



TACOMA HOUSING AUTHORITY

BOARD OF COMMISSIONERS

BOARD PACKET

November 14, 2018



Michael Mirra
Executive Director

TACOMA HOUSING AUTHORITY

BOARD OF COMMISSIONERS

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

REGULAR MEETING Board of Commissioners

WEDNESDAY, November 14, 2018

The Board of Commissioners of the Housing Authority of the City of Tacoma will hold its Regular Meeting on **Wednesday, November 14, 2018, at 4:45 pm.**

The meeting will take place at:

**Bay Terrace
2550 South G. Street
Tacoma, WA 98405**

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 November 14, 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

REGULAR BOARD OF COMMISSIONERS MEETING

November 14, 2018, 4:45 PM

Bay Terrace, 2550 South G. Street, Tacoma, WA 98405

1. **CALL TO ORDER**
2. **ROLL CALL**
3. **APPROVAL OF MINUTES**
 - 3.1 Minutes of October 24, 2018—Regular Meeting
4. **GUEST COMMENTS**
5. **COMMITTEE REPORTS**
6. **COMMENTS FROM THE EXECUTIVE DIRECTOR**
7. **ADMINISTRATION REPORTS**
 - 7.1 Finance
 - 7.2 Client Support & Empowerment
 - 7.3 Rental Assistance
 - 7.4 Property Management
 - 7.5 Real Estate Development
8. **OLD BUSINESS**
9. **NEW BUSINESS**
 - 9.1 2018-11-14 (1) Authorization to Form a Tax Credit Entity (Housing Hilltop LLLP)
 - 9.2 2018-11-14 (2) Extension of Rapid Rehousing (RRH) Contracts with Pierce County
 - 9.3 2018-11-14 (3) Arlington Drive Youth Campus GC/CM Contractor
 - 9.4 2018-11-14 (4) Service Provider at Arlington Drive Apartments
 - 9.5 2018-11-14 (5) Amendment to A&E Services for Mithun Architects for Hilltop Parcels (**WALK-ON**)
10. **COMMENTS FROM THE COMMISSIONERS**
11. **EXECUTIVE SESSION, if any**
12. **ADJOURNMENT**



TACOMA HOUSING AUTHORITY

MINUTES



TACOMA HOUSING AUTHORITY

BOARD OF COMMISSIONERS MEETING MINUTES REGULAR SESSION WEDNESDAY, OCTOBER 24, 2018

The Commissioners of the Housing Authority of the City of Tacoma met in Regular Session at Dixon Village, 5420 S. Stevens, Tacoma, WA 98409 at 4:45 PM on Wednesday, October 24, 2018.

1. CALL TO ORDER

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

2. ROLL CALL

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

PRESENT	ABSENT
Commissioners	
Chair Minh-Anh Hodge	
Vice Chair Derek Young (left early at 6:09 pm)	
Commissioner Arthur Banks (arrived late at 4:48 pm)	
Commissioner Stanley Rumbaugh (arrived late at 5:07 pm)	
Commissioner Shennetta Smith	
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 Hodge declared there was a quorum present @ 4:51 and proceeded.

3. APPROVAL OF MINUTES OF THE PREVIOUS MEETING

Chair Hodge asked for any corrections to, or discussion of the minutes for the Regular Session of the Board of Commissioners on Wednesday, September 26, 2018. Commissioner Banks moved to adopt the minutes; Commissioner Young seconded.

Upon roll call, the vote was as follows:

AYES: 4
NAYS: None
Abstain: None
Absent: 1 (Commissioner Rumbaugh was not yet in attendance)

Motion approved.

4. GUEST COMMENTS

THA staff persons Yvonne Ginoulis and Denise Day-Joseph explained THA's tree planting project. This project seeks to greatly increase the tree canopy on THA's properties. To help with this effort, THA received a \$15K grant from the Washington State Department of Natural Resources. The grant required THA to enlist the help of its residents to plant trees. Children from Dixon Village did just that. They planted 15 trees at Dixon Village. They also helped to build community gardens. Some of those children attended the Board meeting. Yvonne and Dennis presented them each with a Certificate of Appreciation and a "Tree-mendous" pin.

5. COMMITTEE REPORTS

Real Estate Development Committee—Commissioner Rumbaugh

Nothing to report.

Finance Committee—Chair Hodge and Vice Chair Young

Nothing to report.

Education Committee—Chair Hodge

Nothing to report.

Citizen Oversight Committee—Commissioner Banks

Nothing to report.

6. COMMENTS FROM THE EXECUTIVE DIRECTOR

Executive Director (ED) Michael Mirra directed the board to his report. Commissioners Rumbaugh and Smith, ED Mirra, and Deputy Executive Director (DED) Black attended the Council of Large Public Housing Authorities (CLPHA) fall meeting in Washington, D.C. and also attended meetings with congressional staff. ED Mirra kept alert for discussion about the 2019 budget, but he didn't learn much. THA will budget to the Continuing Resolution (CR).

From conversations with other attendees at the meeting, Commissioner Smith realized the great job THA is doing and how innovative our programs are. According to DED Black,

the Mobility Conference she attended was also very interesting. She took note of what other housing authorities are doing to get people leased up.

7. ADMINISTRATIVE REPORTS

Finance

Finance Department (FD) Director Ken Shalik directed the board to the finance and cash reports. The 3rd quarter financials will be presented at the November board meeting and the Board Study Session is scheduled for November 30. Finance is working on the 2019 budget and as ED Mirra stated, THA is budgeting to the 2018 income. The budget is looking good and Director Shalik has been working with each director on their department budget. THA will receive the remainder of the Rental Assistance Demonstration (RAD) funds in 2019, which will keep THA moving forward. REAC financial was submitted and the state audit had no findings on both the single and the financial portion. According to Director Shalik, THA should be receiving a \$2M developer fee for RAD and \$3.5M in capitalized interest.

Vice Chair Young moved to ratify the payment of cash disbursements totaling \$4,487,117 for the month of September 2018. Commissioner Banks seconded.

Upon roll call, the vote was as follows:

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

Motion Approved.

Client Support and Empowerment

Client Support and Empowerment (CSE) Director Cacey Hanauer directed the board to her report. On September 27, Pierce County was announced as one of four initial Anchor Communities in Washington State. The Anchor Communities initiative is an effort to end youth and young adult homelessness by getting them off the streets and into housing. THA was part of the core team in support of the application. THA will participate intensively along with the rest of the community in launching and sustaining the effort. The Anchor Community launch event will be combined with the ground breaking at Arlington Drive, which should be a big event.

There are four applications for Arlington Drive: Coffee Oasis, Pioneer Human Services, Metropolitan Development Council, and YMCA of Seattle. Commissioner Rumbaugh mentioned that Tacoma Public Schools (TPS) recently eliminated a few staff positions and wondered if Director Hanauer has thought about how this would affect the Elementary School Housing Assistance Program (ESHAP). ED Mirra, DED Black and Project Manager Amy Van met with TPS's Deputy Superintendent Josh Garcia and Director of K-12 Leadership Development Thu Ament to discuss the ESHAP redesign. The school officials reaffirmed the District's commitment to the partnership and the proposed expansion. Chair Hodge and Thu will meet to discuss this further and to ensure that the cuts will not affect the ESHAP commitment. ED Mirra mentioned that in Novem

er or December staff hopes to present to the Board with the broad outline of the McCarver program expansion. At that time TPS superintendent and deputy superintendent will attend.

Rental Assistance

Rental Assistance (RA) Director Julie LaRocque directed the board to her report. Last month the board approved two project based voucher contracts and the RA team is moving forward with this; getting contracts signed and put together. THA's landlord engagement specialist is having frequent meetings with property management companies to share the excitement about THA, and the Rental Association's regional meeting is scheduled for Friday.

Commissioner Rumbaugh inquired about the Tiki contract. ED Mirra said the contract has been submitted to the Tiki owner for review and a signed contract is expected this week. The contract contains accommodation to former Tiki residents who are currently homeless. The main uncertainty is whether the residents will be able to pass the screening criteria and pay the deposit. The owner is prepared to be flexible on other elements of the screening criteria. Commissioner Rumbaugh heard that some Tacoma Community College (TCC) students are already moving in to the Tiki apartments. ED Mirra and DED Black will meet with the TCC President to discuss staffing necessary for the program. According to ED Mirra, TCC's president expressed great support for the partnership.

Chair Hodge asked how the utilization rate compares to last month's. According to Director LaRocque, the utilization rate is up slightly and she is noticing more interest from landlords, especially after ED Mirra led a tenant protections meeting.

Property Management

Property Management (PM) Director Frankie Johnson directed the board to her report. A couple of months back, she announced that Portfolio Manager Gretchen Sinkula will be leaving THA. PM is currently interviewing candidates for that position and also wrapped up their search for a maintenance lead. Director Johnson will introduce the new staff members at the November board meeting. Turn numbers are at 26 days this month and 19 days is projected for next month.

Real Estate Development

Real Estate Development (RED) Director Kathy McCormick directed the board to her report. The RED team is focused on the Arlington Drive project and Director McCormick is hopeful that THA will receive documents back from the City by the end of this month. RED is also in conversations with the City on the set aside that ED Mirra was able to get for this project.

The Korean Women's Association (KWA) received funding from the City and County. The Metro Park's board unanimously voted to allow KWA to lease Portland Community Center.

There is a delay on the Alberta Canada building and RED is projecting the project to be completed by December 24, which is also the date to submit for tax credits.

The RED team is working on the planning process and showing vacant commercial property at James Center North. They are receiving great ideas on ways to activate the center. RED will need to meet with the development partners to discuss phases of the project.

8. OLD BUSINESS

None.

9. NEW BUSINESS

9.1 RESOLUTION 2018-10-24 (1) (Implementing Statutory changes to the Micro-purchases and Simplified Acquisition Thresholds)

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 (Resolution 2018-06-27 (2); and

WHEREAS, In the course of revision of THA’s Procurement Policy, the National Defense Authorization Acts raised the Micro-purchase and Simple Acquisition thresholds; and

WHEREAS, A revision to THA’s Procurement Policy will implement the increases in the Micro-purchase and Simple Acquisition thresholds; now, therefore, be it

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

1. Revision to THA’s Procurement Policy that increases the Micro-purchase threshold from \$3,000 to \$10,000 and raises the Simplified Acquisition threshold from \$150,000 to \$250,000.
2. This resolution shall be in full force and effective from and after its adoption and approval.

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

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

Motion Approved: October 24, 2018

Dr. Minh-Anh Hodge, Chair

9.2 Tacoma Housing Authority 2018-10-24 (2)
(Authorization to Forgive Debt of Certain Existing THA-Controlled Entities)

A **RESOLUTION** authorizing the Authority to forgive certain loans made by the Authority to Hillside Terrace Phase I Limited Partnership, Hillside Terrace Phase II Limited Partnership, Salishan One LLC, Salishan Two LLC, and Salishan Three, LLC; and providing for other matters properly related thereto.

