that an employee applies for a position that results in upward mobility and his/her performance is unsatisfactory and he/she is unable to meet the essential tasks of the position, the employee has no bump back to his/her old position.
- (e) New hires and personnel in new positions may not apply for promotions, transfers, etc. for six months; unusual circumstances may be open for discussion.

SECTION 11.2 Notification of Union

The Employer has the final choice as to whom it hires ~~and it shall notify the Union within 72 hours of a hire of a newly hired employee.~~ Notice of new hires will be provided as set forth in Article 3.1(b).

SECTION 11.3 Temporary Employment

The Employer may hire temporary employees for peak workloads, or replacement of employees on leave. The Union will attempt to meet the temporary employment needs of the Employer. If the Union is unable to meet these needs, the Employer may hire from outside sources.

All temporary employees performing bargaining unit work shall not be paid less than the minimum hourly wage as set in Schedule A and if the temporary employee is a member of a Pierce County Building Trades member union and if the temporary employee is a participant in one or more multi-employer employee benefit trust plans as a result of employment through such union membership, then THA will pay on the temporary employee's behalf, the then applicable fringe benefit contribution amounts as specified in the appropriate local union trust agreements. No other benefits or compensation shall apply for temporary employees, except when required by law or that when a temporary employee is hired as a regular employee with no break in service, the vacation, sick leave and seniority for the employee shall be calculated using the date of hire as a temporary employee. As used in this Section, "break in service" means an absence from employment with the Employer of 30 calendar days or more.

The Tacoma Housing Authority will sign an appropriate compliance agreement with the Union[s] furnishing temporary employees to the Housing Authority to effectuate the provisions of this Section 11.3. If the employer, after consultation with the union, determines that it needs a temporary employee from a local union affiliated with the PCBCTC to work at a skill level greater than the top skill level of the Maintenance Specialist classification, then the parties will adopt an appropriate compliance agreement with the affiliated union that will, among other terms, specify the rate of pay and benefit contribution amount for that position.

SECTION 11.4 Emergency Short-Term Employment Program

~~Each calendar year, the Employer shall have the opportunity to utilize up to five hundred (500) hours of emergency short term employment to accomplish sudden, unplanned and necessary tasks. All emergency short term employees shall not be paid less than the minimum hourly wage as set in Schedule A. No other benefits or compensation shall apply for emergency short term employees. Emergency short term employees will not be required to join the union. The parties agree that temporary short term employees are excluded from the bargaining unit covered by this Agreement.~~

Emergency short term employment program hours will not accrue from one calendar year to the next. THA may employ up to three (3) part-time seasonal Grounds Keepers which will be exempted from this agreement. Part-time seasonal workers shall not be allowed to work more than 750 hours each in a contract year. Any part-time seasonal worker who works 751 hours or more in a contract year will be included in the bargaining unit with all of the provisions and protections afforded by the agreement.

The short-term employment program will not accrue from on contract year to the next.

ARTICLE 12 PERFORMANCE EVALUATIONS

SECTION 12.1 When Performed

To ensure the success and growth of our employees and our agency, performance evaluations are conducted with each employee at the end of the 120-day probationary period following the employee's date of hire or rehire and then annually based on the employee's anniversary date. In devising or modifying this system, the Employer shall consult with the Union pursuant to Article 18.

The Employer may periodically conduct additional performance evaluations as it sees fit.

SECTION 12.2 Procedure

Performance evaluations shall be conducted by the employee's immediate supervisor or other manager as the Executive Director directs. A copy of the written evaluation form shall be reviewed with and given to the employee, who shall acknowledge receipt in writing, and who may comment in writing on the evaluation. The employee may discuss the evaluation with the Department Director, and shall have the right to have a Union representative present during any such discussion.

ARTICLE 13 DISCIPLINE AND TERMINATION OF EMPLOYMENT

SECTION 13.1 Discipline and Discharge of Regular Employees

- (a) All disciplinary actions against regular employees shall be conducted in a fair manner, and shall be consistent with the infractions for which disciplinary action is being taken. All suspensions and discharges shall be stated in writing and the reason stated, and a copy given to the employee within five (5) working days of the date of said suspension. Appropriate due process shall apply.
- (b) Disciplinary actions will normally be taken in the following order:
 - 1) Oral warning, with written documentation
 - 2) Written reprimand
 - 3) Probation or suspension without pay
 - 4) Discharge
- (c) The above sequence need not be followed if an infraction is sufficiently severe to merit immediate written reprimand, probation, suspension or discharge. No regular employee shall be penalized, discharged, or suspended without just cause.
- (d) A regular employee or Union representative shall be informed as to the cause of any disciplinary meeting. The employee shall also have the right to have a shop steward or Union representative, if one is reasonably available, at all disciplinary meetings and shall be so informed when summoned to such meetings.
- (e) The Employer shall not pay any compensation other than salary for hours actually worked to any employee discharged for just cause.

SECTION 13.2 Discipline and Discharge of Other Employees

The provisions of Section 13.1, Discipline and Discharge of Regular Employees, do not govern the Employer's discipline or discharge of probationary or temporary employees or other employees.

SECTION 13.3 Resignation

An employee may resign, including for retirement or medical disability, upon advance written notice of not less than two calendar weeks to his immediate supervisor. The Employer shall not pay any compensation other than salary for hours actually worked to any employee who resigns without giving such notice. No employee will be discharged without two (2) weeks' notice or two (2) week's pay

(including holiday pay when applicable) in lieu of the two (2) weeks' notice unless such discharge is for just cause.

ARTICLE 14 LAYOFFS

SECTION 14.1 Reduction in Force

The Employer has the primary authority for the selection of positions or personnel to be separated due to a reduction in force. In the event of a reduction in force, the Employer shall first determine how many positions of each job title(s) to eliminate. The Employer shall attempt to accomplish the lay-off by volunteers within the job title. If there are no or insufficient volunteers, the Employer will assess the then current relative existing qualifications, skills, abilities, attendance record, and discipline record. If the Employer determines that these factors are substantially equal, the selection for lay-off shall be made in reverse seniority. If the Employer determines that these factors are not substantially equal, then it may make the selection for lay-off without regard to seniority.

An employee shall be given two weeks' notice of layoff or two weeks' pay in lieu thereof.

SECTION 14.2 Recall

Any regular employee laid off shall be placed on a recall list for a period of one year. A regular employee recalled and reinstated within that time to the employee's former or comparable position shall receive the former rate of pay as adjusted by wage increases applicable to the job title during the period the employee was on the recall list. Recall shall occur by job title according to the same factors set forth in Section 14.1 Reduction in Force.

Any notice of re-employment to a laid-off employee shall be by certified mail, return receipt requested, to the last known address of such laid-off employee. It is the responsibility of each employee to keep the Employer advised of any changes in telephone number or address.

On rehire of a laid-off employee, he or she shall be granted the option of paying back vacation leave at time of reinstatement.

ARTICLE 15 SERVICE FILES

- (a) The Employer maintains personnel files for all of its employees. Upon written request to the Employer, an employee will be provided with reasonable opportunity to review or copy his/her personnel file during normal business hours.
- (b) A service record shall be maintained for every employee and shall contain all information pertinent to his/her employment.
- (c) It is the employee's responsibility to report promptly all changes regarding name, address, telephone number, marital status, number of dependents, or other pertinent information to the Employer.
- (d) An employee shall have an opportunity to submit written comments on material placed in his/her file by the Employer. This shall be done by sending such comment to the Employer with a copy to the employee's supervisor.

ARTICLE 16

AFFIRMATIVE ACTION AND DISCRIMINATION

The employer will not discriminate against an employee for union activity.

It is agreed and recognized by the Tacoma Housing Authority and the Pierce County Washington Building and Construction Trades Council that the Tacoma Housing Authority is an equal opportunity employer, and that the Tacoma Housing Authority and said Union will not discriminate against any employee or job applicant because of race, creed, color, national origin, sex, age, marital status, familial status, disability, ancestry, sexual orientation, gender identity or any other status protected by applicable law. To the extent permitted by law, the Employer and the Union will take affirmative action to ensure that applicants are employed and employees are treated during their employment without regard to race, creed, color, national origin, sex, age, marital status, familial status, disability, ancestry, sexual orientation, gender identity or other protected characteristic.

In accordance with 24 CFR Part 135, Section 7 and any other applicable law or regulation, the Employer will, to the greatest extent feasible and consistent with this Agreement, give opportunity for training and employment to lower income residents of THA programs.

ARTICLE 17

DISPUTE RESOLUTION

Employees are encouraged to meet with their immediate supervisor to solve any questions, misunderstandings or complaints, which may arise from time to time. Any dispute between an employee and the Employer concerning the interpretation and applications of this Agreement shall be resolved as follows:

SECTION 17.1 Informal Settlement of Complaints

An employee shall discuss any complaint with such employee's immediate supervisor, if applicable, as soon as possible after the occurrence, or circumstances giving rise to the complaint. Any settlement, withdrawal or disposition of the complaint at this informal settlement stage shall not be a binding precedent in the settlement of similar complaints or grievances. The employee's immediate supervisor, if applicable, shall respond to such complaints within five (5) working days. An employee shall have the right to Union representation upon request.

SECTION 17.2 Grievance Defined

"Grievance" as used for the purposes of this Article is limited to matters that involve an allegation by a bargaining unit member that the Employer has violated a specific provision of this Agreement which has not otherwise been excluded from the grievance procedure.

SECTION 17.3 Steps

Step 1: A grievance shall be reduced to writing and presented by the shop steward or the union, to the Employer's Human Resource Office, within fifteen (15) working days from the date of the occurrence of the events or actions giving rise to the grievance.

Grievances not so referred shall no longer be considered in dispute. The written grievance shall include:

1. The name and position of the employee by or on whose behalf the grievance is brought

2. The date of the circumstances giving rise to such grievance and the date of the employee's first knowledge thereof, if later
3. A summary of the actions precipitating the grievance in enough detail to clearly define employee's position
4. The specific provision or provisions of this contract alleged to control the proper resolution of this grievance
5. The remedy or relief sought by the employee
6. The signature of the person submitting the grievance on behalf of the employee and such person's name and position if other than the aggrieved employee

Thereafter, the department head, HR representative, Shop Steward, Business Representative, and/or employee will attempt to settle the grievance by communicating within fifteen (15) working days of the delivery of the written grievance to the Employer's Human Resource Office (the Step 1 meeting). The HR department shall respond in writing within 15 (fifteen) working days of the Step 1 meeting. If the grievance is not resolved at Step 1, the grievance may proceed to Step 2.

Step 2: Grievances not settled at Step 1 shall be submitted by the shop steward or Union representative and/or employee to the Human Resource Director, or designee, within ten (10) working days from the date the HR department has provided the Step 1 response. Grievances not so referred shall no longer be considered in dispute. The HR Director, or designee, shall immediately investigate the grievance and shall respond in writing within ten (10) working days.

Step 3: If the grievance is not resolved pursuant to Step 2, the Business Representative, shop steward, Union representative and/or employee and the Executive Director, or designee, shall meet within ten (10) working days from the date of the HR Director's, written Step 2 response. Grievances not so referred shall no longer be considered in dispute. The Executive Director shall respond in writing within twenty (20) working days. If the grievance is not resolved at this Step, the grievance may be submitted to binding arbitration.

The above time frames can be modified by mutual agreement of the Union and the Employer.

Employees shall have the right to present grievances individually or as a group through their designated representatives. In so doing, employees shall be assured of freedom from restraint and interference.

SECTION 17.4 Binding Arbitration

Any grievance not settled, withdrawn or otherwise resolved by the grievance settlement procedure may be submitted to arbitration. A demand for arbitration shall be served in writing within 60 calendar days of the occurrence or circumstances giving rise to the grievance, signed by both the affected employee(s) and the Business Representative.

The parties may select the arbitrator by agreement. If they are unable to do so within ten (10) working days after submission of the demand for arbitration, the parties shall jointly request the Public Employment Relations Commission (PERC) or the Federal Mediation and Conciliation Service (FMCS) to submit a panel of seven persons from which the parties shall select an arbitrator by the process of elimination, each party, in turn, striking a name from the panel until one remains. The right to strike the first name from the panel shall be determined by lot. The parties shall request the agency to appoint as

the arbitrator the person whose name remains. The parties shall share equally the arbitrator's fee. All other costs, including legal fees, shall be borne by the party incurring them.

SECTION 17.5 Arbitrator Authority

The arbitrator's decision shall be based solely on the evidence submitted at the hearing. The arbitrator shall have authority only to interpret the applicable provisions of this Agreement and to order an appropriate remedy, which does not conflict with its terms. The arbitrator shall not have authority to award a remedy for a grievance if the procedures outlined in this Article have not been followed, or to award a remedy which is punitive in nature or which affects any employees other than those submitting the grievance.