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

WHEREAS, RCW 35.82.070 authorizes the Authority, among other things, to “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,” to “lease or rent any dwellings . . . buildings, structures or facilities embraced in any housing project,” and to lend money to aid in the development of housing projects; and

WHEREAS, The Authority is the sole general partner or managing member of, Hillside Terrace Phase I Limited Partnership, Hillside Terrace Phase II Limited Partnership, Salishan One LLC, Salishan Two LLC and Salishan Three LLC (each, a “LIHTC Entity”), and Tacoma Housing Development Group (“THDG”) is the sole limited partner or investor member of each LIHTC Entity; and

WHEREAS, The LIHTC Entities developed and operate the affordable rental housing properties in the City commonly known as Hillside I, Hillside II, Salishan One, Salishan Two and Salishan Three (collectively, the “Properties”); and

WHEREAS, The Authority has loans to the LIHTC Entities outstanding in the amounts of \$2,069,212 (Hillside Terrace Phase I), \$442,994 (Hillside Terrace Phase II), \$2,381,557 (Salishan One-Loan A), \$750,000 (Salishan One-Loan B), \$629,910 (Salishan One-AHP Loan), \$1,328,845 (Salishan Two-Loan A), \$400,000 (Salishan Two-Loan B), \$629,910 (Salishan Two-AHP Loan), \$3,868,514 (Salishan Three-Loan A), and \$629,910 (Salishan Three-AHP) (collectively, the “THA Loans”); and

WHEREAS, The sources of funds for the THA Loans were grants and/or program income received by the Authority that was required to be used to fund improvements at the Properties; and

WHEREAS, The Authority has outstanding “operating” or “partner” loans that it made to Hillside Terrace Phase I Limited Partnership and Hillside Terrace Phase II Limited Partnership pursuant to the terms of the partnership agreements for such LIHTC Entities (the “Operating Loans”); and

WHEREAS, Generally accepted accounting principles, as applicable to the Authority, require that each of the LIHTC Entities be financially consolidated with the Authority and that each of the THA Loans, Operating Loans and related interest be disregarded for financial reporting purposes; and

WHEREAS, To reduce the costs of operating the Properties, and aid the poor and infirm, the Authority finds and determines that it is desirable to forgive the THA Loans and the Operating Loans, including the related interest; now, therefore, be it

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

1. The Authority is authorized to forgive each of the THA Loans and the Operating Loans, as well as any unpaid interest to such loans. The Authority's Executive Director and Deputy Executive Director (each, an "Authorized Officer" and, collectively, the "Authorized Officers"), and each of them acting alone, are authorized on behalf of the Authority and each LIHTC Entity to (i) execute, deliver and file (or cause to be executed, delivered and filed), to the extent required by law, such agreements, certificates, documents and instruments as are necessary or appropriate in each Authorized Officer's discretion to give effect to this resolution and to consummate such acquisition; and (ii) take any other action that each Authorized Officer deems necessary and advisable to give effect to this resolution and consummate the transactions contemplated herein; *provided, however*, no regulatory agreement between THA and an LIHTC Entity shall be released in connection with the forgiveness of the THA Loans.
2. The Authority is authorized to amend and restate the partnership agreement or operating agreement, as applicable, for each LIHTC Entity. The Authorized Officers, and each of them acting alone, are authorized on behalf of the Authority to determine the form of any such amended and restated partnership agreement or operating agreement, and to execute and deliver such agreements.
3. The Authority's Executive Director and his designees are authorized to cause each LIHTC Entity to liquidate any reserves that the Executive Director or his designees determine are not required by the U.S. Department of Housing and Urban Development or by a lender.
4. 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.
5. This resolution shall be in full force and effect from and after its adoption and approval.

Comments: Commissioner Rumbaugh wondered how these loans have been carried on THA books. According to Director Shalik, the loans show as receivable and payable, basically a wash. When the loans were originally set-up, they were never intended to be paid. This resolution will help Salishan funds come back unrestricted and increase equity of the property.

Vice Chair Young 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: October 24, 2018

 Dr. Minh-Anh Hodge, Chair

9.3 RESOLUTION 2018-10-24 (3)
(Proposed Revisions to Tacoma Housing Authority’s Administrative Plan and Continued Occupancy Plan re: Waiting List Management)

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

WHEREAS, The Administrative Plan relates to the administration of the Housing Choice Voucher program and is required by HUD; and

WHEREAS, The Admissions and Continued Occupancy Plan (ACOP) relates to the administration of the Public Housing program and is required by HUD; and

WHEREAS, The Administrative Plan and ACOP establish policies for carrying out programs in a manner consistent with HUD requirements and local goals and objectives contained in THA’s Moving to Work plan; and

WHEREAS, Changes to the Administrative Plan and ACOP 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:

Staff is authorized to adopt the following updates to the Administrative Plan to reflect the proposed policy changes.

Policy / Process Proposal	Applicable THA Policy Requiring Revision
Continue to use THA’s property waiting lists	No changes to Administrative Plan or ACOP
Remove property selection option	No changes to Administrative Plan or ACOP
Continue consolidated (combined) waiting list for the portfolio and the HOP Program	No changes to Administrative Plan or ACOP
Require applicants to check in quarterly (This requirement will begin when THA can send them reminders at appropriate intervals and when the online portal is	<u>Admin Plan</u> 4-II.F. “Updating the Waiting List” “Remove from Waiting List”

<p>active and staff have decided it is ready for client use)</p>	<p>Remove if household fails to check in once a quarter according to the calendar year.</p> <p><u>ACOP</u></p> <p>4-II.F. “Updating the Waiting List”</p> <p>“Purging the Waiting List”</p> <p>Remove if household fails to check in once a quarter according to the calendar year.</p>
<p>Refine the definition of “housed” and remove THA “housed” households from THA waiting list when their name comes to the top.</p>	<p><u>Admin Plan</u></p> <p>4.II.F. “Removal from the Waiting List”</p> <p>Remove if already housed by THA through a housing subsidy or in a unit subsidized by THA at the time they are eligible for an offer (even if housed in a property they did not originally apply for).</p> <p><u>ACOP</u></p> <p>4.II.F. “Removal from the Waiting List”</p> <p>Remove if already housed by THA through a housing subsidy or in a unit subsidized by THA at the time they are eligible for an offer (even if housed in a property they did not originally apply for).</p> <p>5-II.A. “Overview”</p> <p>PHA will offer the first available unit(s) based on eligible bedroom size only if the household is not already housed by THA in a unit or through a housing subsidy.</p>
<p>Limit and redefine “Good Cause” to decline a unit</p>	<p><u>ACOP</u></p> <p>5-II.A. “Overview”</p> <p>PHA will offer the first available unit based on eligible bedroom size.</p> <p>5-II.B. “Number of Offers”</p> <p>PHA will remove an applicant from the wait list who without good cause declines an offer or a unit or the voucher. If the applicant declines the first offered unit offer for “good cause”, they can stay on the waiting</p>

	<p>list, request a voucher (if one has not already been offered and declined) or they can request to be moved to the bottom of the waiting list.</p> <p>5-II.D. “Refusal of Unit Offers”</p> <p>“Good Cause for Unit Refusal”</p> <p>Include an example of being in a fixed term lease that the applicant cannot escape without penalty. This good cause and all others related to employment, training, education and daycare will also extend to non-elderly and non-disabled households. (Clarification)</p> <p>5-II.D. “Refusal of Unit Offers”</p> <p>“Unit Refusal Without a Good Cause”</p> <p>When an applicant rejects the one and only unit offer without a good cause, the PHA will remove the applicant name from the waiting list and send notice to the family of such removal.</p>
Adopt the HOP occupancy standards for property waiting list applicants and future THA property residents	<p><u>ACOP</u></p> <p>5-I.B. “Determining Unit Size”</p> <p>Adopt HOP standards from 18-X.A. of the Admin Plan for eligible bedroom size.</p>
Change reinstatement policy from 12 months to 6 months	<p><u>Admin Plan</u></p> <p>4-II.F. “Updating the Waiting List”</p> <p>Request in writing to be placed back on the waiting list within 6 months</p> <p><u>ACOP</u></p> <p>4-II.F. “Updating the Waiting List”</p> <p>“Purging the Waiting List”</p> <p>Request in writing to be placed back on the waiting list within 6 months</p>
Refine pre-resident orientations – “Renter Ready”	No changes to Administrative Plan or ACOP

Note: Additional minor revisions to the Administrative Plan and ACOP may be necessary to provide clarity.

Comments: According to DED Black, currently tenants can decline a unit for good cause. THA staff are proposing to limit and redefine “Good Cause,” to include an example of being in a fixed term lease that the applicant cannot escape

without penalty. For check-in, Commissioner Rumbaugh mentioned that there is an indication that sending text or robo calls prior to meetings helps and he wondered if THA has given this some thought. Yes, according to DED Black, but there is still quite a bit of work to do. This requirement will not be commence without the ability to send reminders according to ED Mirra. DED Black acknowledged and thanked Department Manager Karen Bunce for her work on this project.

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

Upon roll call, the vote was as follows:

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

Motion Approved: October 24, 2018

Dr. Minh-Anh Hodge, Chair

9.4 RESOLUTION 2018-10-24 (4)
(THA's Hilltop Parcels Use of Restricted Funds)

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

WHEREAS, On November 1, 2014, THA received a letter from HUD approving the sale of 7.489 acres in Salishan Area 2B to DR Horton for the price of \$3268,000; and

WHEREAS, On June 8, 2016, THA received a letter from HUD approving the sale of 16.19 acres in Salishan to DR Horton for the price of \$295,000; and

WHEREAS, The total net proceeds and bank interest for these funds currently equals \$3,441,676; and

WHEREAS, On July 3, 2018, Tacoma Housing Authority (THA) staff issued a Request for Qualifications (RFQ) from firms interested in providing architectural and engineering services for the redevelopment of THA's Hilltop Parcels; and

WHEREAS, THA staff expect to use \$1,440,000 for predevelopment and development costs associated with the Hilltop; and

WHEREAS, HUD restricts the use of these funds to increase affordable housing through Project Based Vouchers and requires HUD approval to use the funds; and

WHEREAS, At least seven (7) of the resulting units must be dedicated to the creation of affordable housing with Project Based Vouchers and/or Public Housing units; and

WHEREAS, THA staff expect to be able to meet this requirement with the resulting development; now, therefore, be it

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

Apply to HUD for permission to use \$1,440,000 of restricted funds for the use of predevelopment and development of THA's Hilltop Parcels for at least seven (7) units dedicated to affordable housing.

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

Upon roll call, the vote was as follows:

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

Motion Approved: October 24, 2018

Dr. Minh-Anh Hodge, Chair

**9.5 RESOLUTION 2018-10-24 (5)
(THA's 1800 Hillside Terrace Use of Restricted Funds)**

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

WHEREAS, On November 1, 2014, THA received a letter from HUD approving the sale of 7.489 acres in Salishan to DR Horton for the price of \$3268,000; and

WHEREAS, On June 8, 2016, THA received a letter from HUD approving the sale of 16.19 acres in Salishan to DR Horton for the price of \$295,000; and

WHEREAS, The total net proceeds and bank interest for these funds currently equals \$3,441,676; and

WHEREAS, On March 22, 2018, Tacoma Housing Authority (THA) Staff issued a Request for Qualifications (RFQ) from firms interested in providing architectural and engineering services for the redevelopment of THA's 1800 Hillside project; and

WHEREAS, THA staff expect to use \$2,000,000 for predevelopment and development costs associated with the Hilltop; and

WHEREAS, HUD restricts the use of these funds to increase affordable housing through Project Based Vouchers and requires HUD approval to use the funds; and

WHEREAS, At least nine (9) of the resulting units must be dedicated to the creation of affordable housing with Project Based Vouchers and/or Public Housing units; and

WHEREAS, THA staff expect to be able to meet this requirement with the resulting development; now, therefore, be it

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

Apply to HUD for permission to use \$2,000,000 of restricted funds for the use of predevelopment and development of THA's 1800 Hillside Terrace project for at least nine (9) units dedicated to affordable housing.

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

Upon roll call, the vote was as follows:

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

Motion Approved: October 24, 2018

Dr. Minh-Anh Hodge, Chair

9. COMMENTS FROM COMMISSIONERS

A couple of weeks ago, ED Mirra invited Chair Hodge to an Urban League event and she commented how great the event was in terms of opportunity for people to come together and recognize an organization that has done so much for the community.

Commissioner Rumbaugh just came back from Washington, D.C. for the CLPHA meeting and mentioned a couple of good meetings with Congressional staff where he heard some news about the 2019 budget.

Commissioner Smith also attended the CLPHA meeting and she felt really proud to stand between ED Mirra and Commissioner Rumbaugh, both of whom she considers very wise. She added that it was an honor to represent THA at the meeting.

Commissioner Banks attended the Eastside Community Center Ribbon Cutting and noted how great the event was.

10. EXECUTIVE SESSION

None.

11. ADJOURNMENT

There being no further business to conduct the meeting ended at 6:11 PM.

APPROVED AS CORRECT

Adopted: November 14, 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

To: THA Board of Commissioners
From: Michael Mirra, Executive Director
Date: November 6, 2018
Re: Executive Director's Monthly Report

This is my monthly report for November 2018. It supplements the departments' reports.

1. HIGHLAND FLATS APARTMENTS (formerly TIKI APARTMENTS): UPDATE

I am pleased to report that we have executed the contract with CWD Investments, the owner of Highland Flats (formerly known as the Tiki Apartments). In September, the Board approved a resolution allowing me to do that. This contract subsidizes the 62 apartments at this property for homeless TCC students. The contract also reserves 7 initial vacancies for previous Tiki residents who are presently homeless. This contract resulted from detailed, flexible and constructive discussions among THA, TCC, CWD Investments, and the Tacoma Tenants Organizing Committee (TTOC). We also received support from the Northwest Furniture Bank (NWFB), Associated Ministries (AM) and Comprehensive Life Resources (CLR). I append a copy of two press releases about this deal. One is a joint press release from THA, TCC, CWD Investments, NWFB, AM and CLR. The other is from the TTOC.

2. ARLINGTON DRIVE CAMPUS FOR HOMELESS YOUTH AND YOUNG ADULTS: BIG STEPS FORWARD AND REMAINING CHALLENGES

This month I am very pleased to present two resolutions that together will greatly advance the work to build, open and operate THA's ambitious campus at Arlington Drive for homeless youth and young adults. I note them below. We also are preparing to resolve two puzzles that I also mention below.

2.1 Choosing Construction Contractor and Service Provider for Young Adults

I am pleased to recommend the Board's adoption of a resolution that would choose Korsmo Construction to build the campus. The Board knows that we worried whether in this hot construction market we would get competitive bids. We received four, including one from Walsh Construction. We are fortunate to have such strong potential construction partners.

We are also fortunate in the proposals we received to provide the supportive services for the homeless young adults. We worried whether we would get qualified respondents. We received four. I am very pleased to strongly recommend that the Board approve the selection of the YMCA of Greater Seattle. This choice in particular is notable for the support from the broad array of community partners who comprised the interview panels: representatives from the City of Tacoma, Pierce County, Community Youth Services, our Advisory Board, Corporation for Supportive Housing, Oasis Center, a Salishan homeowner, and importantly, formerly homeless youth. The YMCA was the strong choice of all of these voices, except

one. Indeed, some of these community advisors recommend that if we do not choose the YMCA that we keep looking.

With these recommendations I am pleased to anticipate that we will have the strong partners we need to build this campus, launch it and operate it.

2.2 Service Dollars: Request to the State Legislature

Arlington Drive needs: **\$1.675 million** service dollars from the State legislature for the biennium (plus the state needs to keep funding THA's current 6 CRC beds which THA will transfer to Arlington Drive). We are speaking with legislative leaders about this request. We are also assembling important community support.

The Arlington Drive campus comes in two parts; each needs service dollars:

- *12-bed Crisis Residential Center/HOPE facility (CRC): **\$750,000** for 6 CRC beds for the biennium. (Please note that the state already funds 6 CRC beds in THA/CYS's existing CRC in South Tacoma; Arlington Drive needs the state to keep that funding going; THA/CYS would then transfer those 6 CRC beds and their funding to Arlington Drive; that means Arlington Drive needs an additional 6 CRC beds; those additional beds then would cost \$750,000 for the biennium beginning January 2020).*

Arlington needs state appropriation for its 12 CRC beds starting January 2020. Community Youth Services (CYS) will be the service provider. It is one of the nation's premier providers of these services. It has been doing this work for decades in Thurston County. It has a service model with a 91% success rate of discharging these youngsters to safe and stable housing after an average 12 day stay. That means Arlington will serve and save nearly 400 homeless youth a year.

We understand that 12 CRC beds cost about \$1 million a year in state funding. The state presently funds 6 CRC beds in a THA single family home in South Tacoma whose use we gave to CYS for that purpose. We need the state to keep going with the funding for those 6 CRC beds; THA/CYS proposes then to move those 6 CRC beds and their funding to Arlington Drive. That means Arlington Drive needs another 6 CRC beds, for a total of 12 CRC beds. Those additional 6 CRC beds from January 2020 to June 2021 of the biennium would then cost an additional \$750,000.

State funding for CRC/HOPE beds are presently administered through the Office of Homeless Youth. These are well established funding streams.

- *58 Apartments for homeless young adults. Beginning in 2020: **\$875,000** for the coming biennium.*

Arlington Drive will provide 58 apartments for homeless young adults age 18 to 24 years. We expect about 30% of them will be parents of babies or toddlers.

Arlington Drive will need \$750,000 a year for services for these homeless young adults and families. This money will fund between 8-12 full-time staff and associated costs. The staff team will be a mix of clinicians, case managers, care coordinators, live-in resident support, and supervisors. They will provide trauma-informed care to these young tenants. The money will help pay for other services and expenses they will need: *e.g.* clothing, food, hygiene, furnishings, transportation, phone service, education and training. The goal is to stabilize these young people, help them recover from trauma and allow them to leave Arlington with a second chance at an adulthood, an education, an occupation and a self-sufficient life.

This part of Arlington Drive for the homeless young adults will open in the middle or end of 2020. We need \$500,000 in 2020 for its service start-up costs and then \$375,000 for the final 6 months of the biennium in 2021.

The state has at least 2 funded programs for services for homeless young adults that might suit Arlington's needs:

- Young Adult Housing Program
- Independent Youth Housing Program.

The Office of Homeless Youth administers both of these programs. We will request adequate funds for these programs to make them useful to Arlington.

2.3 Puzzle About the State Capital Dollars

The previous legislative session appropriated \$4.29 million in capital dollars to build Arlington Drive. This was a critical piece of our financing to build the campus. We have encountered a curious puzzle about this money. State staffers at the Department of Commerce have determined to draw this money from tax exempt bond financing. They also advise that we cannot use it in a project also financed by low-income housing tax credits. Both of these positions are new for us. We will be discussing this further with the state staffers and, if necessary, state leaders.



**TACOMA
HOUSING
AUTHORITY**



CWD Investments



**Comprehensive
Life Resources**

For Release on November 2, 2018

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THA and CWD Investments Set Aside 7 Initial Vacancies for Displaced Homeless Tiki Residents; NW Furniture Bank, Associated Ministries, and Comprehensive Life Resources Provide Furniture for them and Homeless TCC Students

After helpful discussions with Tacoma Tenants Organizing Committee, Tacoma Housing Authority, (THA) CWD Investments, and Tacoma Community College (TCC) have agreed to reserve seven initial vacancies at Highland Flats (formerly Tiki Apartments) for previous Tiki residents displaced in April by the reconstruction and who are presently or near homeless. They will share the building with homeless or near homeless TCC students housed by THA and TCC's College Housing Assistance Program ([CHAP](#)), a unique program in the nation that won an award for innovation from the Harvard Kennedy School. NW Furniture Bank (NWFB), Associated Ministries (AM) and Comprehensive Life Resources (CLR) will help all these households furnish their apartments with their innovative program and partnership.

TACOMA, WA – October 31, 2018: In an [October 11, 2018 press release](#) THA and CWD Investments announced their partnership to add the 62-unit Highland Flats (formerly the Tiki Apartments), to THA and TCC's innovative program to house homeless or near homeless TCC students. Shortly afterward, the Tacoma Tenants Organizing Committee (TTOC) released its press release. Its press release stated that the arrangement did not benefit previous Tiki residents displaced by the reconstruction. While this is not quite correct (the proposed arrangement reserved units not occupied by TCC students for other extremely low-income persons, which could include previous Tiki residents) the press release correctly noted that THA and CWD did not consult TTOC. THA, CWD, and TCC regret that oversight and want to be responsive to TTOC's concerns. TTOC's press release was timely since contract negotiations were still underway. Upon receiving it, THA, CWD, and TCC contacted TTOC and learned seven (7) previous Tiki residents remained homeless. THA, CWD, TCC, and TTOC found a solution and have agreed to reserve 7 of the initial vacancies for them if they qualify. Any of these vacancies that these former Tiki residents do not occupy, and all other vacancies, are reserved for homeless or near homeless TCC students. Other extremely low-income households, which could include still other Tiki residents, may apply for vacancies not taken by TCC students. NWFB, using its innovative program will help these households furnish their apartments. AM and CLR will help them pay NWFB's modest fee.

THA and TCC's College Housing Assistance Program ([CHAP](#)) provides THA rental assistance to homeless or near homeless TCC students, most of whom are parents of young children. Harvard's Kennedy

School recently named the CHAP among the nation's top 25 most innovative governmental initiatives for 2018. ([Learn more about the Harvard award, visit goo.gl/ZMFfTV](#)) ([For CHAP information visit tacomahousing.net/CHAP](#)) The expansion of their CHAP partnership to Highland Flats will add new housing units just down the street from TCC's campus. In this way, Highland Flats supplements other properties that THA has purchased within walking distance of the campus, all available to these TCC students.