SECTION 17.6 Untimely Action

Failure to file a grievance, process the grievance as set forth in this section, or demand arbitration within the time limits prescribed by this Article shall constitute a waiver of the grievance and the right to arbitration.

SECTION 17.7 Grievance Termination

A grievance may be terminated at any time upon receipt of a signed statement from the employee or duly authorized Union representative stating the matter is no longer at issue.

ARTICLE 18 UNION-MANAGEMENT COMMITTEE

SECTION 18.1 Purpose

A union-management committee is established. The committee will consist of two Employer representatives and two Union representatives, or otherwise as mutually agreed upon. One of the Union representatives shall be from the Pierce County, Washington Building & Construction Trades Council.

SECTION 18.2 Meetings

The committee shall convene upon the request of either party.

Prior to the meeting, subject matters may be submitted by either party. A written agenda will be prepared. The agenda may be supplemented by agreement of both parties.

SECTION 18.3 Scope

The committee may discuss the following topics:

1. Administration of the contract,
2. problems which may affect bargaining unit members,
3. dissemination of items of a general interest to all parties,
4. training needs and policies of the employer,

5. planned reductions in force (RIF),
6. performance evaluation system design,
7. other items as mutually agreed upon.

The committee shall have no power to bind either party. It is intended for informal discussion.

The committee is not intended to prevent the parties' practice of informal discussion.

ARTICLE 19 STRIKES, WORK STOPPAGES AND LOCKOUTS

During the term of this Agreement, there shall be no lockouts, and the Union and its members shall not cause, sanction, condone or take part in any strike; except that it is not a violation of this Agreement for an employee to refuse to pass a bona fide picket line established by any union.

ARTICLE 20 SAFETY

All employees shall be provided safe, sanitary and healthful working conditions and are expected to follow all THA safety procedures. THA agrees to provide reasonable training in safety procedures and to make available to bargaining unit employees THA's written safety policies.

ARTICLE 21 EFFECTS OF OTHER LAWS

If any part or provision of this Agreement is determined by a court or other tribunal acting within its jurisdiction to be invalid or unenforceable, the remainder of the Agreement shall remain in effect. The Employer shall have the right to modify any term or condition of employment in order to comply with an order of such court or tribunal or to conform to any other applicable legal requirement, and such modification shall not be deemed a breach of this Agreement.

ARTICLE 22 CONTRACT TERM AND TERMINATION

This Agreement shall become effective June 1, ~~2014~~2018 and shall remain in effect until May 31, ~~2017~~2021.

Signed this _____ day of _____, ~~2014~~2018

FOR THE EMPLOYER:

HOUSING AUTHORITY OF THE CITY OF
TACOMA

FOR THE UNION:

PIERCE COUNTY, WASHINGTON
BUILDING & CONSTRUCTION TRADES
COUNCIL

Michael Mirra
Executive Director

Mark P. Martinez
Executive Secretary

**SCHEDULE A
MAINTENANCE SPECIALIST WAGE SCALE**

Job Title	July 1, 20142018 Hourly Salary Range			July 1, 20152019 Hourly Salary Ranges			July 1, 20162020 Hourly Salary Ranges	
	LOW	HIGH		LOW	HIGH		LOW	HIGH
Maintenance Specialist	\$15.00	\$24.00		\$15.50	\$24.00		\$15.50	\$26.00
	\$16.50	\$28.00		\$17.00	\$28.50		\$17.50	\$29.50

July 7, 2014	July 1, 2015	July 1, 2016
3% increase	2.5% increase	2% increase

~~Each employee on the payroll as of July 7, 2014 will as of the first payroll period in July 2014 have his/her wage rate increased by \$.95 (ninety-five cents) to reflect the inclusion of the \$1.13 wage supplement into the regular wage rate and the reduction of \$.18 (eighteen cents) as provided in Section 7.2. The 2014 salary increase will be applied to the resulting wage rate.~~

New employees will be hired and placed within the range based on their previous experience and training as assessed and determined by the Employer.

1. 2014 Salary Increase

~~In the first full pay period in July of 2014, current bargaining unit employees will be eligible for a wage increase based on the following factors:~~

- ~~a. All regular employees not covered by (b) or (c) will receive a 3% pay increase.~~
- ~~b. An employee, who was hired three months prior to the month the pay increases are effective in 2014, will receive a general wage increase of 1.5%.~~
- ~~c. Employees hired on or after the month the pay increases are effective in 2014 will not be eligible for a salary increase in 2014.~~

2. Jan 1, 2015 One Year Performance Based Pay Pool

~~In addition to the above salary increase, Employer will create a target twelve (12) month Performance Based Pay Pool. Bargaining unit employees who are employed in a regular classification at the time of any distribution will be eligible for performance based pay beginning January 1, 2015. Employer reserves the right to distribute this pool in the forms determined by the new Performance Based Pay Plan that will be designed in partnership with Trades Council.~~

~~Pre-established business and operational factors will determine the size of the pool, up to a maximum of 1% of Maintenance payroll. Employer reserves the right to decrease the size of this target pool should Employer incur a significant revenue shortfall as a result of state~~

~~or federal budget reductions or based on the percentage of established business and operational factors met.~~

3. 2015 Wage Increase

~~Employer reserves the right to decrease the percentage of the 2015 wage increase should Employer incur a significant revenue shortfall as a result of state or federal budget reductions. Should Employer deem, in its sole discretion that a shortfall has occurred and upon 30 days prior written notice, Employer may reopen this Agreement effective May, 2015 for the purpose of negotiating a salary adjustment for July, 2015. Unless such a reopener is exercised,—~~

~~In the first full pay period in July 2015, current bargaining unit employees will be eligible for a wage increase based on the following factors:~~

- ~~a. All regular employees not covered by (b) or (c) will receive a 2.5% pay increase.~~
- ~~b. An employee, who was hired between April 1, 2015 and June 30, 2015, will receive a general wage increase of 1.25%.~~
- ~~c. Employees hired on or after July 1, 2015 will not be eligible for a salary increase in 2015.~~

4. ~~January 2016 One-Year Performance Based Pay Pool~~

~~In addition to the above salary increase, Employer will create a target twelve (12) month Performance Based Pay Pool. All Bargaining unit employees who are employed in a regular classification at the time of any distribution will be eligible for performance based pay beginning January 1, 2016. Employer reserves the right to distribute this pool in the forms determined by the new Performance Based Pay Plan that will be designed in partnership with Trades Council.~~

~~Pre-established business and operational factors will determine the size of the pool, up to a maximum of 1.5% of Maintenance payroll. Employer reserves the right to decrease the size of this target pool should Employer incur a significant revenue shortfall as a result of state or federal budget reductions or based on the percentage of established business and operational factors met.~~

5. 2016 Wage Increase

~~Employer reserves the right to decrease the percentage of the 2016 wage increase should Employer incur a significant revenue shortfall as a result of state or federal budget reductions. Should Employer deem, in its sole discretion that a shortfall has occurred and upon 30 days prior written notice, Employer may reopen this Agreement effective May, 2016 for the purpose of negotiating a salary adjustment for July, 2016. Unless such a reopener is exercised,—~~

~~In the first full pay period in July 2016, current bargaining unit employees will be eligible for a wage increase based on the following factors:~~

- ~~a. All regular employees not covered by (b) or (c) will receive a 2% pay increase.~~
- ~~b. An employee, who was hired between April 1, 2016 and June 30, 2016, will receive a general wage increase of 1%.~~
- ~~c. Employees hired on or after July 1, 2016 will not be eligible for a salary increase in 2016.~~

6. ~~January 2017 Six-Month Performance Based Pay Pool~~

~~In addition to the above salary increase, Employer will create a target twelve (6) month Performance Based Pay Pool. All Bargaining unit employees who are employed in a regular classification at the time of any distribution will be eligible for performance based pay beginning January 1, 2017. Employer reserves the right to distribute this pool in the forms determined by the new Performance Based Pay Plan that will be designed in partnership with Trades Council.~~

~~Pre-established business and operational factors will determine the size of the pool, up to a maximum of 2% of Maintenance payroll. Employer reserves the right to decrease the size of this target pool should Employer incur a significant revenue shortfall as a result of state or federal budget reductions or based on the percentage of established business and operational factors met.~~

2. 2018 Salary Increase

Effective on the first pay date in August (August 3, 2018), current bargaining unit employees will be eligible for a wage increase based on the following factors:

- d. All regular employees not covered by (b) or (c) will receive a pay increase of \$1394/per year.
- e. An employee, who was hired between April 1, 2018 and June 30, 2018, will receive a general wage increase equal to half the amount in (a).
- f. Employees hired on or after July 1, 2018 will not be eligible for a salary increase in 2018.

4. January 2018 One-Year Performance Based Pay Pool

In addition to the above salary increase, bargaining unit employees who are employed in a regular classification at the time of any distribution will be eligible for performance based pay.

Pre-established business and operational factors will determine the size of the pool, up to a maximum of 2% of Maintenance payroll. Employer reserves the right to decrease the size of this target pool should Employer incur a significant revenue shortfall as a result of state or federal budget reductions or based on the percentage of established business and operational factors met.

5. 2019 Wage Increase

Employer reserves the right to decrease the percentage of the 2019 wage increase should Employer incur a significant revenue shortfall as a result of state or federal budget

reductions. Should Employer deem, in its sole discretion that a shortfall has occurred and upon 30 days prior written notice, Employer may reopen this Agreement effective May, 2019 for the purpose of negotiating a salary adjustment for 2019. Unless such a reopener is exercised,

On the first pay date in August 2019, current bargaining unit employees will be eligible for a wage increase based on the following factors:

- d. All regular employees not covered by (b) or (c) will receive a pay increase equal to the greater of (i) \$1,394/per year or (ii) three percent (3%) of the total budgeted salaries for bargaining unit employees distributed on an equal pro-rata basis based on the number of budgeted positions.
- e. An employee, who was hired between April 1, 2019 and May 31, 2019, will receive a general wage increase equal to half the amount in (a).
- f. Employees hired on or after June 1, 2019 will not be eligible for a salary increase in 2019.

4. January 2019 One-Year Performance Based Pay Pool

In addition to the above salary increase, bargaining unit employees who are employed in a regular classification at the time of any distribution will be eligible for performance based pay.

Pre-established business and operational factors will determine the size of the pool, up to a maximum of 2% of Maintenance payroll. Employer reserves the right to decrease the size of this target pool should Employer incur a significant revenue shortfall as a result of state or federal budget reductions or based on the percentage of established business and operational factors met.

7. 2020 Wage Increase

Employer reserves the right to decrease the percentage of the 2020 wage increase should Employer incur a significant revenue shortfall as a result of state or federal budget reductions. Should Employer deem, in its sole discretion that a shortfall has occurred and upon 30 days prior written notice, Employer may reopen this Agreement effective May, 2020 for the purpose of negotiating a salary adjustment for 2020. Unless such a reopener is exercised,

On the first pay date in August 2020, current bargaining unit employees will be eligible for a wage increase based on the following factors:

- a. All regular employees not covered by (b) or (c) will receive a pay increase equal to the greater of (i) \$1,394/per year or (ii) three percent (3%) of the total budgeted salaries for bargaining unit employees distributed on an equal pro-rata basis based on the number of budgeted positions.
- b. An employee, who was hired between April 1, 2020 and May 31, 2020, will receive a general wage increase equal to half the amount in (a).
- c. Employees hired on or after June 1, 2020 will not be eligible for a salary increase in 2020.
- d.

8. January 2021 Six-Month Performance Based Pay Pool

In addition to the above salary increase, bargaining unit employees who are employed in a regular classification at the time of any distribution will be eligible for performance based pay beginning January 1, 2021.

Pre-established business and operational factors will determine the size of the pool, up to a maximum of 2% of Maintenance payroll. Employer reserves the right to decrease the size of this target pool should Employer incur a significant revenue shortfall as a result of state or federal budget reductions or based on the percentage of established business and operational factors met.