- THA will provide the owner with an annual subsidy of \$560,000 to make the apartments affordable to low-income households (\$420 per month for a one bedroom apartment).
- All applicants for housing at Highland Flats - TCC students, previous Tiki residents, and others - must be eligible for THA's assistance and must pass the THA approved owner's screening criteria and pay the subsidized rent.

CWD Investments, which recently purchased the Tiki, has made a substantial investment in a long overdue rehabilitation to make Highland Flats, not only affordable with THA subsidies but also safe and attractive. In this way, CWD has made a large, necessary, and timely investment in Tacoma's housing stock.

"THA and TCC are very pleased to welcome CWD Investments to their partnership. They thank the Tacoma Tenants Organizing Committee. Not consulting the Committee initially was an oversight. The Committee helped THA, TCC and CWD understand the continuing need of previous Tiki residents and helped the discussions to accommodate them," said Michael Mirra, THA Executive Director. *"We are also grateful to the Northwest Furniture Bank, Associated Ministries and Comprehensive Life Resources for helping all these households furnish their new homes at Highland Flats."*

This partnership between THA and CWD Investments uses an innovative THA property subsidy. THA offers this subsidy to other property owners and invites their interest. ([Learn more at tacomahousing.net/rfp](#)). THA is especially interested in subsidizing properties near public schools or colleges in Tacoma.

About Tacoma Community College

Since opening in 1965, TCC has provided a high-quality, affordable education to more than 500,000 people. Serving Tacoma and Pierce County, online students, and the women's prisons, TCC educates about 13,000 students annually. Many TCC students are the first in their families to attend college. 58 percent receive financial aid, 13 percent have children, and 48 percent work while in school. TCC finds innovative ways to help students. Since launching its Open Educational Resources initiative in 2011, TCC has saved students collectively more than \$5 million on textbooks. Designated an Achieving the Dream Leader College, TCC provides a model for other schools seeking to engage students and boost completion rates. TCC is also one of 67 colleges selected nationally to participate in the Department of Education's Second Chance Pell pilot program, educating incarcerated persons. Designated as Military Friendly College®, TCC is proud to serve Pierce County's military community. In fall 2018, the college will open a food pantry on campus to support students experiencing food insecurity. For more information about TCC go to www.tacomacc.edu.

About Tacoma Housing Authority

Since 1940, Tacoma Housing Authority has provided high-quality, stable, and sustainable housing and supportive services to people in need. It does this in ways that help them prosper and help our communities develop equitably. THA develops, manages and rents housing. In partnership with thousands of private landlords, it helps families pay the rent in the private rental market. It delivers supportive services to help families succeed as "tenants, parents, students, wage earners, and builders of assets who can live without assistance." THA seeks to do its work to help Tacoma be "safe, vibrant, prosperous, attractive and just." To learn more about THA, go to www.tacomahousing.org.

About NW Furniture Bank

NW Furniture Bank helps restore hope, dignity and stability in our community by recycling donated furniture to people in need. Willing furniture store partners and local donations provide a steady source of furniture which would otherwise end up in the dump or sold at a loss. We serve victims of domestic abuse, people suffering loss from fire and natural disasters, foster children and especially families coming from transitional housing who are trying to rebuild their lives. To learn more about NW Furniture Bank go to www.nwfurniturebank.org

About Associated Ministries of Tacoma Pierce County

Associated Ministries is an interfaith organization that engages the communities of faith to address the many needs in Pierce County through advocacy, education and service. To learn more about Associated Ministries go to www.associatedministries.org

About Comprehensive Life Services

CLR offers accessible community-based behavioral health services, guided by recovery-oriented principles and best practices, for Pierce County adults and youth. To learn more about Comprehensive Life Resources go to www.comprehensiveliferesources.org



Media release

11.2.18

Displaced Tiki apartment residents mobilize with Tacoma tenants to secure housing in new agreement

When the Tacoma Tenants Organizing Committee (TTOC), which includes many Tiki tenants, learned about the [agreement between the Tacoma Housing Authority \(THA\), Tacoma Community College \(TCC\), and CWD Investments](#) to house homeless TCC students, we were conflicted. We were of course pleased for TCC students who need homes, but we were also shocked and disappointed that not a single displaced Tiki tenant had been consulted during this process. One valuable tenant right to prevent displacement is “right of first return” which allows tenants to return to a renovated property from which they were displaced. Tiki tenants had asked for this right in May, but how could Tiki tenants afford the market rate rents that would be charged once the building was renovated?

Fortunately, these renovated units will now be subsidized by the Tacoma Housing Authority. TTOC [responded to this agreement](#) by asserting that Tiki tenants have the right to move back and [sharing our concerns about being excluded](#) from the process. After seeing our response, the Housing Authority contacted us with a proposal to set aside units for Tiki tenants experiencing homelessness. After correspondence between the groups, and agreement from Tacoma Community College and CWD Investments, we are very pleased to say that 7 of the initial vacancies at Highland Flats (formerly the Tiki apartments) will be set aside for previous Tiki tenants! (This number was determined based on Tiki tenants who still needed housing).

Without the brave committed organizing from Tiki tenants and tenants across Tacoma, we would have been left out. Now homeless Tiki tenants, who experienced the pain and trauma of being displaced, have the opportunity to move back to the apartments which had been their homes for years. We will note that all applicants – previous Tiki residents and TCC residents – have to be eligible for THA’s rental assistance, must qualify under THA’s approved selection criteria, and must be able to pay the subsidized rent of \$420 a month.

“I was so upset with how things went down when we had to leave,” said Matt Yablon, former Tiki resident who has been homeless since July. “But the fact that the owners are responding to our request for some tenants to move back and that the Housing Authority is covering some rent, that’s just amazing. It’s helping me a lot because I haven’t been able to find a place to live. I’ve been living out of my car and in and out of the hospital.”

“We appreciate being able to move back to the renovated apartments and are very thankful for this opportunity,” says Donna Seay, former Tiki resident without housing and active member of the Tacoma Tenants Organizing Committee, “but we also want to turn our attention to how broken the system is, how many people still need housing they can afford in Tacoma.”

Once the 7 Tiki resident set aside units and the TCC units are filled, if there are remaining vacancies, previous Tiki residents who make 30% of the AMI or below are able to apply for any additional spots.

While the TTOC knows that tenants should be at the center of any decision-making about our homes and communities, we are thankful that THA, TCC, and CWD have changed this agreement to meet some of the previous Tiki residents' housing needs. We also see this new agreement as a starting point to get even better outcomes for displaced tenants in the future.

Less than 5 miles from the Tiki apartments, residents of the Merkle Hotel were forced out of their homes on Oct. 31. The building is slated to become market-rate housing for UWT students, but we also know up to 14% of [UWT students are facing homelessness](#). There is an opportunity here for every Merkle tenant to get right of first return, and any additional units could be provided to homeless UWT students. Eli Moreno, CEO of Premier Residential the company who purchased the Merkle hotel, should respond to THA's [offer for Local Property Based Subsidies](#). THA is offering the subsidy they offered to CWD Investments to other owners, and THA is particularly interested in properties near public schools or colleges.

Eli Moreno [claims to have "absolutely" done everything he could](#) to "mitigate the impact of the Merkle renovation." We are asking him to respond to THA's offer and ensure that Merkle tenants would get the right to return to renovated apartments that are affordable to them, because a large portion of the rent would be subsidized. We hope Mr. Moreno does the right thing for tenants and the right thing for Tacoma.

Contact:

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Donna Seay
Tacoma Tenants Organizing Committee
Former Tiki apts resident
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Matt Yablon
Former Tiki apts resident
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TACOMA HOUSING AUTHORITY

ADMINISTRATION
REPORTS



TACOMA HOUSING AUTHORITY

FINANCE



TACOMA HOUSING AUTHORITY

Motion

Adopt a consent motion ratifying the payment of cash disbursements totaling \$4,647,423 for the month of October, 2018.

Approved: November 14, 2018

Dr. Minh-Anh Hodge, Chair

TACOMA HOUSING AUTHORITY
Cash Disbursements for the month of October 2018

		Check Numbers		Amount	Totals
		From	To		
A/P Checking Account					
Accounts Payable Checks	Check #'s	92,521	-	92,710	
Accounts Payable EFTs	EFTs	32	-	36	
Business Support Center				508,924	Program Support
Moving To Work Support Center				68,720	
Moving To Work Buildings (used by Support Center)				12,468	
Tax Credit Program Support Center				25,008	
Section 8 Programs				104,863	Section 8 Operations
Arlington Crisis Residential Center				318	Properties
Hillsdale Heights				4,300	
KeyBank Building				39	
Mr Mac Building				72	
Outrigger				3,010	
Salishan 7				42,616	
Salishan Common Areas				1,564	
Highland Crest Apts				2,111	Development
James Center				14,131	
Arlington Youth Campus-THA Costs				18,942	
Salishan Area 4 - Arlington				3,846	
Salishan Developer Fee				1,750	
Bus Development Activity				11,067	
CS General Business Activities				900	Client Support
Community Services MTW Fund				12,704	
COT-Landlord Incentives				14,805	
HUD-FSS Grant				58	
AMP 6 - Scattered Sites				11,303	Public Housing
AMP 7 - HT 1 - Subsidy				5,188	
AMP 8 - HT 2 - Subsidy				3,318	
AMP 9 - HT 1500 - Subsidy				1,053	
AMP 10 - SAL 1 - Subsidy				12,877	
AMP 11 - SAL 2 - Subsidy				13,864	
AMP 12 - SAL 3 - Subsidy				11,639	
AMP 13 - SAL 4 - Subsidy				12,273	
AMP 14 - SAL 5 - Subsidy				29,788	
AMP 15 - SAL 6 - Subsidy				13,548	
THA SUBTOTAL				967,065	
Hillside Terrace 1 through 1500				5,923	Tax Credit Projects - Reimbursable
Bay Terrace I & II & Community Facility				80,324	
Alberta J Canada Bldg				-	
Arlington Youth Campus				919	
Court F (HT 1800 Block)				67,848	
Renew Tacoma Housing				8,165	
Salishan 1 - Salishan 6				14,882	
TAX CREDIT SUBTOTAL (Operations & Development - billable)				178,060	1,145,125
Section 8 Checking Account (HAP Payments)					
SRO/HCV/VASH/FUP/NED	Check #'s	482,557	-	482,590	25,007
	EFTs	126	-	132	2,814,869
					\$ 2,839,875
Payroll & Payroll Fees - ADP					\$ 662,423
TOTAL DISBURSEMENTS					\$ 4,647,423



TACOMA HOUSING AUTHORITY

Date: November 14, 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 October, 2018 disbursement report for your approval.

The Finance Department is submitting the financial statement for the period through September 30, 2018.

For 2018, to date, the agency remains in good financial shape. 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 \$2,279,665. With the sales proceeds from the AMP 6 Single Family homes, the overall YTD surplus is \$2,779,169 (line 72). I have attempted to project out to what the financials will look like at year end based on current information and understandings. From the information I am aware of, I am estimating a \$6.445 million surplus at the end of 2018 (line 73) as compared to a budgeted \$2.808 million.

In the following section, any significant anomalies from budget will be addressed, along with areas that we will continue to monitor as we move to the final quarter of the Fiscal Year.

- *Line 1 & 2 – Tenant Revenue* – Line 1 – dwelling rent increase amount is due to conservative budgeting for 2018. Line 2 – The overage in *Other Tenant Revenue* is primarily due to Move Out charges that most likely will end up as collection losses later on.
- *Line 3 – Section 8 HAP reimbursement* – We were allocated approximately \$1.4 million more than we budgeted for 2018. That is reflected in both our Year to Date and projected actual columns
- *Line 5 – HUD Grant Public Housing* – Final funding for Public Housing subsidy for our Tax Credit properties will be approximately \$250K 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. We anticipate the capitalized interest being received by end of the year, but no waterfall payment.

- *Line 12 – Other Revenue-Developer Fee Income* – It is anticipated by the end of the year that we will receive more than budgeted. We received \$150K for Alberta Canada which was not in the 2019 budget, and we will also have received \$938K for Bay Terrace 2, with only \$332K being budgeted for receipt in 2018, with the remaining in 2019, with a portion being deferred. We have yet to receive the \$2 million slated for Rental Assistance Demonstration (RAD) in 2018, yet still intend that we will by end of year.
- *Lines 15 – 34 – Administrative Expenses* – The majority of the variances result in underspending (except for IT expenses) to date. The projection is that we will end the year with a variance of approximately 9.3% 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. Unfilled positions during the course of the year make up the largest variation.
- *Lines 41 – 45 – Project Utilities* – This category is higher than budgeted. This is primarily for 3rd party managed properties. We will monitor as we reach the final quarter of the year.
- *Lines 46- 47 – Maintenance Salaries and Benefits* - This is slightly under budget with no concerns at this point.
- *Line 51 – Protective Services* - This category is for our THA owned properties, with primary costs associated with 902 South L. There has been a spike due to additional Security Patrols due to the homeless encampment close by. We will also be scheduling additional security for the office building through year end.
- *Line 53 – Other General Expense* - This category is primarily the Operating Subsidy which is transferred to the Tax Credit properties. As indicated in explanation Operating Expense in Line 5, this is higher than budgeted. Also, for 2018, this category includes the payment to BFIM for buyout of the investor interest in Hillside 1 & 2, and Salishan 1-3.
- *Line 61 – Section 8 HAP* - YTD expenditures are approximately 2.3% under budget. Average 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 remain at .45%. The Washington State Local Government Investment Pool currently provides a return rate of 2.23%.

3. AUDIT

The Washington State auditors have completed both the Financial and Single Audit portion of the audit, with no findings or recommendations. They are finalizing the accountability audit, which included a review of the IT systems conversion. The results of that review are forthcoming, and an exit conference should be scheduled shortly.

4. BUDGETS

We are in the midst of finalizing the FY 2019 budget. We have met with the Finance committee; the Executive Director has set direction; and Directors and staff have been meeting to craft a thoughtful budget that is mindful of income, and allows us to move forward on our initiatives, and in our housing of our clients. A board study session is set for November 30th to discuss the budget in anticipation of the presentation for Board approval at the December 14th board meeting.

5. YEAR END UPDATE

There is no update at this time.

**TACOMA HOUSING AUTHORITY
AGENCY WIDE**

		Through September, 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	599,553	1,977,219	1,800,122	9.84%	2,636,292	2,400,162	9.84%
2	Tenant Revenue - Other	38,162	120,231	92,438	30.07%	160,308	123,250	30.07%
3	HUD grant - Section 8 HAP reimbursemer	9,453,038	30,503,240	28,427,285	7.30%	39,570,987	37,903,047	4.40%
4	HUD grant - Section 8 Admin fee earned	726,566	2,359,514	2,484,463	-5.03%	3,146,019	3,312,617	-5.03%
5	HUD grant - Public Housing subsidy	338,861	1,013,273	752,344	34.68%	1,251,031	1,003,125	24.71%
6	HUD grant - Community Services	82,974	192,422	206,084	-6.63%	256,563	274,779	-6.63%
7	HUD grant - Capital Fund Operating Reve	333,066	733,066	379,939	92.94%	733,066	506,585	44.71%
8	Management Fee Income	794,412	2,388,565	2,474,678	-3.48%	3,334,753	3,299,571	1.07%
9	Other Government grants	56,552	130,194	118,877	9.52%	173,592	158,502	9.52%
10	Investment income	22,598	392,152	3,193,710	-87.72%	3,717,152	4,258,280	-12.71%
11	Fraud Recovery Income - Sec 8	17,482	20,248	7,500	169.97%	26,997	10,000	169.97%
12	Other Revenue- Developer Fee Income	500,000	650,000	1,791,647	-63.72%	3,113,129	2,388,863	30.32%
13	Other Revenue	892,565	1,597,381	1,615,673	-1.13%	2,129,841	2,154,230	-1.13%
14	TOTAL OPERATING RECEIPTS	13,855,830	42,077,505	43,344,758	-2.92%	60,249,730	57,793,011	4.25%
OPERATING EXPENDITURES								
Administrative Expenses								
15	Administrative Salaries	1,403,081	4,404,641	4,887,614	-9.88%	6,222,855	6,516,819	-4.51%
16	Administrative Personnel - Benefits	577,622	1,724,676	2,017,267	-14.50%	2,429,568	2,689,689	-9.67%
17	Audit Fees	52,990	55,832	58,521	-4.59%	78,240	78,028	0.27%
18	Management Fees	586,917	1,775,063	1,931,082	-8.08%	2,516,751	2,574,776	-2.25%
19	Rent	0	0	10,800	0.00%	0	14,400	0.00%
20	Advertising	7,481	11,140	10,151	9.74%	14,853	13,535	9.74%
21	Information Technology Expenses	180,422	450,144	412,064	9.24%	600,192	549,418	9.24%
22	Office Supplies	10,988	31,840	54,300	-41.36%	57,453	72,400	-20.64%
23	Publications & Memberships	1,193	31,194	49,562	-37.06%	65,132	66,082	-1.44%
24	Telephone	18,611	50,002	66,377	-24.67%	76,669	88,502	-13.37%
25	Postage	5,279	18,745	25,590	-26.75%	29,993	34,120	-12.09%
26	Leased Equipment & Repairs	39,933	123,454	103,388	19.41%	164,605	137,850	19.41%
27	Office Equipment Expensed	19,895	67,251	79,052	-14.93%	89,668	105,403	-14.93%
28	Legal	40,625	138,970	212,813	-34.70%	265,293	283,750	-6.50%
29	Local Milage	834	4,045	7,050	-42.62%	5,393	9,400	-42.62%
30	Staff Training/Out of Town travel	51,679	131,990	233,285	-43.42%	240,987	311,047	-22.52%
31	Administrative Contracts	178,327	348,488	454,583	-23.34%	614,651	606,110	1.41%
32	Other administrative expenses	34,414	103,548	93,968	10.20%	138,064	125,290	10.20%
33	Due diligence - Perspective Development	35,881	92,880	326,250	-71.53%	223,840	435,000	-48.54%
34	Contingency	0	0	90,375	-100.00%	0	120,500	-100.00%
35	Total Administrative Expenses	3,246,172	9,563,903	11,124,089	-14.03%	13,834,208	14,832,119	-6.73%

		Through September, 2018			Thru 12/31/2018			
		YEAR TO DATE ACTUAL	BUDGETED YTD	VARIANCE	PROJECTED ACTUAL	BUDGETED	VARIANCE	
Tenant Service								
36	Tenant Service - Salaries	196,082	598,987	667,427	-10.25%	848,649	889,902	-4.64%
37	Tenant Service Personnel - Benefits	86,394	254,584	319,413	-20.30%	351,445	425,884	-17.48%
38	Relocation Costs	0	3,281	46,875	-93.00%	5,000	62,500	-92.00%
39	Tenant Service - Other	69,345	200,391	183,788	9.03%	267,188	245,050	9.03%
40	Total Tenant Services	351,822	1,057,243	1,217,502	-13.16%	1,472,283	1,623,336	-9.31%
Project Utilities								
41	Water	25,914	74,969	54,263	38.16%	99,959	72,350	38.16%
42	Electricity	16,799	72,639	48,225	50.63%	96,852	64,300	50.63%
43	Gas	574	3,252	3,844	-15.40%	4,336	5,125	-15.40%
44	Sewer	42,571	135,700	132,098	2.73%	180,933	176,130	2.73%
45	Total Project Utilities	85,858	286,560	238,429	20.19%	382,080	317,905	20.19%
Ordinary Maintenance & Operations								
46	Maintenance Salaries	62,644	141,036	144,284	-2.25%	195,548	192,378	1.65%
47	Maintenance Personnel - Benefits	17,591	36,437	36,632	-0.53%	51,083	48,843	4.59%
48	Maintenance Materials	41,441	101,728	81,938	24.15%	135,637	109,250	24.15%
49	Contract Maintenance	113,558	348,101	410,805	-15.26%	519,135	547,740	-5.22%
50	Total Routine Maintenance	235,236	627,302	673,658	-6.88%	901,403	898,211	0.36%
General Expenses								
51	Protective Services	5,921	19,765	10,350	90.97%	41,353	13,800	199.66%
52	Insurance	40,701	161,737	143,793	12.48%	205,649	191,724	7.26%
53	Other General Expense	864,917	1,557,296	888,685	75.24%	1,857,296	1,184,913	56.75%
54	Payment in Lieu of Taxes	3,597	10,789	9,393	14.86%	14,385	12,524	14.86%
55	Collection Loss	2,825	2,825	44,807	-93.70%	55,000	59,742	-7.94%
56	Interest Expense	121,487	369,732	399,525	-7.46%	532,700	532,700	0.00%
57	Total General Expenses	1,039,448	2,122,144	1,496,552	41.80%	2,706,384	1,995,403	35.63%
58	TOTAL OPERATING EXPENSES	\$ 4,958,535	\$ 13,657,152	\$ 14,750,231		\$ 19,296,357	\$ 19,666,974	
Nonroutine Expenditures								
59	Ext. Maint/Fac Imp/Gain/Loss Prop Sale	1,771	14,986	11,250	33.21%	19,981	15,000	33.21%
60	Casualty Losses	(386)	(386)	3,750	-110.30%	0	5,000	-100.00%
61	Sec 8 HAP Payments	8,490,168	26,116,953	26,752,589	-2.38%	34,972,604	35,670,119	-1.96%
62	Total Nonroutine Expenditures	8,491,552	26,131,553	26,767,589	-2.38%	34,992,585	35,690,119	-1.95%
63	TOTAL EXPENDITURES	13,450,087	39,788,705	41,517,820	-4.16%	54,288,943	55,357,093	-1.93%
64	OPERATING SURPLUS/(DEFICIT)	<u>405,743</u>	<u>2,288,800</u>	<u>1,826,939</u>	<u>25.28%</u>	<u>5,960,787</u>	<u>2,435,918</u>	<u>144.70%</u>
65	Debt Service Principal Payments	0	(9,135)	(50,686)	-81.98%	(67,581)	(67,581)	0.00%
66	Surplus/Deficit Before Reserve Appropriations	405,743	2,279,665	1,776,253	28.34%	5,893,206	2,368,337	
67	Reserve Appropriations - Operations	0	0	0	0.00%	0	0	0.00%
68	Surplus/Deficit Before Captial Expenditures	<u>405,743</u>	<u>2,279,665</u>	<u>1,776,253</u>		<u>5,893,206</u>	<u>2,368,337</u>	
69	Capitalized Items/Development Projects	(201,377)	(2,175,541)	(5,535,019)	-60.69%	(2,322,271)	(7,380,025)	-68.53%
70	Reserve for Replacement	0	(28,013)	(84,038)	-66.67%	(37,351)	(112,050)	-66.67%
71	Revenue - Capital Grants/Sale of Property	198,568	975,759	1,616,501	-39.64%	1,200,000	2,155,335	-44.32%
72	Reserve Appropriations - Capital	79,727	1,699,286	4,332,488	-60.78%	1,712,116	5,776,650	-70.36%
73	THA SURPLUS/(DEFICIT)	482,661	2,779,169	2,106,185		6,445,700	2,808,247	