**~~LETTER OF UNDERSTANDING
RE ATTENDANCE POLICY~~**

~~THA will not submit the proposal dated September 22, 2014 to its Board of Commissioners for ratification until negotiations regarding the attendance policy have been concluded.~~

**LETTER OF UNDERSTANDING
RE SECTION 4.1(a)**

~~THA currently does not intend to regularly schedule bargaining unit employees to work on a Saturday. THA may schedule Saturday work on an occasional basis. If in the future, THA intends to regularly schedule any bargaining unit employee to work on a Saturday, THA agrees to bargain with the Union prior to doing so.~~

LETTER OF UNDERSTANDING RE RESERVED SUBJECTS

~~The parties have reserved the following subjects for future bargaining outside of negotiations for the successor collective bargaining agreement.~~

- ~~1. Janitorial, grounds-keeping and trash removal work.~~
- ~~2. Put back work resulting from methamphetamine remediation.~~
- ~~3. Possible employment separation incentives.~~

The parties have agreed to negotiate a trial program by which on-call maintenance employees may drive their assigned THA maintenance vehicle home during the employee's on-call time for use during call out situations. The parties acknowledge that personal use of the THA maintenance vehicle is prohibited and acknowledge THA's need to use a GPS or other tracking system for liability and accountably reasons. The parties will endeavor to implement this trial program before the end of 2018.

LETTER OF UNDERSTANDING ADDITIONAL PROPERTIES

The parties agree to continue in full force and effect the THA–PCWBCTC–OPEIU Agreement dated December 2006 pertaining to additional properties.

LETTER OF UNDERSTANDING

~~All changes to this contract, except the 2014 salary increase, become effective the first full pay period following ratification by the union membership and the THA Board of Commissioners. THA and the Union have specifically negotiated the July 7, 2014 effective date for the 2014 salary increase (the beginning of the first full pay period following the expiration of the extended CBA) in accordance with RCW 41.56.950 and Christie v. The Port of Olympia, 27 Wn.2d 534 (1947).~~

APPENDIX A

An employee's eligibility to participate in employee benefits is based upon their employment status. See chart below:

	<i>Newly Hired Probationary Employees*</i>	<i>Regular employees 30 hours effective January 1, 2015</i>	<i>Regular Employees regularly scheduled for 24 or more hrs but less than 30 hours effective January 1, 2015</i>
Holiday	<ul style="list-style-type: none"> ▪ Eligible for Company-paid ▪ Not Eligible for Floating 	Eligible	Eligible / Pro-Rated
Vacation	Accrues but Not Eligible to use until end of Probation	Eligible	Eligible / Pro-Rated
Medical Leave and Other Leaves	Eligible to use Accrued Leave	Eligible	Eligible / Pro-Rated
Long Term Disability**	Eligible	Eligible	Eligible
Voluntary Life Insurance **	Eligible	Eligible	Not Eligible
Employee Assistance Program**	Eligible	Eligible	Eligible
Voluntary Medical Flexible Spending Accounts**	Eligible	Eligible	Eligible
Voluntary Dependent Care Flexible Spending Account**	Eligible	Eligible	Eligible
Public Employees Retirement System (PERS)	Eligible	Eligible	Eligible / Pro-Rated
Deferred Compensation	Eligible	Eligible	Eligible
Northwest Laborers-Employers Health and Security Trust Fund	Eligible based on hours worked	Eligible based on hours worked	Eligible based on hours worked

*Note: Newly promoted probationary employees do not have the same restrictions on benefit eligibility. Newly promoted probationary employees are eligible based on their hours worked per above chart.

**Note: The actual terms for employee eligibility are defined in the insurance plan Summary Plan Description for Northwest Laborers Employers Health and Security Trust Fund.

~~APPENDIX B~~
~~VACATION ACCRUAL SCHEDULE~~

~~Effective September 22, 2014~~

	FIRST NAME	LAST NAME	HIRE DATE	Current Years	Vacation Accrual Rate
1	MARK	KIMBLER	9/28/81	30	27



TACOMA HOUSING AUTHORITY

WALK-ON RESOLUTION

THA BOC Resolution 2018-08-22 (6)
Ratify OPEIU CBA



TACOMA HOUSING AUTHORITY

RESOLUTION 2018-08-22 (6)

Date: August 22, 2018
To: THA Board of Commissioners
From: Michael Mirra
Executive Director
Re: Ratify the OPEIU contract

This Resolution would authorize Tacoma Housing Authority's (THA) Executive Director to sign the newly ratified collective bargaining agreement between the Tacoma Housing Authority ("THA") and the Office and Professional Employee International Union ("OPEIU") collective bargaining agreement.

Background

On August 21, 2018, THA's staff who constitute the bargaining unit represented by OPEIU voted to ratify the new collective bargaining agreement (CBA) that was negotiated by representatives of OPEIU and THA. This is a 3-year contract that expires on June 30, 2021.

Attached is the new CBA showing deletions from the last contract in ~~black bold~~ and additions from the last contract in **black bold**. The notable items of the new CBA are as follows:

- a. We updated the language in Article 4 and throughout the contract to reflect the recent Supreme Court decision in *Janus v. AFSCME*.
- b. We updated the healthcare plan cost sharing language so that, beginning in 2019, THA will pay for 97% of employee-only coverage and 74% of dependent coverage. The previous contract was 97.5% and 81% respectively.
- c. We agreed to add Christmas Eve as an additional paid holiday.
- d. We updated language throughout the contract to comply with Washington's new Paid Sick Leave law.
- e. We added new Articles regarding "Work in a Higher Classification" and "Retroactive Compensation".

- f. We negotiated new higher salary ranges as a result of the comprehensive total compensation survey conducted by an external compensation consulting firm.
- g. We agreed to a 3% across-the-board increase and a 2% budget for the Variable Pay budget for the years 2018, 2019, and 2020. The agreement contains language that reserves the right to renegotiate the salary increase or Variable Pay fund percentage in upcoming years should THA incur a significant revenue shortfall as a result of state or federal budget reductions.

Recommendation

Approve Resolution 2018-08-22 (6) authorizing THA's Executive Director to sign the new OPEIU-THA collective bargaining agreement.



TACOMA HOUSING AUTHORITY

RESOLUTION 2018-08-22 (6) (Ratify the OPEIU Contract)

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

WHEREAS, The collective bargaining agreement between the Tacoma Housing Authority (THA) and the Office and Professional Employees International Union (OPEIU) expired on June 30, 2018; and

WHEREAS, THA and OPEIU reached an agreement on a new collective bargaining agreement; THA staff in the OPEIU bargaining unit voted to ratify the collective bargaining agreement; and

WHEREAS, The Board of Commissioners finds that the collective bargaining agreement is fair and reasonable and that it would serve THA's interests; now, therefore, be it

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

1. THA's Executive Director will sign the ratified THA-OPEIU collective bargaining agreement in the form set forth in the attached draft.
2. This resolution shall be in full force and effect from and after its adoption and approval.

Approved: August 22, 2018

Dr. Minh-Anh Hodge, Chair

BETWEEN

OFFICE AND PROFESSIONAL EMPLOYEES INTERNATIONAL UNION
LOCAL 8

AND

HOUSING AUTHORITY OF THE CITY OF TACOMA

July 1, 2018 – June 30, ~~2018~~ 2021

OFFICE AND PROFESSIONAL EMPLOYEES
INTERNATIONAL UNION, LOCAL 8
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AGREEMENT

THIS AGREEMENT is made and entered into at Tacoma, Washington, this ____ day of August, 2016~~8~~, by and between THE HOUSING AUTHORITY OF THE CITY OF TACOMA, its successors and assigns, hereinafter referred to as the Employer or Authority, and the OFFICE AND PROFESSIONAL EMPLOYEES INTERNATIONAL UNION LOCAL 8, hereinafter referred to as the Union, for the purpose of fixing the wage scale, schedule of hours, and general rules and regulations between the Employer and the Union, and to clearly define mutual obligations between the parties hereto. Therefore, it is mutually agreed as follows:

ARTICLE 1

DEFINITIONS AND CONSTRUCTION

As used in this Agreement:

1.1 "Employee" means, except as specifically provided otherwise, any regular, full-time, part-time, probationary and conditional employee, but does not include any temporary employee.

1.2 "Regular full-time employee" means any employee who has successfully completed the probationary period in his/her position and who is regularly scheduled to work 40 hours per week. For healthcare benefit eligibility, see definition of full time on Appendix A.

1.3 "Regular part-time employee" means any employee who has successfully completed the probationary period in his/her position and who has an established work schedule of less than 40 hours per week. All regular part-time employees shall receive the following benefits of this Agreement pro-rated to the proportion of hours worked versus full-time hours: sick leave, vacations, and holidays. For healthcare benefit eligibility, see definition of full time on Appendix A.

1.4 "Probationary employee" means any employee who has:

(a) completed less than 120 calendar days of continuous employment as a new hire;
or,

~~(b) — completed less than 120 calendar days of continuous employment in a new, different, or promotional position; and~~

~~(e)~~ (b) has not yet received and signed their probationary performance evaluation.

The Employer may extend the probationary period in any case by mutual agreement with the Union. The Union shall not unreasonably withhold consent to such extensions. However, if the Employer has not made such request to the union and has not provided the employee with their probationary evaluation prior to the end of the 120-day probationary period, the employee will be moved to regular status.

1.5 "Conditional Employee" means an employee hired, transferred, or promoted into a position for which the employee does not have all certifications or licenses required for that position. A conditional employee must obtain all required licenses or certifications within 270 days after hire, transfer, or promotion. This 270-day time period may be extended by an additional 180 days if the employee is

unable to obtain the required licenses and certifications through no fault or action of the employee and may be further extended by the mutual written consent of the employee and the Authority. A conditional employee who does not obtain all required licenses and certifications within the above specified time period (or extensions thereof), shall be terminated. Tacoma Housing Authority shall pay for the cost of training, travel, and testing necessary for each required certification. If the employee does not pass the first time, he/she shall be responsible for all such costs of any and all subsequent attempts. In any event, the employee must obtain licenses and/or certification within the 270-day time limit.

1.6 "Temporary employee" means any employee hired for a limited period of time, not to exceed ~~120~~ **200** days or mutually agreed upon extension. See Section 12.3.

1.7 **"Provisional employee" means any employee who has completed less than 120 calendar days of continuous employment in a new, different or promotional position.**

1.8 "Lead employee" is one who is assigned extra administrative responsibilities as defined by management but, does not have supervisory authority as determined by the National Labor Relations Act (i.e., ability to hire, fire, discipline and evaluate performance). The Employer will notify employees in the department of the opportunity for a lead assignment for the purpose of soliciting interest. However, the Employer will have ultimate discretion over making the assignment. If such duties are removed, the Employer will notify the employee at least two (2) weeks in advance. However, less notice may be required due to discipline, policy violations or other extenuating circumstances. Employees who accept and perform assigned lead responsibilities shall receive two dollars (\$2.00) per hour in addition to their hourly rate of pay.

1.9 "Sunset employee" means any employee who is considered regular, but whose position has an expressly defined termination date. Any employee hired for an OPEIU sunset position may not bump at the end of the sunset position.

1.10 "Inactive" status means that an employee who has been placed on inactive status because THA has determined that the employee is:

- (a) unable to perform the essential functions of the job for an indefinite and uncertain period of time and has exhausted all statutory or contractual leave entitlements or;
- (b) not suitable to perform services for THA for an indefinite and uncertain period of time for reasons such as a pending criminal matter, pending investigation, or a personal situation in which the employee has exhausted all statutory or contractual leave entitlements.

Although an inactive employee remains a THA employee and thus retains his/her seniority date should he or she ever resume employment, THA will not hold a position open for an employee on inactive status. An inactive employee does not earn compensation or accrue benefits while on inactive status. Inactive status may not continue longer than six months. If an employee is to be restored to active employment status, the employee will be returned to the first vacant THA position for which the employee is qualified, has applied, and is selected in competition with other applicants. Inactive status does not confer any

entitlement or preference for future employment.

- (c) Nothing in this section 1.7 shall require THA to place any employee on inactive status. Rather, THA shall have the sole discretion to place an employee on inactive status under the circumstances for this paragraph 1.7.

1.11 "Dependent" means (1) the lawful spouse of an employee; (2) any state registered domestic partner of an employee as the term "state registered domestic partnership" is defined in RCW 26.60.030; (3) any natural or adopted child or stepchild who is primarily dependent on the employee or (4) any minor for whom the employee has legal custody and who is primarily dependent on the employee.

1.12 "Continuous employment" means continuous employment from the most recent date of hire or rehire.

1.13 "Anniversary date of service" means the same date each year as the date on which the employee first began work.

1.14 "Promotion" means a move from a job title on Schedule A to another job title with a higher pay grade set forth in Schedule A.

1.15 "Transfer" means a lateral move from one job title to another of the same pay grade.

Unless a different meaning is clearly required by the subject matter of a particular section, the singular form includes the plural, and the masculine pronoun includes the feminine, and vice versa.

ARTICLE 2

SCOPE OF AGREEMENT

SECTION 2.1 Union Recognition

The Authority recognizes the Union as the exclusive collective bargaining agent for the employees covered by this Agreement.