TACOMA HOUSING AUTHORITY			
CASH POSITION - October 2018			
Account Name		Current Balance	Interest
HERITAGE BANK			
Accounts Payable		1,897,071	0.45%
Section 8 Checking		2,392,024	0.45%
THA Affordable Housing Proceeds-Salishan		3,444,266	0.45%
THA Scattered Sites Proceeds		4,455,704	0.45%
FSS Escrows		146,184	0.45%
CSA Escrows		100	0.45%
Note Fund Account		185	0.45%
Credit Card Receipts		65	0.45%
Key Bank Security Deposits		3,015	0.45%
THA Investment Pool		334	0.45%
THDG - Tacoma Housing Development Group		748,289	0.45%
Salishan 7 Operations		1,444,235	0.45%
Salishan 7 Security Deposit		27,614	0.45%
Salishan 7 Replacement Reserve		269,469	0.45%
Salishan 7 Operating Reserve		201,353	0.45%
Highland Crest Operations		385,445	0.45%
Highland Crest Replacement Reserve		203,234	0.45%
Highland Crest Security Deposit		40,602	0.45%
Outrigger Operations		187,616	0.45%
Outrigger Replacement Reserve		110,153	0.45%
Outrigger Security Deposit		27,562	0.45%
Prairie Oaks Operations		92,502	0.45%
Prairie Oaks Replacement Reserve		19,685	0.45%
Prairie Oaks Security Deposit		3,209	0.45%
Payroll Account		9,889	0.45%
HOME STREET BANK			
James Center North Operations		287,968	0.00%
James Center North Security Deposit		57,068	0.00%
WASHINGTON STATE			
Investment Pool		\$ 100	2.23%
1. TOTAL THA CASH BALANCE		\$ 16,454,943	
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	
2.09 Less Total Minimum Operating Reserves		\$ 726,000	
2.1. MTW Cash Available (Lines 2-2.09)		\$ -	
3. MTW Cash Held By HUD		\$ 623,254	

TACOMA HOUSING AUTHORITY

CASH POSITION - October 2018

4. Non MTW Cash Restrictions/Obligations			
<i>4.1 Non MTW Operational Restrictions</i>			
4.10 HUD Restricted - Lot and Property Sales		\$	7,899,970
4.101 Area 2B Sales Proceeds (Afford Hsg)	3,444,266		
4.102 Scattered Sites Proceeds (Afford Hsg)	4,455,704		
4.20 THA Property Accounts Reserved		\$	2,116,914
4.201 Security Deposit Accounts	159,070		
4.202 Highland Crest Operations Reserves	332,000		
4.203 Highland Crest Replacement Reserves	203,234		
4.204 James Center North Operations Reserves	194,000		
4.205 James Center North Capital	213,077		
4.206 Outrigger Operations Reserve	171,600		
4.207 Outrigger Replacement Reserves	110,153		
4.208 Prairie Oaks Operations Reserves	64,250		
4.209 Prairie Oaks Replacement Reserves	59,685		
4.210 Salishan 7 Operations Reserves	340,375		
4.211 Salishan 7 Replacement Reserves	269,469		
4.30 Rental Assistance Reserves		\$	467,782
4.301 Mod Rehab Operating Reserves	110,256		
4.302 VASH, FUP & NED HAP Reserves	197,602		
4.303 FSS Escrows	159,923		
4.40 Prepaid Grants		\$	911,061
4.401 Gates Foundation	162,772		
4.402 THDG	748,289		
4.50 BFIM Buyout LOC Collateral-Potential Tax Credit Loss		\$	2,500,000
4.60 Total - Non MTW Cash Restrictions (4.10+4.20+4.30+4.40+4.50)		\$	13,895,727
4.70 Agency Contracted or Budgeted Commitments Remaining		\$	96,114
4.701 Salishan/Maintenance Shop remodel	51,041		
4.702 Alberta J. Canada Tenant Improvements	45,074		
4.99 Total Non MTW Cash Restrictions/Obligations (Lines 4.60+4.70)		\$	13,991,841
5. THA UNENCUMBERED (Non-MTW) CASH (Lines 1-2-4.99)		\$	1,737,102
6. Development Payments - Project Reimbursement upon closing		\$	393,447
6.01 Arlington Heights	322,930		
6.02 Court F LLLP (1800 Block)	70,517		



TACOMA HOUSING AUTHORITY

**CLIENT SUPPORT
& EMPOWERMENT**



TACOMA HOUSING AUTHORITY

DATE: November 14, 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

On Friday, October 26th THA staff along with leadership from various stakeholders interviewed four agency applicants to provide services at Arlington Drive Apartments. Each agency presented to two panels and then answered a host of questions from each panel. THA is uniquely poised to lift the level of services provided to vulnerable young people across Pierce County and picking the right service provider is critical in that process. Interviews went well, and provided much needed insight, discussion and perspectives.

Client Support and Empowerment (CSE) is also close to finalizing the first step in a critical reorganization. This reorganization will allow leadership to hone in on areas of expertise and allow for role clarity, more quality assurance measures, improved data and reporting, and increased opportunity for supervisors to focus on staff development and support. Once the leadership team is working within their new roles, CSE will reassess whether reworking staff roles and responsibilities will be necessary.

Client Support and Empowerment is working hard to clearly define our scope of service and to be clear about what can be expected from this team. Part of this process includes using the expertise we have in-house to bolster services that already exist in Pierce County. THA staff have been working with the continuum of care providers to start to develop a formal infrastructure where Tacoma and Pierce County residents who have a litany of needs have clear and consistent means to access the various services they can benefit from. THA is, and can be critical in supporting this work to create and enhance

efficiencies throughout the community. This will help all better understand what services exist, what gaps there are, and the role of various stakeholders in addressing the housing and homelessness crisis in Tacoma. Helping to build infrastructure is strategic for THA in that we are limiting how much we duplicate work that is already being done by expert agencies in the area. It will also help Client Support and Empowerment start to hone our services so that we can increase our defined expertise and show the impact of that refined scope.

3. CLIENT SUPPORT & EMPOWERMENT

Client Support and Empowerment has been charged with showing what a dollar invested into this department yields in terms of measureable results. To be able to show a clear return on investment we need to refine and define our scope of service provision. At this point, Client Support and Empowerment is spread out amongst hundreds of households and a vast array of services, which explains the difficulty in showing large scale impact. In the August Board Report, it was mentioned that CSE should have new metrics to display to better show the impact of the work of this department. Determining the “right” metrics is critical and a preoccupation of this department at this time, and to do that we need to first do the work of determining and defining the role and scope of this department.

3.1 NUMBER OF PEOPLE AND HOUSEHOLDS SERVED

So far in 2018, Client Support and Empowerment staff have successfully prevented a total of 119 individuals and families from being evicted. With the average cost to THA of approximately \$8,000 per eviction, Client Support and Empowerment staff have saved THA \$952,000 so far this year.

Program Entries, Exits, and Unduplicated Number of Households Served

October 2018	Program/ Caseload Entries this Month	Program/ Caseload Exits this Month	Number Served (Month)	Unduplicated Number Served (YTD)
Case Staffing (Eviction Prevention Services)	9	1	47	67
Family Self Sufficiency (FSS)	5	2	201	234

October 2018	Program/ Caseload Entries this Month	Program/ Caseload Exits this Month	Number Served (Month)	Unduplicated Number Served (YTD)
General Services	17	6	96	144
Hardship	0	0	0	0
Housing Opportunity Program (HOP) Case Management	12	6	54	98
Children's Savings Account (CSA) K-5th Grade	1	0	82	82
Children's Savings Account (CSA) 6th - 12th Grade	5	0	76	76
Elementary School Housing Assistance Program (ESHAP)	0	1	34	35
Senior & Disabled	29	16	80	167
DEPARTMENT TOTAL	78	32	670	903

3.2 OCTOBER EVENTS

Client Support and Empowerment staff helped with an agency-wide effort encouraging tenants to exercise their right to vote at all family properties, within the senior and disabled buildings and at Salishan. We were able to enlist eight tenants to volunteer to go door to door with voter registration forms inquiring if their neighbors had registered to vote. They all indicated that they received positive feedback during the engagement. Signs were posted at all properties reminding people to vote.

The senior and disabled buildings have been busy this month working with 29 new referrals, going to the Farmer's Market for the last time until it opens in the spring, spending a day at the zoo, planning the "Living with Diabetes" event at the 6th Avenue Apartments, and planning and promoting the Lobster Shop's and Mercy Housing's Thanksgiving events.

On **November 17th**, THA will host a fix-it-fair. This represents an awesome opportunity to partner with Zero Waste Washington and Tacoma Tool Library for community engagement and a close up view of recycling in action! At this event, community members will bring their broken household items and appliances to be fixed by volunteers. After attending the fix-it-fair hosted by Centro Latino earlier this month, CSE is excited to host this great event!



TACOMA HOUSING AUTHORITY

RENTAL ASSISTANCE



TACOMA HOUSING AUTHORITY

DATE: November 14, 2018

TO: THA Board of Commissioners

FROM: Julie LaRocque
Director of Rental Assistance

RE: 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 month of October consisted of many meetings with partners, landlord associations and individual property management companies. As a result of the new Source of Income Discrimination law many landlords have been reaching out to THA to understand what their requirements are. Some misunderstandings have been cleared up regarding what the requirements actually are. This opportunity has allowed the Landlord Engagement Specialist (LES) to explain THA programs and let landlords know that THA's goal is excellent customer service and that our programs are much different than other housing authorities.