SECTION 2.2 Coverage

This Agreement applies to the employees holding the job titles set forth in Schedule A to this Agreement. Any positions not covered by Schedule A or any positions which may be established during the life of this Agreement, except those traditionally associated with management and administration, shall be subject to negotiations between the Employer and the Union. In the event the parties are unable to agree on the job title and rate of pay for the job in question, the dispute shall be resolved by the arbitration procedure in this Agreement. In the event that there is a substantial change in the job duties of any bargaining unit employee, the Authority and the Union shall meet to discuss these changes and the appropriate action to be taken.

SECTION 2.3 Management Rights

Except as expressly restricted or abridged by a specific provision of this Agreement, the Employer shall

have and retain all rights to manage and direct the business of the Authority, including but not limited to the right to (i) hire, assign, determine the qualification and competence of, promote, demote, transfer, discipline, suspend, discharge and lay off employees; (ii) implement and enforce reasonable rules and regulations, and safety, production and performance standards; (iii) assign and direct employees and the methods, processes and schedules of doing work; and (iv) subcontract work not covered by this Agreement according to the business needs of the Authority.

The foregoing recitation of specific management rights shall not be deemed to waive, limit or impair any rights of the Employer-not so enumerated. The exercise of management rights is the exclusive prerogative of the Employer, and its decisions in such matters shall not be subject to contest or review by the Union except to the extent inconsistent with the specific provisions of this Agreement.

ARTICLE 3

BARGAINING UNIT WORK

SECTION 3.1 General Provision

Except as allowed by Section 12.3 concerning temporary work and Section 3.2 regarding light duty work, bargaining unit work shall not be performed by non-bargaining unit employees unless both Employer and the Union agree. Any such mutually agreed assignment of bargaining unit work to a non-bargaining unit employee will be for a mutually agreeable limited time. The Union will reasonably consider any such proposal. PROVIDED THAT, nothing in this agreement shall preclude the Employer's use of work-study students or interns as long as such use does not displace or replace any regular employee or preclude any hiring of additional regular employees or temporary employees that would otherwise have occurred. Prior to such use, the Employer shall inform the Union of the proposed use and duration of the position.

SECTION 3.2 Light Duty Work

THA may assign work that might otherwise be performed by a bargaining unit employee to an employee in a position outside the bargaining unit and who has an open industrial insurance claim for the purpose of offering light duty work to such non-bargaining unit employee for a period not to exceed 90 days.

ARTICLE 4

UNION BUSINESS

SECTION 4.1 Union Security and Membership and Deductions

- ~~(a) — Union Membership. Subject to RCW 41.56.122, all employees shall become members of the Union within 31 days of the date of hire or rehire and maintain union membership in good standing during the term of this Agreement. The Employer shall suspend an employee within 31 working days of receipt of notice from the Union of the failure of the employee to maintain union membership in good standing. Continued failure of an employee to maintain union membership in good standing shall be grounds for termination; provided, that the Union shall hold harmless and indemnify the Employer from any liability which the Employer may incur because of the suspension or discharge of an employee pursuant to this~~

~~section. A temporary employee may work subject to a union permit fee paid by such employee.~~

- (a) Deduction of Union Dues. ~~Subject to RCW 41.56.122, t~~The Employer shall deduct monthly union dues from the pay of each employee giving the Employer prior written authorization to do so, and forward all dues so deducted to the local office of the Union. The employee shall give written ~~the~~ authorization ~~in a form acceptable~~ to the Employer prior to the preparation of the payroll for the first pay period for which the deduction is to be made, ~~and the authorization shall remain in effect until revoked in writing by the employee.~~ An employee may revoke the authorization by providing written notice to the Employer with a copy to the Union. The Union shall give the Employer at least thirty (30) calendar days written notice of any change in the amount of dues to be deducted. The Employer shall not be required to submit any amounts to the Union under this Agreement for members who are on layoff, leave of absence without pay or other status in which they receive no pay for the pay period normally used by the Employer to make such deductions.
- (b) Indemnification: The Union shall indemnify, defend and hold the Employer harmless against any and all claims, suits, orders or judgments that arise out of or by reason of the Employer's compliance with this Section.
- (c) The employer shall provide the Union with a list of new employees via email. Such notice shall include the new hire's name, job title, work location, phone and email. Union representative(s) and/or Stewards will be provided the opportunity to meet with newly hired staff at the end of the new employee's scheduled on-boarding meeting to introduce them to the Union and the Collective Bargaining Agreement.

SECTION 4.2 Union Representatives and Activity

The Union shall advise the Authority in writing of the names of all business representatives, agents, and stewards authorized to represent the Union in dealings with the Authority. The Union shall also provide the Employer with written notice of any change in such business representatives, agents and stewards within a reasonable time of a change.

The Business Representative of the Union shall have access to the Authority's premises, at reasonable times and upon reasonable prior notice to the Human Resource Director or designee to investigate specific employee complaints or grievances relating to this Agreement; except that union business, other than the adjustment of grievances directly between the Human Resource Director and the Business Representative, shall not involve the Authority's employees during their hours of work, and union meetings shall not be conducted on the Authority's premises unless mutually agreed upon between the Union and the Authority.

A bulletin board shall be made available to the Union for the purpose of posting notices pertaining to union business, provided that such notices shall be submitted to the Human Resource Director of the Authority or his/her designee for approval before being posted, which approval shall not be unreasonably withheld.

SECTION 4.3 Hardship Fund Check-Off

The Employer agrees to deduct a sum in \$5 increments from the pay of each bargaining unit employee who voluntarily executes a valid OPEIU Local 8 Hardship Fund Check-Off Authorization form. To be valid, the Check-Off Authorization form must include language, acceptable to THA, providing that the Employee will hold THA harmless from any and all claims, demands, suits or other liability that may arise or relate to the OPEIU Local 8 Hardship Fund for pay deductions for that fund. An Employee may make no more than two changes to the Hardship Fund deduction in any calendar year. The amount deducted, payable as directed by OPEIU Local #8 for inclusion in the Hardship Fund, and a roster of each Employee authorizing the deduction of wages for the Hardship Fund will be transmitted to the Union on a monthly basis. The Union agrees to defend, indemnify and hold harmless THA from any and all claims, demands, suits, or other liabilities that may arise from or relate to the OPEIU Local 8 Hardship Fund, any Employee Check-Off Authorization form and/or any wage deduction for the OPEIU Local 8 Hardship Fund.

SECTION 4.4 Rosters

Each month the Employer shall send the Union a list of all employees covered by this Agreement including their address, classification, department, rate of pay and gross pay, FTE status and starting date. This list will include information on new hires and terminations that have occurred since the previous list was provided.

ARTICLE 5

WORK SCHEDULE

SECTION 5.1 Workweek - Workday

- (a) The standard workweek of regular full-time employees shall be forty (40) hours to be scheduled by an appropriate Supervisor or Department Director and normally worked on five (5) consecutive 8-hour workdays, Monday through Friday, between the hours of 7:00 a.m. and 5:30 p.m.
- (b) Non-standard work schedules, such as a 4 x 10 schedule, may be established for certain jobs or individuals to meet long-term business or personal requirements. Either the Authority or the employee(s) may initiate a request for a non-standard work schedule. Non-standard work schedules must be reviewed and pre-approved in writing ~~using THA Form 25.10(1) Non-Standard Work Schedule Application.~~
- (c) Occasional non-standard workweeks may be established for certain jobs or individuals to meet short term business or personal requirements provided that the business needs of THA can be met. Non-standard flexible schedules may occur within a given workday or workweek but in no case shall an employee work more than forty (40) hours in a workweek as a result of a non-standard flexible schedule. Workweek changes are intended to be infrequent and must be pre-approved by the supervisor.

SECTION 5.2 Lunch and Break Periods

Each workday shall include one unpaid lunch period of 30 minutes approximately midway through the workday, and one paid break period of 15 minutes in the morning and one paid break period of 15 minutes in the afternoon. One additional paid break period of 15 minutes may be taken during each three-hour

overtime period. The Authority may schedule lunch and break periods to accommodate its business needs. The Authority will provide bargaining unit employees with an additional ½ hour paid lunch (at straight time) on payday.

SECTION 5.3 Overtime

The Authority may require overtime work according to its business needs. Any hours required by the Authority to be worked by an employee in excess of 40 hours in any workweek shall be compensated at a rate one and one-half times the employee's hourly base rate, and any hours required by the Authority to be worked on a Sunday shall be compensated at a premium rate twice the employee's hourly base rate. No overtime will be authorized unless it has been specifically approved in advance by the employee's supervisor. For the purposes of this section 5.3, "hours worked" includes hours worked only.

SECTION 5.4 Minimum Reporting Pay

An employee who is ordered to report to work, whether or not on overtime status, shall be entitled upon reporting to a minimum of two hours' pay, whether or not actually worked.

SECTION 5.5 Severe Weather or Emergency Closure Conditions

The Tacoma Housing Authority provides an array of critical public services and is responsible for the safety of its residents. It is THA's policy to remain open during normal business hours including during periods of severe weather and emergency conditions unless it is physically impossible for employees to travel. Employees should be prepared for severe weather during winter months. Unless the Executive Director declares an Emergency, all employees are expected to report to work. There may be times, however, that an employee may feel that for personal safety reasons, they may need to arrive late to work, depart early, or not come in at all. See THA Policy HR-10.40.

- (a) In the event of inclement weather or other emergency closure, the Executive Director or designee will make all determinations concerning the work status of the Employer, including if the Employer will be closed or if employees will be dismissed early. If the Employer decides to close the facility due to severe weather conditions or other emergency, employees will have the option of requesting pre-authorization to work from home, using accrued leave, or requesting Leave Without Pay (LWOP) for the period the agency is closed.
- (b) If no decision has been made to close the facility during inclement weather or other emergency, but an employee believes that coming to work and/or a delay to leave work early would be a risk to personal safety, the employee may use accrued vacation, personal holiday time, Leave Without Pay (LWOP) or make-up for the work time missed without incurring overtime. An employee may make-up to four (4) hours within the same workweek to be approved by the Employer.
- (c) Under severe weather conditions or other emergency, up to one (1) hours travel time with pay will be allowed if an employee makes a good faith effort and arrives at work late.
- (d) If THA closes the work site or announces an early dismissal after an employee has arrived at the work site and started work, the employee may, but is not required to, complete the remainder of the scheduled work shift, provided that if emergency circumstances make it unsafe to stay in the work site (e.g. an earthquake that compromises the stability of a building), all employees are

required to leave the work site.

ARTICLE 6

MAINTENANCE OF BENEFITS AND COLLABORATIVE EFFORTS

Except as provided in Article 8, the benefits now being extended to a bargaining unit employee shall remain in force and shall not be rescinded during the life of this Agreement. However, and in addition to the provisions in Article 8, the parties agree that if there is any substantial adverse change in the costs of benefits or THA's financial position, the Authority and Union shall meet to discuss such changes and the appropriate action, if any, to be taken. The Employer provides benefits to eligible employees as defined in Appendix A.

ARTICLE 7

COMPENSATION

SECTION 7.1 Base Rates of Pay

All bargaining unit employees hired before the date of this Agreement will receive the wage rate applicable such employee was receiving on the date of this Agreement plus any wage increase as provided in Schedule A ~~including the Salary Compressions Chart, up to a maximum of 10% in 2012.~~ A bargaining unit employee transferred to another bargaining unit position after the effective date of this Agreement shall receive, at a minimum, either the applicable rate for the new position or the employee's then current rate of pay, whichever is greater.

SECTION 7.2 Pay Periods

Employees shall be paid on a bi-weekly basis (every two weeks).

SECTION 7.3 Temporary

A temporary employee shall be compensated for each hour worked at not less than the minimum starting salary for the position as set forth in Schedule A.

SECTION 7.4 Promotions

When promoted, an employee other than a conditional employee, will receive the minimum rate for the new position or a 5% promotional increase, whichever is greater.

SECTION 7.5 Wages for Bumping Employees

As a result of a layoff, an employee bumping into another job title at the same wage range shall receive his/her present wage. An employee bumping into another job title at a higher range shall receive his/her present wage or the minimum of the higher range of the new position, whichever is higher. An employee bumping into another job title at a lower range shall receive that wage calculated as follows: the minimum wage level for the new position increased by the cumulative cost of living increases granted by the agency during the years that account for the employee's seniority PROVIDED that the wage for the new position shall not exceed the top of the range for the new position.

ARTICLE 8

INSURANCE, RETIREMENT AND DEFERRED COMPENSATION

SECTION 8.1 Health Insurance

The Employer will maintain current benefits and cost/share structure for duration of 2016.

SECTION 8.2 Cost Sharing

See Memorandum of Understanding for cost sharing Bargaining unit employees cost share amount will not change for the remainder of 2018. Beginning January 1, 2019, the cost of health insurance premiums will be paid as follows:

- Employee Only coverage – THA will pay 97% of the premium for the base plan (UMP Classic). The employee will be responsible for 3 % of the base plan premium cost.
 - If an employee selects a buy-up plan, the employee will be responsible for 3% of the base plan premium cost, plus the premium cost differential of the buy-up plan.
- Dependent coverage, includes spouse and/or child(ren) – THA will pay 74% of the premium for the base plan (UMP Classic). The employee will be responsible for the cost differential between the base and buy-up plan selected
 - If an employee selects a buy-up plan, the employee will be responsible for 26% of the plan's dependent premium cost, plus the premium cost differential of the buy-up plan selected.

SECTION 8.3 Dental Insurance

The Employer shall provide a dental plan, including orthodontics for children and adult, for eligible employees and dependents.

SECTION 8.4 Life Insurance and AD&D

The Employer shall provide and pay for a Life and AD&D insurance policy for all eligible employees. The amount of coverage shall be up to one times annual salary.

SECTION 8.5 Disability Insurance

The Employer shall provide and pay for short and long term disability insurance policy for all eligible employees. The amount of short-term coverage shall be up to two-thirds of weekly compensation not to exceed \$ 2,000 per week. The amount of long-term coverage shall be up to two-thirds of monthly compensation not to exceed a monthly benefit of \$ 7,500.

SECTION 8.6 Employee Assistance Program

The Employer shall provide and pay for an Employee Assistance Program for all eligible employees and families during the term of this Agreement.

SECTION 8.7 Social Security

All employees shall receive social security coverage.

SECTION 8.8 Deferred Compensation Program

All eligible employees shall be eligible to participate in any deferred compensation program implemented by the Authority.

SECTION 8.9 Health Care and Dependent Care Flexible Spending Accounts

The Employer will offer Health Care and Dependent Care Flexible Spending Accounts for all eligible employees who choose to participate. Employee eligibility for the Health Care Flexible Spending Account may be impacted in the event that IRS regulations forbid its use when other IRS impacted accounts are used.

ARTICLE 9

HOLIDAYS, VACATION AND LEAVE

SECTION 9.1 Holidays

- (a) Authority observed Holidays. Employees are eligible for all Authority observed holidays in (a) or as designated by the Authority. The Authority shall observe the following holidays:

New Year's Day

Martin Luther King Day

Presidents' Day

Memorial Day

Independence Day

Labor Day

Veterans Day

Thanksgiving Day

Day after Thanksgiving

Christmas Eve

Christmas Day

- (2) Two Floating Holidays. Only eligible employees may take floating holidays. **An employee hired after August 1 of a given year does not earn any floating holidays for the year of hire.** Newly hired employees will not be entitled to use Floating Holidays until after the successful completion of their probationary period. Floating holidays shall be taken with prior arrangement and approval of the Employer. Floating holidays do not carry over from one calendar year to the next.

- (b) **Holiday Pay.** An eligible employee shall be compensated for each Authority holiday, which occurs while the employee is on the payroll, whether or not worked by the employee, at the employee's regular daily base rate. An eligible part-time employee shall be compensated for each such Authority holiday at the proportion of hours normally worked versus full-time hours. Any hours required by the Authority to be worked on an Authority holiday (except for employee's individually scheduled floating holiday) shall be compensated at the employee's hourly base rate, in addition to holiday pay.

Holidays for Non-Standard Workweeks. No employee is eligible for more than 8 hours of holiday pay per holiday. For an employee working a non-standard work schedule, if a holiday falls on an employee's regularly scheduled 10 hour work day, the employee will be credited with 8 hours of holiday pay for that day. The employee, if they wish to maintain full pay status for that week may apply accrued vacation time to the 8 hours of paid holiday (to complete the total hours normally worked and paid), or work the additional hours sometime within that workweek to complete the 40-hour week.

If a holiday falls on regularly scheduled work day off for employees on a non-standard work schedule, the employee will switch to a regular 5x8 schedule that week.

- (c) **No Charge Against Vacation Credit.** A holiday occurring during an employee's scheduled vacation shall not be charged against accrued vacation credits.
- (d) Holidays falling on Saturday shall be observed the preceding Friday unless otherwise designated. Holidays falling on Sunday shall be observed the following Monday unless otherwise designated.
- (e) If the employee calls in sick the day before or the day after a holiday, the employee will not be paid for the holiday unless the employee's absence[s] are due to a bona fide medical condition. ~~The Employer has the right to request by written medical verification that such absence was due to a bona fide medical condition.~~

SECTION 9.2 Vacations

- (a) With the exception of the single currently grandfathered OPEIU employee, all eligible employees will accrue vacation under the following schedule:

	Length of Service	Total Annual Vacation Days
1)	Employees with 0 to 5 years' service	14 days
2)	Employees with over 5 to 9 years' service	16 days
3)	Employees with over 9 to 14 years' service	18 days
4)	Employees with over 14 to 20 years' service	22 days
5)	Employees with over 20 years' service	24 days

- (b) All vacation time must be earned/accrued. Employees in each department may make initial vacation selections by January 31 for that calendar year. THA will respond to such vacation requests by February 15 of that year. Employees are encouraged to take vacation a week at a time. In cases of scheduling conflicts, vacation time will be approved based on bargaining unit seniority. Employees are encouraged to take vacations to the amount of earned annual vacation. Employees may not carry over more than forty (40) days of vacation time from one calendar year to the next

An Employee with 200 or more accrued vacation hours may cash-out up to a maximum of forty (40) hours of accrued vacation once during each calendar year of the term of this Agreement. Cash-out requests must be submitted to the Human Resources department to be paid out the following full pay period after submission and processing is complete. Employees may only cash-out once per calendar year. Employees must have the minimum of 200 accrued vacation hours on the date of the submission and have a minimum of 160 accrued vacation hours on the date the cash-out is paid. Upon retirement or departure, the Authority shall pay no more than 40 days of accrued vacation time.

- (c) Vacation time shall not be taken in units of less than one-half hour.
- (d) Subject to Section 9.2(b), an employee who is separated from employment with the Authority shall be paid his/her accrued vacation time at his/her current rate of pay in a lump sum at the time of separation, except for instances when the employee is separated for cause, in which event the employee shall not be reimbursed for accrued, unused vacation time. No employee may elect to take unpaid time off of work when leave time of any type is available to him/her.
- (e) Newly hired employees will accrue vacation days during their probationary period but will not be entitled to use vacation leave until after the successful completion of the probationary period. If the newly hired employee does not successfully complete probation and is terminated, he or she is not entitled to a cash-out of any vacation leave.
- (f) All vacations and leave requests must be approved in advance by the employee's supervisor-~~in writing~~.
- (g) Employees shall make their requests for vacation use in advance with proper notice to their supervisor. Proper notice will constitute at least one-day notice for each day requested, except in the case of a catastrophic event.

SECTION 9.3 Sick Leave

- (a) Employees shall accrue sick leave at the rate of one day per month or 12 days per year. All sick time must be accrued prior to taking it. Newly hired employees may use their accrued sick leave days during their probationary period. If the new employee does not successfully complete probation and is terminated, he or she is not entitled to a cash-out of any sick leave. In the event that any employee is sick and has no approved sick time, vacation time shall be charged. In the event that the employee has no accrued sick or vacation time, the employee shall not be paid for time missed. No employee may elect to take unpaid time off of work when any leave time of any type is available to the employee.

- (b) Sick leave shall not be taken in increments of less than one-half hour.
- (c) An employee who is unable to report to work as scheduled because of illness, injury, accident, or due to state or federal family and medical leave reasons, **or due to any other reason protected under applicable law** shall notify the employee's immediate supervisor or designee prior to the start of their workday. **If advance notification is not able to be provided, then notice shall be given as soon as practicable.** An absence not reported as required by this subsection shall be recorded as an absence without pay, although the Authority in its sole discretion may waive this requirement for good cause shown. The Authority may require a physician statement or other proof of the medical necessity for any absence for which sick leave has been used **for more than three (3) consecutive days.**
- (d) **Employees may use sick leave to care for themselves or a family member for reasons of illness, injury, accident, medical or dental appointments or in accordance with State or Federal Family Leave Acts and State and Local Sick and Safe Leave laws provided that the employee's maximum compensation for any workday in which sick leave is used will equal the employee's regularly scheduled workday. For purposes of this section, "family member" means any of the following: (a) A child, including a biological, adopted, or foster child, stepchild, or a child to whom the employee stands in loco parentis, is a legal guardian, or is a de facto parent, regardless of age or dependency status; (b) A biological, adoptive, de facto, or foster parent, stepparent, or legal guardian of an employee or the employee's spouse or registered domestic partner, or a person who stood in loco parentis when the employee was a minor child; (c) A spouse; (d) A registered domestic partner; (e) A grandparent; (f) A grandchild; or (g) A sibling. Employees may use sick leave for reasons of illness, injury, accident, medical or dental appointments or in accordance with State or Federal Family Leave Acts provided that the employee's maximum compensation for any workday in which sick leave is used will equal the employee's regularly scheduled workday.**
- (e) The State and Federal Family Leave Acts **and State and Local Sick and Safe Leave laws** are part of the Authority's sick leave policy and shall apply to employees covered under this Agreement. ~~The State and Federal Family Leave Acts are part of the Authority's sick leave policy and shall apply to employees covered under this Agreement.~~
- (f) An Employee who is separated from employment due to retirement for disability or length of service or death shall be compensated to the extent of 50% of his/her accrued sick leave, up to a maximum of 960 hours (480 hours paid). An employee who is separated from employment for reasons other than retirement or death shall be compensated to the extent of 25% of his/her sick leave accrued up to a maximum of 960 hours (240 hours paid). In the event that separation results from the employee's death, the Employer shall pay this same compensation to the employee's estate or successor as provided by law. **If an employee is rehired within twelve (12) months of separation, accumulated sick leave will be restored in accordance with applicable law.**

~~(g) — An extension of a medical leave of absence for a period not to exceed total leave of six (6) months may be granted if mutually agreed between the Authority and employee.~~

SECTION 9.4 Sick and Vacation Leave Accrual during Unpaid Absences

Paid Sick and Vacation Leave shall not accrue during a leave of absence without pay or while an employee is on suspension. Where an employee is on a disability leave and is using THA paid sick time, he/she will continue to accrue leave only for the hours paid by THA. Where the employee has exhausted all sick time and other paid leave and is on unpaid leave of absence, regardless of whether workers compensation or disability insurance leave may be paying benefit to the employee, he/she will not continue to accrue leave.

SECTION 9.5 Death in Employee's Family

Employees shall be granted four days' Administrative Leave with Pay upon the death of an immediate family member.

Immediate Family Member: Spouse, registered domestic partner, father, mother, stepparent, mother-in-law, father-in-law, foster parent, brother, sister, stepchild, child, foster child, adopted child, child for whom the employee has parenting responsibility, grandparents, or grandchild of employee.

For the purpose of attending the funeral a maximum of one days' Administrative Leave with pay may be granted for the death of son-in-law or daughter-in-law of the employee or the death of the employee's-spouse's or employee's registered domestic partner's foster parent, brother, brother-in-law, sister, sister-in-law, stepchild, child, foster child, grandparents or grandchildren.

SECTION 9.6 Jury and Witness Duty

An employee who is subpoenaed for jury duty or as a witness shall be granted a leave of absence. Immediately upon receipt of a subpoena, and prior to the leave of absence, the employee shall provide a copy of the subpoena to the immediate supervisor. An employee who is granted leave for jury duty shall be compensated at the regular rate for each hour absent from work for such duty, not to exceed the employee's regularly scheduled workday, less all compensation other than reimbursement for travel expenses received for jury duty. ~~The status of a probationary employee shall be extended an hour for each hour absent due to jury and witness duty.~~ The Authority may require written documentation of the dates of duty and the compensation received.

SECTION 9.7 Military Duty

State and Federal Law will apply to define benefits to employees fulfilling military duty to the government.

SECTION 9.8 Leave of Absence Without Pay

The Authority may grant leaves of absence without pay for purposes other than medical leave for a period not to exceed four (4) months. However, the terms of such leaves of absence, including a specific return date, must be in writing.

An employee on an approved leave of absence without pay shall retain all seniority rights and shall be entitled to the same or a comparable position upon returning to employment. An employee on leave of absence without pay shall not be entitled to or accrue any of the benefits of this Agreement; provided, however, that employees on leave of absence without pay may self-pay insurance premiums if permitted by the policies of the provider and in accordance with then current law.