Another result of this new law is the increase in property management companies and associations requesting training for their staff on what the law means and how they work with THA and its clients. The LES provided educational seminars to two different property management companies, covering nearly a dozen properties. In addition, the LES hosted the Washington Multi-Family Housing Association (WMFHA) at Salishan for their monthly meeting and provided an educational seminar during their session. It was well attended by over 50 property management staff from various companies. One comment that kept coming up was that THA was getting easier to work with by providing quick inspections and being more flexible in the rent amounts.

The LES hosted the Landlord Advisory Group meeting with the main point of topic being renter's readiness certification. This certification would cover a variety of topics ranging from financial literacy to tenant/landlord obligations. The goal for establishing this certification would be to achieve two things. First, a well-prepared tenant to have successful tenancy in the private market. Second, to provide assurance to the landlord that the residents they are housing are well-informed of their responsibilities

and as a result, landlords are willing to provide relaxed screening criteria. This is a work in progress with the expectation that we will be able to review this proposal at the next Landlord Advisory Group meeting in January.

LES continues to market the Property-Based Subsidy program to local landlords to help solidify permanent affordable housing units. Another local landlord is working on an application for 26 affordable units.

The new Project Based contracts for the Hotel Olympus and Rialto continue to be processed. All of the inspections have been completed and the files for the Rialto are nearly complete. We are working on the final execution of these contracts. These units should show up on next month's utilization.

Highland Flats should begin moving clients in by Thanksgiving this November with total lease up projected by the end of January. This will be added to our utilization in December.

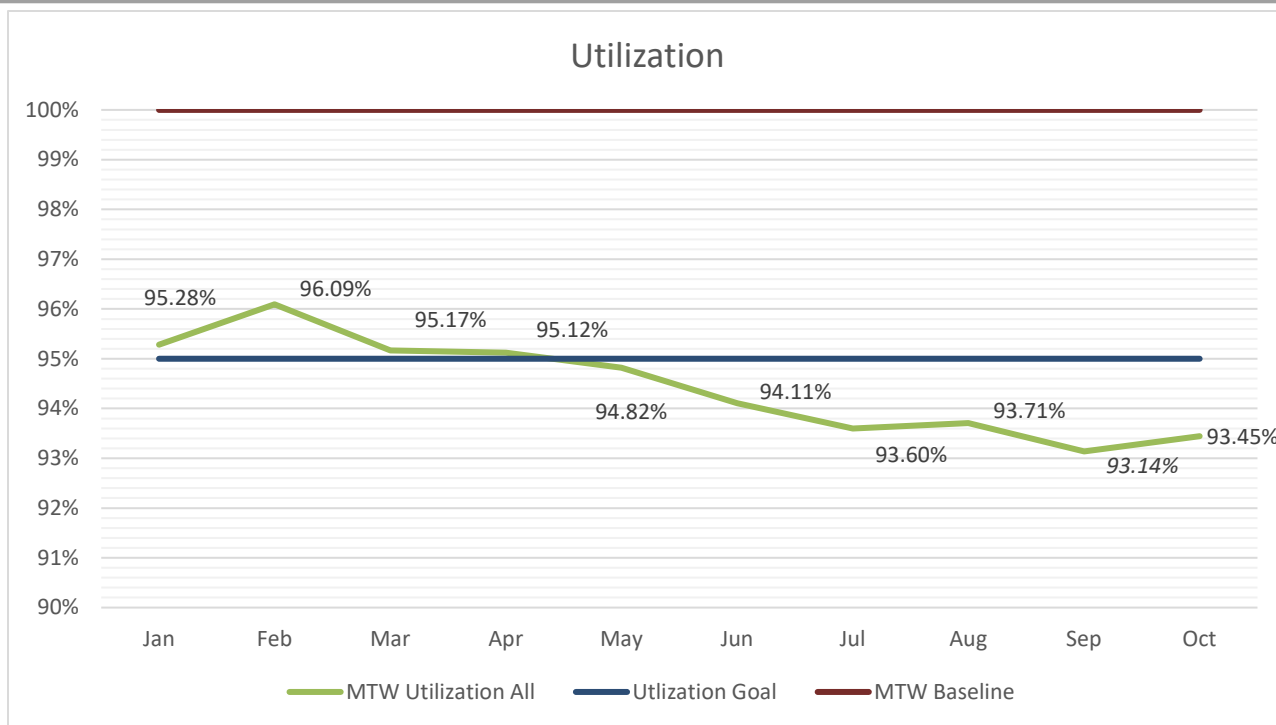
3. RENTAL ASSISTANCE AND LEASING

3.1 Utilization Report

Housing Choice Voucher utilization is reported at **93.45%** for the month of October 2018. This number now includes projected data for Rapid Rehousing funds based off the most recent report from the City.

As units are leased for the new Project Based and Property Based contracts, these numbers will impact the overall utilization.

Rental Assistance continues to work on discovering ways to improve utilization. We are reviewing payment standards and our subsidy amounts for Housing Opportunity Program (HOP).



The following page includes 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 Affairs (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 the problem is wide spread with the VA.

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 from these departments are the issue but should be resolved soon. We will continue to monitor.

Program Name	Units Allocated	Units Leased	Shoppers	Percentage Leased
VASH (Veterans Administration Supportive Housing)	177	140	37	79%
NED (Non Elderly Disabled) Vouchers	100	90	10	90%
FUP (Family Unification Program)	50	44	6	88%
CHOP (Child Welfare Housing Opportunity Program)	20	14	6	70%
McCarver Program	50	33	17	66%
CHAP (College Housing Assistance Program)	150	52	98	35%
TOTAL	547	373	174	68%

Project-Based Properties	Units Allocated	Units Leased	Percentage Leased	Vacancy Comments
Bay Terrace 1 & 2	72	71	99%	Property Management Department
Eliza McCabe Townhomes	10	9	90%	Vacancy One – Pending Briefing
Flett Meadows	13	13	100%	
Guadalupe Vista	38	35	92%	Vacancy One – Waiting for referral Vacancy Two – Pending client briefing Vacancy Three – Pending referral
Harborview Manor	145	145	100%	
Hillside Gardens	8	7	88%	Vacancy One – Pending referral
Hillside Terrace 1500	12	12	100%	
Hillside 2	13	13	100%	
Nativity House	50	48	96%	Vacancy One – Pending referral Vacancy Two – Waiting on referral from Coordinated Entry
Pacific Courtyard	23	22	96%	Vacancy One – Family in unit will be reinstated into the program.
New Tacoma Phase II	8	8	100%	
Salishan 1-7	340	334	98%	Property Management Department
Tyler Square	15	15	100%	
TOTAL	747	732	98%	

3.2 Leasing Report

We are closely monitoring the total active applicants on the consolidated waitlist. We are receiving good interest in the HOP subsidy offering and are looking at ways to increase the number of applicants that are actually issued. We will continue to closely monitor and be ready to adjust offerings or explore other options as needed.

	YTD as of 10/31/2018
Total Interest Letters Mailed Out	1336
Total Accepting HOP	562
Total Vouchers Issued	129
Total Active on Waitlist	2113



TACOMA HOUSING AUTHORITY

PROPERTY MANAGEMENT



TACOMA HOUSING AUTHORITY

Date: November 14, 2018

To: THA Board of Commissioners

From: Frankie Johnson
Director of Property Management

Re: Property Management Monthly Board Report

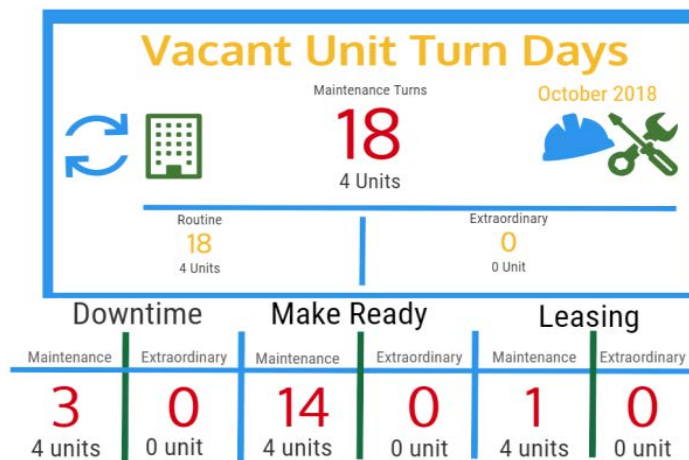
1. OCCUPANCY OVERVIEW

1.1 Occupancy

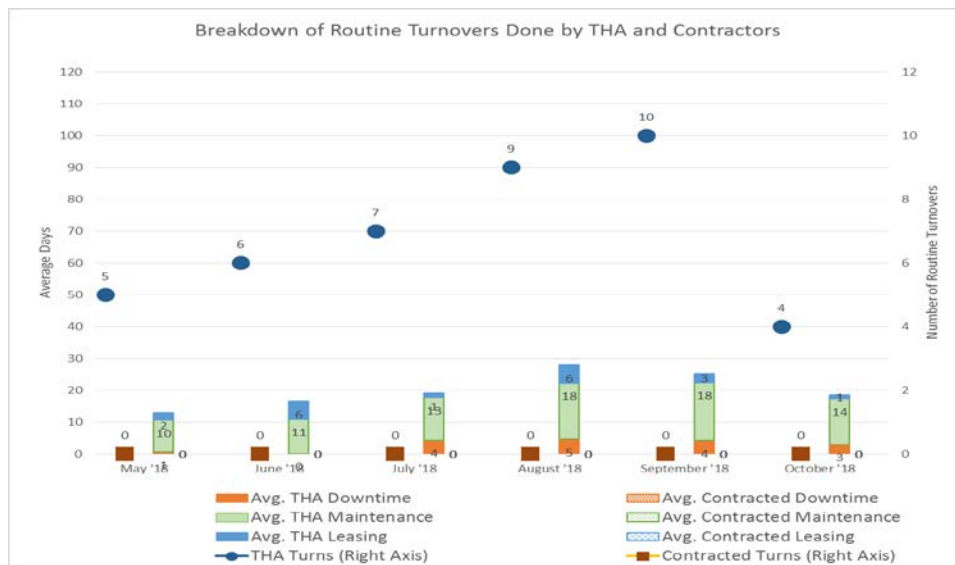
PROPERTY	UNITS AVAILABLE	UNITS VACANT	UNITS OFFLINE	UNITS OCCUPIED	% MONTH OCCUPIED	% YTD OCCUPIED
All Hillside/Bay Terrace	206	1	0	205	99%	99%
Family Properties	118	2	0	116	98%	99%
Salishan	631	4	0	627	99%	99%
Senior/Disabled	353	1		352	99%	99%
All Total	1,308	8	0	1,300	99%	99%

Unit Occupancy is reported for the first day of the month. This data is for the month of October 2018. The chart above reflects Tacoma Housing Authority's (THA) current portfolio of 1,308.