ARTICLE 10

EDUCATION/TRAINING

SECTION 10.1 Educational and Training Programs

Each regular employee who is in a pay status is encouraged to participate in educational programs, which will mutually benefit the Employer and employee.

Management reserves the right to identify an appropriate training schedule/program for all newly hired, transferred or promoted employees.

SECTION 10.2 Orientation Sessions

The Employer shall provide a new employee orientation session. It will include introduction to shop stewards.

SECTION 10.3 Education Assistance

- (a) The Authority encourages and assists regular, full-time employees to further their education at approved institutes to improve ability in current positions or increase potential to be promoted within the Authority.
- (b) Subject to availability of funds, regular, full-time employees who have completed one year of employment are eligible to apply for education reimbursement pursuant to this Section.
- (c) The requested courses must be related to an employee's present position, enhance an employee's worth to the Authority, fulfill a degree requirement, be specifically applicable to other positions within the Authority and be pre-approved on a case by case basis by the Department Director and Human Resource Director.
- (d) Courses may be taken at approved colleges, universities, technical schools, or other programs as pre-approved by the Authority.
- (e) The Authority reserves the right to use its discretion in approving individual courses or programs for reimbursement.
- (f) Subject to the availability of funds, and based on the calendar year, the maximum assistance to be provided to an eligible employee is \$2,500 per year. With proper documentation, the employee will receive an advance up to \$1,250 prior to enrollment in a course. Any remaining reward amount will be reimbursed to the employee upon successful completion of the course. THA will reward eligible employees:

- Up to 75% of tuition and/or registration fees
 - 100% of books
 - 100% of lab fees
- (g) Employees must be employed full-time by the agency at the time the reimbursement is paid. Should an employee fail to successfully complete or pass a course or choose to leave the Authority for any reason prior to course completion, s/he will be required to repay the course and other fees cost through an automatic payroll deduction as agreed upon when the assistance is granted.
- (h) In some cases, education assistance may be considered compensation and be taxable.
- (i) Employees who are granted financial aid, grant(s) or scholarship(s) may request the difference between course costs, less financial aid, grant(s) or scholarship(s) or 75% of cost, whichever is smaller.

ARTICLE 11

DEFINITION OF SENIORITY

SECTION 11.1 Definition of Seniority

Seniority shall be defined as an employee's length of continuous full time employment with the Employer in a bargaining unit position.

SECTION 11.2 Accrual of Seniority

For the purpose of continuous employment, the original date of hire shall be observed, unless broken as referred to in Section 11.3 "Loss of Seniority", but seniority shall not accrue during either (a) time of separation of one year or less due to layoff (See Section 15.2 Recall.) or (b) time of temporary promotion or temporary transfer to nonbargaining unit positions. (See Section 11.3). Seniority accrual will resume when the employee resumes the bargaining unit position.

SECTION 11.3 Loss of Seniority

Seniority shall be lost upon resignation, retirement, discharge, layoff (after one year in case of layoff only), failure to report to work within five working days after notice by registered mail of recall from layoff, or a temporary transfer or promotion to a nonbargaining unit position for a period that exceeds 120 days, provided that Employer and Union may extend this 120-day period for a particular employee by written agreement.

ARTICLE 12

JOB VACANCIES

SECTION 12.1 Vacancy Posting

- (a) The Executive Director has the primary authority for the recruitment and screening of applicants for vacant positions as well as for transfers or promotional opportunities. The

Executive Director, or designee, shall decide the relative qualifications, skills, abilities, attendance record and discipline record of an applicant for a position. First consideration for vacant bargaining unit positions shall be given to bargaining unit employees, provided that such employees have the qualifications, skills, abilities, attendance record, and discipline record, for the position in question. When these factors for two or more applicants for a given position are substantially equal, as determined by the Employer, seniority shall be the determining factor.

- (b) The goal of the job posting policy is to ensure that all employees are made aware of and have the opportunity to apply for open OPEIU positions either before or concurrent with the Agency's consideration of external candidates for employment.
- (c) While the Agency favors promotion from within, business conditions could cause a position to be posted internally while simultaneously recruiting from the outside. The business conditions that could cause this decision include, but are not limited to: organizational restructuring; urgency of filling the position; position requirements that include skills, education, and/or experience that are not known to match any existing employee; critical operational needs; etc. The decision to recruit from the outside at the same time as posting requires approval of a Human Resources representative and the Department Director.
- (d) Employees who wish to apply for posted positions must apply online through the THA website at www.tacomahousing.org.
- (e) In the event that an employee promotes or transfers into a new or different position ~~applies for a position that results in upward mobility~~ and his/her performance is unsatisfactory and/or he/she is unable to meet the essential tasks of the position, the employee shall return to their previous position if it is still vacant but, has no right to bump back to his/her old position or to any other position.
- (f) New hires and personnel in new positions may not apply for promotions, transfers, etc. for six months; unusual circumstances may be open for discussion.

SECTION 12.2 Notification of Union

The Employer has the final choice as to whom they hires, and it shall notify the Union within 72 hours of ~~hire of~~ hiring a new employee, Saturday, Sunday and holidays ~~excepted~~ **excluded**.

SECTION 12.3 Temporary Employment

The Employer may hire temporary employees or contract for temporary workers from temporary service agencies to perform bargaining unit work for peak workloads, positions contemplated to be eliminated, temporary work pending regular hire, or replacement of employees on leave. Such temporary employment shall not ~~exceed four months~~ 200 days worked except that extensions of temporary employment or work may be extended by mutual agreement between the Employer and the Union. The Union will attempt to meet the temporary employment needs of the Employer. If the Union is unable to meet these needs, the Employer may hire or contract from outside sources. All temporary employees or workers performing bargaining unit work shall not be paid less than the minimum hourly wage as set in schedule A. ~~Temporary employees or workers performing bargaining unit work shall pay work~~

permit fees required by the Union. Temporary employees on the THA payroll will receive holiday pay per Section 9.1.

When a temporary employee is hired as a regular employee with no break in service, the vacation, sick leave and seniority for the employee shall be calculated using the date of hire as a temporary employee. As used in this Section, "break in service" means an absence from employment with the Employer of 30 calendar days or more.

ARTICLE 13

PERFORMANCE EVALUATIONS

To ensure the success and growth of our employees and our agency, performance evaluations are conducted with each employee on an annual basis. The performance evaluation system shall accord each regular employee an adequate opportunity to participate in the evaluation and to comment on the Employer's final evaluation of his/her work performance. This shall include the right to discuss the evaluation with the Department Director and have the right to have a shop steward present during any such discussion. In devising or modifying this system, the Employer shall consult with the Union pursuant to Article 19.

Performance evaluations are used to implement THA's Variable Pay program. THA will endeavor to complete all evaluations within 60 days from the end of the due month. The parties agree that an employee's compensation for a time period after the evaluation due date is intended to include any compensation adjustment based on the evaluation and thus agree that any compensation adjustment as a result of the evaluation will be effective with the start of the second pay period in the month in which the evaluation is due, regardless of when the evaluation is completed. Nothing in this Article 13 obligates THA to make any compensation adjustment based on a performance evaluation.

ARTICLE 14

DISCIPLINE AND TERMINATION OF EMPLOYMENT

SECTION 14.1 Discipline and Discharge of Regular Employees

- (a) All disciplinary actions against regular employees shall be conducted in a fair manner, and shall be consistent with the infractions for which disciplinary action is being taken. All disciplinary actions shall be stated in writing and the reason stated. For suspensions and discharges, a copy will be given to the employee at the time of issuance. For documented oral warnings and written reprimands, a copy will be given to the employee within five (5) working days. Appropriate due process shall apply.
- (b) Disciplinary actions will normally be taken in the following order:
 - 1) Documented Oral warning
 - 2) Written reprimand
 - 3) Probation or suspension without pay

4) Discharge

The above sequence need not be followed if an infraction is sufficiently severe to merit immediate written warning, probation, suspension or discharge. No regular employee shall be penalized, discharged, or suspended without just cause.

- (c) An employee shall have the right to have a shop steward present at all disciplinary meetings and shall be so informed when summoned to such meetings.
- (d) The Authority shall not pay any compensation other than salary for hours actually worked to any employee discharged for just cause.
- (e) **Documented Oral warnings and Written reprimands shall not remain in effect for more than twenty-four (24) months from the date of issue, unless two (2) or more incidences occur in a consecutive twenty-four (24) month period and then the notice will remain in effect. The twenty-four (24) month period is based on the most recent event.**

SECTION 14.2 Discipline and Discharge of Other Employees

The provisions of Section 14.1 do not govern the Employer's discipline or discharge of probationary or temporary employees, **do not apply to a decision under Section 12.1(e), that a Provisional employee's performance was unsatisfactory and/or was unable to meet the essential functions of the position,** apply to Regular full-time ~~and~~, Regular part-time, **and otherwise apply to Provisional** bargaining unit employees and do not apply to other categories.

SECTION 14.3 Resignation

An employee may resign, including for retirement or medical disability, upon advance written notice of not less than two calendar weeks to his immediate supervisor. The Authority shall not pay any compensation other than salary for hours actually worked to any employee who resigns without giving such notice. **The Employer may consider requests to waive or shorten the notice requirement given extenuating circumstances.** No employee will be discharged without two (2) weeks' notice or two (2) weeks' pay (including holiday pay when applicable) in lieu of the two (2) weeks' notice unless such discharge is for just cause.

ARTICLE 15

LAYOFFS

SECTION 15.1 Reduction in Force

The Employer has the primary authority for the selection of positions or personnel to be separated due to a reduction in force. In the event of a reduction in force, the Employer shall first determine how many positions of each job title(s) to eliminate. The Employer shall attempt to accomplish the lay-off by volunteers within the job title. If there are no or insufficient volunteers, the Employer will assess the then current relative existing qualifications, skills, abilities, attendance record, and discipline record. If the Employer determines that these factors are substantially equal, the selection for lay-off shall be made in reverse seniority. If the Employer determines that these factors are not substantially equal, then it may

make the selection for lay-off without regard to seniority.

A displaced employee may bump an employee in another job title covered by this Agreement if: (1) the Employer determines that the bumping employee has substantially equal qualifications, skills, abilities, attendance record, and discipline record to perform the job function; and (2) the bumping employee has more seniority than the bumped employee. Such employee shall bump the least senior person in that other job title. To calculate wages of bumping employees see Section 7.5.

An employee shall be given two weeks' notice of lay-off or two weeks' pay in lieu thereof.

SECTION 15.2 Recall

Any regular employee laid off shall be placed on a recall list for a period of one year. A regular employee recalled and reinstated within that time to the employee's former or comparable position shall receive the former rate of pay as adjusted by wage increases applicable to the job title during the period the employee was on the recall list. Recall shall occur by job title according to the same factors set forth in Section 15.1.

Any notice of re-employment to a laid-off employee shall be by certified mail, return receipt requested, to the last known address of such laid-off employee. It is the responsibility of each employee to keep the Employer advised of any changes in telephone number or address.

On rehire of a laid-off employee, he or she shall be granted the option of paying back annual leave at time of reinstatement.

ARTICLE 16

SERVICE FILES

- (a) The Authority maintains personnel files for all of its employees. Upon written request to the Employer, an employee will be provided with reasonable opportunity to review his/her personnel file during normal business hours.
- (b) A service record shall be maintained for every employee and shall contain all information pertinent to his/her employment.
- (c) It is the employee's responsibility to report promptly all changes regarding name, address, telephone number, marital status, number of dependents, or other pertinent information to the Employer.
- (d) An employee shall have an opportunity to submit written comments or material placed in his/her file by the Employer. This shall be done by sending such comment to the Employer with a copy to the employee's supervisor.

ARTICLE 17

AFFIRMATIVE ACTION AND DISCRIMINATION

The employer will not discriminate against an employee for union activity. It is agreed and recognized by the Tacoma Housing Authority and the Office and Professional Employees International Union that

the Tacoma Housing Authority is an equal opportunity employer, and that the Tacoma Housing Authority and said Union will not discriminate against any employee or job applicant because of race, creed, color, national origin, sex, age, marital status, familial status, disability, ancestry, sexual orientation, gender identity or any other status protected by applicable law. To the extent permitted by law, THA and the union will take affirmative action to ensure that applicants are employed and employees are treated during their employment without regard to race, creed, color, national origin, sex, age, veteran status, marital status, familial status, disability, ancestry, sexual orientation, gender identity, gender expression, political expression, genetic information, status as a breastfeeding mother, victim of sexual assault or domestic violence or other protected characteristic.

In accordance with 24 CFR Part 135, Section 3 and any other applicable law or regulation, the Employer will, to the greatest extent feasible and consistent with this Agreement, give opportunity for training and employment to lower income residents of THA programs.

Employees shall have the right to present grievances individually, as a group, or through their designated representatives. In so doing, employees shall be assured of freedom from restraint and interference.

ARTICLE 18

DISPUTE RESOLUTION

Employees are encouraged to meet with their immediate supervisor to solve any questions, misunderstandings or complaints which may arise from time to time. Any dispute between an employee and the Employer concerning the interpretation and applications of this Agreement shall be resolved as follows:

SECTION 18.1 Informal Settlement of Complaints

An employee is encouraged to discuss any complaint with such employee's immediate supervisor, if appropriate, as soon as possible after the occurrence or circumstances giving rise to the complaint. Any settlement, withdrawal or disposition of the complaint at this informal settlement stage shall not be a binding precedent in the settlement of similar complaints or grievances. The employee's immediate supervisor, if applicable, shall respond to such complaints within five (5) working days.

SECTION 18.2 Grievance Defined

"Grievance" as used for the purposes of this Article is limited to matters that involve an allegation by a bargaining unit member that the Employer has violated a specific provision of this Agreement, which has not otherwise been excluded from the grievance procedure.

SECTION 18.3 Steps

Step 1: A grievance shall be reduced to writing and presented by the shop steward or the union, to the Employer's Human Resource Office, within ten (10) working days from the date of the occurrence of the events or actions giving rise to the grievance. Grievances not so referred shall no longer be considered in dispute. The written grievance shall include:

1. The name and position of the employee by or on whose behalf the grievance is brought.

2. The date of the circumstances giving rise to such grievance and the date of the employee's first knowledge thereof, if later.
3. A summary of the actions precipitating the grievance in enough detail to clearly define employee's position.
4. The specific provision or provisions of this contract alleged to control the proper resolution of this grievance.
5. The remedy or relief sought by the employee.
6. The signature of the person submitting the grievance on behalf of the employee and such person's name and position if other than the aggrieved employee.

Thereafter, the department head, HR representative, Shop Steward, Business Representative, and/or employee will attempt to settle the grievance by communicating within fifteen (15) working days of the delivery of the written grievance to the Employer's Human Resource Office (the Step 1 meeting). The HR department shall respond in writing within 15 (fifteen) working days of the Step 1 meeting. If the grievance is not resolved at Step 1, the grievance may proceed to Step 2.

Step 2: Grievances not settled at Step 1 shall be submitted by the Shop Steward, Business Representative, and/or employee to the Human Resource Director or designee within ten (10) working days from the date the HR department has provided the Step 1 response. Grievances not so referred shall no longer be considered in dispute. The Executive Director, or his/her designee, shall investigate the grievance and shall respond in writing within twenty (20) working days.

Step 3: If the grievance is not resolved pursuant to Step 2, the Business Representative, Shop Steward and/or employee and the Executive Director or designee shall meet within ten (10) working days from the date of the Executive Director's written Step 2 response. Grievances not so referred shall no longer be considered in dispute. The Executive Director shall respond in writing within twenty (20) working days. If the grievance is not resolved at Step 3, the grievance may be submitted to binding arbitration.

The above time frames can be modified by mutual written agreement of the Union and the Employer.

SECTION 18.4 Binding Arbitration

Any grievance not settled, withdrawn or otherwise resolved by the grievance settlement procedure may be submitted to arbitration. A demand for arbitration shall be served in writing within 100 calendar days of the occurrence or circumstances giving rise to the grievance, signed by both the affected employee(s) and the Business Representative.

The parties may select the arbitrator by agreement. If they are unable to do so within ten (10) working days after submission of the demand for arbitration, the parties shall jointly request the Public Employment Relations Commission (PERC) or the Federal Mediation and Conciliation Service (FMCS) to submit a panel of seven persons from which the parties shall select an arbitrator by the process of elimination, each party, in turn, striking a name from the panel until one remains. The right to strike the first name from the panel shall be determined by lot. The parties shall request the agency to appoint as the arbitrator the person whose name remains. The parties shall share equally the arbitrator's fee. All other costs, including legal fees, shall be borne by the party incurring them.

SECTION 18.5 Arbitrator Authority

The arbitrator's decision shall be based solely on the evidence submitted at the hearing. The arbitrator shall have authority only to interpret the applicable provisions of this Agreement and to order an appropriate remedy, which does not conflict with its terms. The arbitrator shall not have authority to award a remedy for a grievance if the procedures outlined in this Article have not been followed, or to award a remedy which is punitive in nature or which affects any employees other than those submitting the grievance.

SECTION 18.6 Untimely Action

Failure to file a grievance, process the grievance as set forth in this section, or demand arbitration within the time limits prescribed by this Article shall constitute a waiver of the grievance and the right to arbitration.

SECTION 18.7 Grievance Termination

A grievance may be terminated at any time upon notification from a duly authorized union representative stating the matter is no longer at issue.

ARTICLE 19

UNION-MANAGEMENT COMMITTEE

- (a) A Union-Management Committee is hereby established. This Committee will consist of two Employer representatives and two Union representatives. It shall convene as mutually agreed upon at the Tacoma Housing Authority. The Committee may discuss the following topics:

- 1) administration of the contract;
- 2) problems which may affect bargaining unit members;
- 3) dissemination of items of a general interest to the parties;
- 4) training needs for Employer employees.

Either the Union or the Employer may convene a meeting of the Committee with reasonable notice to the other.

- (b) Prior to the meeting, subject matters may be submitted by both parties. A written agenda shall be prepared. The Committee shall select a chairperson. The agenda may be supplemented as agreed to by both parties.
- (c) Minutes shall be taken by a representative designated by the chair. Topics discussed and disposition of each shall be recorded. Copies of minutes will be sent to the Union office and the Employer.
- (d) The Authority will pay the regular salary of the employee-union-representatives participating in these meetings. The meetings will be held during regular working hours.

- (e) This committee shall have no power to bind either party. It is set up for informal discussion only.
- (f) This committee is not intended to prevent the parties' practice of informal discussions.

ARTICLE 20

STRIKES, WORK STOPPAGES AND LOCKOUTS

During the term of this Agreement, there shall be no lockouts, and the Union and its members shall not cause, sanction, condone or take part in any strike; except that it is not a violation of this Agreement for an employee to refuse to pass a bona fide picket line established by any union.

ARTICLE 21

SAFETY

All employees shall be provided safe, sanitary and healthful working conditions.

ARTICLE 22

WORK IN A HIGHER CLASSIFICATION

Any employee who is assigned in writing by their supervisor to perform the work of a higher classification in the bargaining unit for eight (8) hours or more within a day shall be paid for the time worked at the higher classification rate of pay.

ARTICLE 23

RETROACTIVE COMPENSATION

The Authority agrees that it will make retroactive payment to bargaining unit employee if such payment is (a) required by the CBA and (b) permitted by state law.

ARTICLE ~~23~~24

EFFECT OF OTHER LAWS

If any part or provision of this Agreement is determined by a court or other tribunal acting within its jurisdiction to be invalid or unenforceable, the remainder of the Agreement shall remain in effect. The Authority shall have the right to modify any term or condition of employment in order to comply with an order of such court or tribunal or to conform to any other applicable legal requirement, and such modification shall not be deemed a breach of this Agreement.

ARTICLE ~~23~~25

SUCCESSORS

In the event the Employer shall, by merger or consolidation, enter into an agreement with an entity or individual, which in whole or in part, affects the existing appropriate collective bargaining unit, then such successor shall be bound by each and every provision of this Agreement. The Employer shall have an affirmative duty to call this provision of the Agreement to the attention of any group with which it seeks to make such an agreement as aforementioned.

ARTICLE ~~24~~26

CONTRACT TERM AND TERMINATION

This Agreement shall become effective July 1, 20~~16~~18 and shall remain in effect until June 30, 20~~18~~21.

Either party shall give sixty (60) days written notice prior to the Agreement's expiration date of its desire to negotiate the next Agreement. Upon such notice, the parties shall proceed to negotiate a new Agreement.

[Signatures follow]

**HOUSING AUTHORITY OF THE CITY OF
TACOMA**

**OFFICE & PROFESSIONAL EMPLOYEES
INTERNATIONAL LOCAL 8**

Michael Mirra

Executive Director

Date: _____

Valarie Peaphon

Business Representative

Date: _____

SCHEDULE A

Pay Grade	Job Titles	Effective July 4, 2016	
J	Senior Accountant	52,293	73,210
I	No positions	49,333	69,066
H	Procurement Specialist	46,540	65,157
G	Inspector	43,906	61,468
F	Property Specialist	41,421	57,989
	Housing Specialist		
	Accounting Specialist		
	Case Worker		
E	Senior Office Assistant	39,076	54,707
D	Property Management Assistant	36,864	51,610
C	Office Assistant	34,778	46,689
B	No Positions	32,809	45,933
A	Receptionist	30,952	43,333
<u>Pay Grade</u>	<u>Job Titles</u>	<u>Effective July 14, 2018</u>	
<u>18</u>	<u>Senior Accountant</u> <u>Landlord Engagement Specialist</u>	<u>56,400</u>	<u>81,800</u>
<u>17</u>	<u>No positions</u>	<u>52,500</u>	<u>76,100</u>
<u>16</u>	<u>No positions</u>	<u>48,800</u>	<u>70,800</u>
<u>15</u>	<u>Inspector</u>	<u>45,400</u>	<u>65,800</u>
<u>14</u>	<u>Property Specialist</u>	<u>42,200</u>	<u>61,200</u>
	<u>Housing Specialist</u>		
	<u>Accounting Specialist</u>		
	<u>Case Worker</u>		
	<u>Senior Office Assistant</u>		
<u>13</u>	<u>No Positions</u>	<u>39,300</u>	<u>57,000</u>
<u>12</u>	<u>Office Assistant</u>	<u>36,600</u>	<u>53,100</u>

1. **2018 Pay Grade Adjustments and Wage Increase**

Effective July 14, 2018, the Pay Grade adjustments will be made and all then current, regular bargaining unit employees will be eligible for the across-the-board salary increase as listed below. The parties have agreed on the following terms.

- (a) **Effective July 14, 2018**, current bargaining unit employees will be eligible for a wage increase based on the following factors:
- (b) All regular employees not covered by (c), (d) or (e) will receive a **3.0%** pay increase.
- (c) An employee whose salary, with the addition of the pay increase, would reach or exceed the top of their position's Pay Grade will receive an increase to their salary that is the lesser of (i) to the top of the new range; or (ii) their eligible percentage. They will receive the difference between their eligible percentage increase and their actual percentage increase in a lump sum.
- (d) An employee who was hired or promoted between April 1, **2018** and June 30, **2018** will receive a general wage increase of **1.5%**.
- (e) Employees hired or promoted on or after July 1, **2018** will not be eligible for a salary increase in **2018**.
- (f) THA temporary employees are not eligible for this increase **unless their current wage falls below the above scale for the position they hold, in which case they will be brought up to the bottom of the new scale.**
- (g) **Any employee whose current salary is below the new pay grade, will be brought up to the bottom of the new pay grade for their position. Then all salary increases described above will be computed.**

2. **2018 One-Year Variable Pay Pool**

In addition to the above salary increase, Employer will create a twelve (12) month **2018** Variable Pay Plan pool. Bargaining unit employees who are employed in a regular classification are eligible for Variable Pay according to the terms of the current THA Policy HR-20.35 Variable Pay Revised June 15, 2016. Employer reserves the right to distribute this pool in the forms determined by the THA Policy HR-20.35 Variable Pay Revised June 15, 2016.

The funding for the **2018** Variable Pay pool will equal 2% of the 2018 OPEIU salary budget. That budget will be established and approved by the Board of Commissioners and will remain the same for **CY 2018** whether positions are filled or unfilled.

3. **2019 Wage Increase**

Effective July 13, 2019, all current, regular bargaining unit employees will be eligible for the across-the-board salary increase as listed below. The parties have agreed on the following terms.

- (a) **All regular employees not covered by (c), (d) and (e) will receive a 3.0% pay increase.**

- (b) An employee whose salary, with the addition of the pay increase, would reach or exceed the top of their position's Pay Grade will receive an increase to their salary that is the lesser of (i) to the top of the new range; or (ii) their eligible percentage. They will receive the difference between their eligible percentage increase and their actual percentage increase in a lump sum.
- (c) An employee who was hired or promoted between April 1, 2019 and May 31, 2019 will receive a general wage increase of 1.5%.
- (d) Employees hired or promoted on or after June 1, 2019 will not be eligible for a salary increase in 2019.
- (e) THA temporary employees are not eligible for this increase.

4. 2019 One-Year Variable Pay Pool

In addition to the above salary increase, Employer will create a twelve (12) month 2019 Variable Pay Plan pool. Bargaining unit employees who are employed in a regular classification are eligible for Variable Pay according to the terms of the THA Policy HR-20.35 Variable Pay Revised June 15, 2016. Employer reserves the right to distribute this pool in the forms determined by the revised THA Policy HR-20.35 Variable Pay, Revised June 15, 2016.

The funding for the 2019 Variable Pay pool will equal 2% of the 2019 OPEIU salary budget. That budget will be established and approved by the Board of Commissioners and will remain the same for CY 2019 whether positions are filled or unfilled. Employer reserves the right to decrease the size of this target pool should Employer incur a significant revenue shortfall as a result of state or federal budget restrictions.

5. 2020 Wage Increase

Effective July 11, 2020, all then current, regular bargaining unit employees will be eligible for an across-the-board salary increase as listed below. The parties agreed on the following terms.

- (a) All regular employees not covered by (c), (d) and (e) will receive a 3.0% pay increase.
- (b) An employee whose salary, with the addition of the pay increase, would reach or exceed the top of their position's Pay Grade will receive an increase to their salary that is the lesser of (i) to the top of the new range; or (ii) their eligible percentage. They will receive the difference between their eligible percentage increase and their actual percentage increase in a lump sum.
- (c) An employee who was hired or promoted between April 1, 2020 and May 31, 2020 will receive a general wage increase of 1.5%.
- (d) Employees hired or promoted on or after June 1, 2019 will not be eligible for a salary increase in 2019.
- (e) THA temporary employees are not eligible for this increase.
- (f) The Employer may re-open negotiations over the salary increase percentage should THA incur a significant revenue shortfall as a result of state or federal budget reductions from the previous year's allotment.

6. 2020 One-Year Variable Pay Pool

In addition to the above salary increase, Employer will create a twelve (12) month 2020 Variable Pay Plan pool. Bargaining unit employees who are employed in a regular classification are eligible for Variable Pay according to the terms of the THA Policy HR-20.35 Variable Pay Revised June 15, 2016. Employer reserves the right to distribute this pool in the forms determined by the revised THA Policy HR-20.35 Variable Pay, Revised June 15, 2016.

The funding for the 2020 Variable Pay pool will equal 2% of the 2020 OPEIU salary budget. That budget will be established and approved by the Board of Commissioners and will remain the same for CY 2020 whether positions are filled or unfilled. Employer reserves the right to decrease the size of this target pool should Employer incur a significant revenue shortfall as a result of state or federal budget restrictions.

7. 2021 Six-Month Variable Pay Pool

Employer will create a six (6) month 2021 Variable Pay Plan pool. Bargaining unit employees who are employed in a regular classification are eligible for Variable Pay according to the terms of the THA Policy HR-20.35 Variable Pay Revised June 15, 2016. Employer reserves the right to distribute this pool in the forms determined by the revised THA Policy HR-20.35 Variable Pay Revised June 15, 2016.

The funding for the 2021 Variable Pay pool will equal 2% of the 2021 OPEIU salary budget. That budget will be established and approved by the Board of Commissioners and will remain the same for CY 2021 whether positions are filled or unfilled. Employer reserves the right to decrease the size of this target pool should Employer incur a significant revenue shortfall as a result of state or federal budget reductions.

2. 2016 Pay Grade Adjustments and Wage Increase

~~In the first full pay period in July 2016, the Pay Grade adjustments will be made and all then current, regular bargaining unit employees will be eligible for the across-the-board salary increase as listed below. The parties have agreed on the following terms:~~

- ~~(h) Effective the first full pay period in July 2016, current bargaining unit employees will be eligible for a wage increase based on the following factors:~~
- ~~(i) All regular employees not covered by (c), (d) or (e) will receive a 3.0% pay increase.~~
- ~~(j) An employee whose salary, with the addition of the pay increase, would reach or exceed the top of their position's Pay Grade will receive an increase to their salary that is the lesser of (i) to the top of the new range; or (ii) their eligible percentage. They will receive the difference between their eligible percentage increase and their actual percentage increase in a lump sum.~~
- ~~(k) An employee who was hired or promoted between April 1, 2016 and June 30, 2016 will receive a general wage increase of 1.5%.~~
- ~~(l) Employees hired or promoted on or after July 1, 2016 will not be eligible for a salary increase in 2016.~~

~~(m) THA temporary employees are not eligible for this increase.~~

~~(n) After all salary increases described above are computed, any employee whose new salary remains below the new Pay Grade will be brought up to the bottom of the new Pay Grade.~~

~~3. 2016 One-Year Variable Pay Pool~~

~~In addition to the above salary increase, Employer will create a twelve (12) month 2016 Variable Pay Plan pool. Bargaining unit employees who are employed in a regular classification are eligible for Variable Pay according to the terms of the current THA Policy HR-20.35 Variable Pay. Employer reserves the right to distribute this pool in the forms determined by the THA Policy HR-20.35 Variable Pay.~~

~~The funding for the 2016 Variable Pay pool will equal 2% of the revised 2016 OPEIU salary budget. That budget will be established and approved by the Board of Commissioners and will remain the same for CY 2016 whether positions are filled or unfilled.~~

~~3. 2017 Wage Increase~~

~~In the first full pay period in July 2017, all then current, regular bargaining unit employees will be eligible for the across-the-board salary increase as listed below. The parties have agreed on the following terms.~~

~~(a) Effective the first full pay period in July 2017, current bargaining unit employees will be eligible for a wage increase based on the following factors:~~

~~(b) All regular employees not covered by (c), (d) or (e) will receive a 3.0% pay increase.~~

~~(c) An employee whose salary, with the addition of the pay increase, would reach or exceed the top of their position's Pay Grade will receive an increase to their salary that is the lesser of (i) to the top of the new range; or (ii) their eligible percentage. They will receive the difference between their eligible percentage increase and their actual percentage increase in a lump sum.~~

~~(d) An employee who was hired or promoted between April 1, 2017 and June 30, 2017, will receive a general wage increase of 1.5%.~~

~~(e) Employees hired or promoted on or after July 1, 2017 will not be eligible for a salary increase in 2017.~~

~~(f) THA temporary employees are not eligible for this increase.~~

~~4. 2017 One-Year Variable Pay Pool~~

~~In addition to the above salary increase, Employer will create a twelve (12) month 2017 Variable Pay Plan pool. Bargaining unit employees who are employed in a regular classification are eligible for Variable Pay according to the terms of the revised THA Policy HR-20.35 Variable Pay. Employer reserves the right to distribute this pool in the forms determined by the revised THA Policy HR-20.35 Variable Pay.~~

~~The funding for the 2017 Variable Pay pool will equal 2% of the 2017 OPEIU salary budget. That budget will be established and approved by the Board of Commissioners and will remain the same for CY 2017 whether positions are filled or unfilled. Employer reserves the right to decrease the size of this target pool should Employer incur a significant revenue shortfall as a result of state or federal budget reductions.~~

~~6. 2018 Six Month Variable Pay Pool~~

~~Employer will create a six (6) month 2018 Variable Pay Plan pool. Bargaining unit employees who are employed in a regular classification are eligible for Variable Pay according to the terms of the revised THA Policy HR-20.35 Variable Pay. Employer reserves the right to distribute this pool in the forms determined by the revised THA Policy HR-20.35 Variable Pay.~~

~~The funding for the 2018 Variable Pay pool will equal 2% of the 2018 OPEIU salary budget. That budget will be established and approved by the Board of Commissioners and will remain the same for CY 2018 whether positions are filled or unfilled. Employer reserves the right to decrease the size of this target pool should Employer incur a significant revenue shortfall as a result of state or federal budget reductions.~~

LETTER OF UNDERSTANDING

ADDITIONAL PROPERTIES

The parties agree to continue in full force and effect the THA-PCWBCTC-OPEIU Agreement dated December 2006 pertaining to additional properties.

MEMORANDUM of UNDERSTANDING

Tacoma Housing Authority

And

~~Office and Professional Employees International Union, Local 8~~

The Employer and the Union recognize that it is our mutual interest to work collaboratively in areas of shared interest. Therefore, the parties agree as follows:

~~A Joint Committee will be formed to study benefit options (including health insurance carriers, plan designs, costs, shared sick leave, parental leave, etc. and other benefits listed or proposed to be included in Article 8) for coverage starting with benefit year 2017. The agency and union have a mutual interest to ensure employees receive high quality benefits at a fair, reasonable and sustainable cost. The Committee may also consider other benefit changes in connection with meeting this mutual interest. The Committee shall consist of four (4) members appointed by the Union and four (4) members appointed by the Employer, plus one or more non-voting benefit consultants. This Committee will meet at least monthly beginning in July, 2016. Any recommendation by the Committee shall require a majority of the voting members—i.e. 5 or more affirmative votes.~~

~~The Committee shall present its recommendation, if any, for 2017 health insurance coverage (and any other associated benefit changes) by October 31, 2016. If the Committee cannot agree on a recommendation, the Committee shall so report by October 31, 2016.~~

~~The Employer and the Union shall commence bargaining over the Committee's recommendation (or if there is no recommendation over 2017 health insurance coverage) as soon as practicable after October 31, 2016. If such bargaining results in an agreement for health insurance and other benefits, such agreement shall be memorialized and when signed by both parties shall supersede this MOU. If such bargaining for 2017 health insurance benefits and other benefits has not reached an agreement by November 1, 2016, the coverage for 2017 will be renewed under the 2016 health insurance plan or substantial equivalent and other benefits listed in Article 8 of the CBA will be renewed under the 2016 plan or substantial equivalent with each renewal to be effective January 1, 2017. In that case, the cost of the 2017 health insurance will be paid as follows:~~

- ~~• Employee Only coverage—THA pays 97.5% of the premium for the base plan. The employee will be responsible for the cost differential between the base and the buy-up plan.~~
- ~~• Dependent (spouse, child(ren)) coverage—THA pays 81% of the premium for the base plan. The employee will be responsible for the cost differential between the base and the buy-up plan.~~

~~If bargaining for 2018 health insurance benefits and other benefits has not reached an agreement by November 1, 2017, the coverage will be renewed under the current health insurance plan or substantial equivalent and other benefits listed in Article 8 of the CBA will be renewed under the 2016 plan or substantial equivalent, with each such renewal to be effective January 1, 2018. In that case, the cost of the 2018 health insurance will be paid as follows:~~

- ~~• Employee Only coverage—THA pays 96.5% of the premium for the base plan. The employee will be responsible for the cost differential between the base and the buy-up plan.~~
- ~~• Dependent spouse, child(ren) coverage—THA pays 80% of the premium for the base plan. The employee will be responsible for the cost differential between the base and the buy-up plan.~~

APPENDIX A

	Newly Hired Probationary Employees*	Regular employees Full-time	Temporary Employees†
Holiday	<ul style="list-style-type: none"> Eligible for Company-paid Not Eligible for Floating 	Eligible	Not Eligible Eligible, if on THA payroll
Vacation	Accrues but Not Eligible to use until end of Probation	Eligible	Not Eligible
Medical Leave and Other Leaves	Eligible to use Accrued Leave	Eligible	Not Eligible
Medical Insurance Including Vision***	Eligible	Eligible	Not Eligible
Dental Insurance**	Eligible	Eligible	Not Eligible
Life Insurance**	Eligible	Eligible	Not Eligible
Accidental Death and Dismemberment**	Eligible	Eligible	Not Eligible
Short Term Disability**	Eligible	Eligible	Not Eligible
Long Term Disability**	Eligible	Eligible	Not Eligible
Medical Flexible Spending Account**	Eligible	Eligible	Not Eligible
Dependent Care Flexible Spending Account**	Eligible	Eligible	Not Eligible
Employee Assistance Program**	Eligible	Eligible	Not Eligible
Public Employees Retirement System (PERS)	Eligible	Eligible	Not Eligible
Deferred Compensation	Eligible	Eligible	Not Eligible

An employee's eligibility to participate in employee benefits is based upon their employment status.

†Note: Temporary employees are eligible for Paid Holiday's, provided they are on THA's payroll.

*Note: Newly promoted probationary employees do not have the same restrictions on benefit eligibility. Newly promoted probationary employees are eligible based on their hours worked per above chart.

**Note: The actual terms for employee eligibility are defined in the insurance plan Summary Plan Description.

***Note: For healthcare insurance eligibility, employees who work at least 30 hours per week or whose service hours equal at least 130 hours a month for more than 120 days in a year are considered full-time.