1.2 Vacant Unit Turn Status



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



All Turns - Performed by THA and Contractors

Today's Date 11/1/2018

Select End Month & Year	October	10	2018
	September	9	2018
	August	8	2018
	July	7	2018
	June	6	2018
Beginning Month	May	5	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	October	4	4	0	18.5	3.0	14.3	1.3
2018	September	11	11	0	26.4	4.7	18.8	2.8
2018	August	9	9	0	27.9	4.7	17.6	5.7
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
		All Contracted Turnover Information						
Year	Month	Total Number of Turns	Total Contracted Turns	Total Meth Turns	Avg. Total Days	Avg. Downtime Days	Avg. Maintenance Days	Avg. Leasing Days
2018	October	4	0	0	0.0	0.0	0.0	0.0
2018	September	11	0	0	0.0	0.0	0.0	0.0
2018	August	9	0	0	0.0	0.0	0.0	0.0
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

The average unit turn time for the month of October was 18 days. This turn time included work on four (4) 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, pest control, temporary hotel holds, moves relating to a Reasonable Accommodation, and units with heavy damage as a result of the tenancy, including meth, extensive damage and casualty loss that cannot be repaired in less than 30 days

Routine Unit Turns extending beyond 25 days:

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 the Month of October 2018

Property Name	Priority			Grand Total
	Routine	Urgent	Emergency	
6th Ave Apartments	23	3	3	29
Bay Terrace Phase One	19	2		21
Bay Terrace Phase Two	21			21
Bergerson Terrace	17	3		20
Dixon Village	2			2
E.B. Wilson	30			30
Fawcett Apartments	9			9
Hillside Terrace 1500 Block	13			13
Hillside Terrace Ph 1	10			10
Hillside Terrace Ph II	2			2
Ludwig Apartments	3	2		5
North G St	10	1		11
North K St	11			11
Salishan Five	12	1		13
Salishan Four	16	1		17
Salishan One	15	1		16
Salishan Seven	14	1		15
Salishan Six	7	2		9
Salishan Three	35			35
Salishan Two	6			6
THA-Dixon Village	2			2
Wright Ave	21	1		22
Grand Total	298	18	3	319

**Open Work Orders by Priority BR
For Month Ending October 2018**

Property Name	Priority				Grand Total
	Routine	Urgent	Emergency	Medium	
6th Ave Apartments	50	0	1	0	51
Bay Terrace Phase One	15	0	0	0	15
Bay Terrace Phase Two	30	1	0	1	32
Bergerson Terrace	53	0	0	0	53
Dixon Village	3	0	0	0	3
E.B. Wilson	4	0	0	0	4
Fawcett Apartments	1	0	0	0	1
Hillside Terrace 1500 Block	32	0	0	0	32
Hillside Terrace Ph 1	13	0	0	0	13
Hillside Terrace Ph II	8	1	0	0	9
Ludwig Apartments	1	0	0	0	1
North G St	25	1	0	0	26
North K St	22	0	0	0	22
Salishan Five	46	0	0	0	46
Salishan Four	64	0	0	1	65
Salishan One	42	0	0	0	42
Salishan Seven	22	1	0	0	23
Salishan Six	55	0	0	1	56
Salishan Three	43	0	0	0	43
Salishan Two	67	0	0	0	67
THA-Bergerson Terrace	1	0	0	0	1
Wright Ave	8	0	0	0	8
Grand Total	605	4	1	3	613

In the month of October, 100% of emergency work orders were completed within 24 hours; maintenance staff completed 605 non-emergency work orders with a total of 4,038 for the calendar year. The year-to-date average number of days to complete a non-emergency work order is 15 days. Property Management (PM) continues to bring down the number of outstanding work orders and improve customer service.

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.

1.5 New Business

Dixon Village Tree-mendous Green Day Event

On October 12th, THA staff and Jim Flott, THA's contracted arborist from Community Forestry Consultant, hosted a tree planting and community garden event at Dixon Village. The purpose of the event was to fulfill the community education portion of a grant received from the Department of Natural Resources (DNR).

The event consisted of tree planting and the introduction of a community garden for the residents of Dixon Village. The participation at the tree planting was above average with 15 children and their parents in attendance. The date was chosen to coincide with a planned outage for Tacoma Schools with the hope of increasing student and family participation. The children were then presented with a certificate of participation and a button at the October board meeting to thank them for taking part in the planting and community activities. Included below are pictures from the planting event and community celebration.

As part of the DNR grant, THA repurposed a 100-year-old cedar tree that was removed in the fall of 2017 from the E.B. Wilson property. THA contracted with a local firm to create two benches and a small side table from this tree that would allow the tree to continue to thrive in the community. The original plan was to place the benches in front of the administrative building at 902. But, after consulting with staff and residents, the benches will be placed at E.B. Wilson, returning it to its roots, so to speak. Many of the residents expressed sadness when the tree was removed as a result of disease, but were elated to hear of the plan to repurpose the benches and bring them back to E.B. Wilson. The remaining pieces were used to make two small side tables, which were placed in the hall and lobby at 902 (see pictures below).









TACOMA HOUSING AUTHORITY

REAL ESTATE DEVELOPMENT



TACOMA HOUSING AUTHORITY

DATE: November 14, 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

Staff continues to explore options and partnerships to complete the Salishan Core. While Bates is interested in an Eastside Presence, they are undertaking several large capital projects at this time. Because their funding is linked to the State, Bates doesn't believe it would be able to raise the capital dollars needed to pay for the building.

1.2 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 Minority Business Enterprise (MBE) firm. THA and TAC Build have signed a Purchase and Sale Agreement. Closing is anticipated by the end of January 2019 pending disposition approval from Housing and Urban Development (HUD). Disposition request has been submitted to HUD; staff is awaiting comments.

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.

The number of units will be reduced from 70 to 64. This measure is proposed to limit the financing gap which will increase as construction costs continue to climb.

Revised Distribution by BR and Set Aside

	1-BR	2-BR	TOTAL
Low Income	24	14	38
Homeless	8	5	13
Disabled	8	5	13
TOTAL	40	24	64

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

Financing

The total development cost is currently budgeted at \$18,657,241 and is fully funded. The 2018 tax credit allocation of \$1,303,504 is projected to generate an estimated \$11,992,241 in equity. An award of \$1,800,000 from the Washington State Department of Commerce Housing Trust Fund has also been made. The below table reflects all projected development sources. The sponsor financing for this project will come from the proceeds of the sale of the public housing, single family homes.

Residential Source Name	Residential Source Type	Committed Amount
Permanent Tax-Exempt Loan	Private	\$2,625,000
Tax Credit Equity	Private	\$11,992,241
UDAG Grant	TCRA	\$300,000
HTF	State – Housing Trust Fund	\$1,800,000
Sponsor Financing	Sponsor	\$1,850,000
	Total	\$18,567,241

Procurement

The Architectural and Engineering (A&E) procurement has been complete. SMR Architects entered into an agreement with THA in the amount of \$895,926 which is within the amount approved by the board in May 2018.

Marpac will provide the GC/CM services for this project.

Architecture

SMR Architects has completed schematic design and has begun design development. Marpac Construction has received the schematic design package and is providing an estimate for hard construction cost.

3. OTHER PROJECTS

3.1 James Center North

3.1.1 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).

3.1.2 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.

3.1.3 Leasing

CB Danforth continues to market the available property and provide tours to prospective tenants. 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. Listing Brokers are generating interest for the remaining vacant spaces and numerous prospective tenants have toured the space. The empty store front along Mildred is being used as a field office for outreach and planning meetings for this project. Negotiations have begun for a service based business in building 1610.

3.1.4 Predevelopment

A draft summary of the “Sustaining Value” charrette is being reviewed by THA staff. Main categories discussed include community health, ecology and local economics. Major themes identified a possible niche for the James Center North redevelopment to serve as a connector for many of the amenities in the area.

Community outreach includes targeted stakeholder interviews, maintaining an advisory group and conducting open house meetings for those interested in the project. The Ankrom Moisan team is meeting and surveying potential redevelopment partners. Developers are being formally surveyed in November in order to inform possible phasing scenarios and design options.

The next Advisory Committee meeting is being planned for November 13th. A community open house will be the same day and will start at 6:30 pm.

Enterprise Community Partners’ chose James Center North as one of the projects to be included in the 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. THA Real Estate Development (RED) staff have completed this institute training and have received a grant from enterprise that will partially fund some of the outreach activities that are aimed at activating the property and gathering additional community insights.

Representatives from Fircrest and University Place are participating in the Advisory Committee. Their participation is important as both of these communities are within one-mile of James Center. These communities are evaluating redevelopment options and want to be sure planning efforts are coordinated.

Planning will continue over the next 7 months and will conclude with development phasing recommendations, financial analysis, and a summary of community input and design options.

3.1.5 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.

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	\$5,417,848	\$683,560	\$1,023,059	\$3,711,228
Units Listed	Market Value	List Price	Rehab Costs	Sales Costs Estimated	Projected Proceeds
7	\$1,895,000	\$1,895,000	\$315,340	\$170,550	\$1,409,109
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. Sales have slowed down considerably and we have lowered the price on two units. We have received and accepted offers on 3 of the remaining 7 houses. 1420 S Madison, 6438 S Puget Sound and 3413 S 12th Street should all close from late October to early November.
- 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

Metro Parks will lease the Portland Avenue Community Center to the Korean Women's Association (KWA). 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.

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

Rehabilitation work is underway and construction is currently 89% 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. This project is behind schedule.

3.5 Arlington Drive Youth Campus

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 from 2163 funds and another \$435,945 in CDBG funds is coming from Pierce County.

The state legislature allocated \$4.29M to support the development of the Arlington Drive Youth Campus. 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 equity from a 9% Low-Income Housing Tax Credit allocation (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.

The firm of BDS Planning and Urban design was selected as the consultant for the community engagement and consultation effort. The sixth Community Advisory Committee meeting was held September 13th 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. CWC has asked THA to be its development consultant. THA

and CWC are negotiating a Memorandum of Understanding (MOU) which will outline roles and responsibilities.

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 and have completed funding applications for Housing Trust Fund as well as City and County CDBG funds on behalf of KWA. Pierce County has approved \$300,000 of 2060 funds and the City of Tacoma has approved \$400,000 of CDBG funds to KWA. Results for the Housing Trust Fund application is expected in December.

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. Mithun Architects was selected to lead the design work for the four (4) THA owned undeveloped parcels. The Board approved this at the September board meeting. A signed contract between THA and Mithun is anticipated by mid-November pending the details of the community engagement process. THA is now managing the lease for the Mr. Mac store. Effective October 1, 2018, the new owner of the business is the Tacoma Ministerial Alliance (TMA). THA staff is working with TMA on a lease.

4.2.1 City of Tacoma 311 Mobilization

RED, in partnership with the Hilltop Action Coalition (HAC), 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 film was submitted to the Hilltop Street Fair's Short Film contest and won the Best Overall Film award! On September 8, the Pop Up Street Sale was held. We partnered with two independent Hilltop community organizations, Latino Arts Mercado and Urban Market. In total there were 40 vendors. In addition, the first design was selected for the Design the Sign contest. Submissions are still being accepted on a rolling basis.

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. Conversations with other potential retail tenants have also started to occur.

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.

THA has held two workshops on developing a Community Land Trust. This conversation has grown out of the monthly meetings discussed in the previous paragraph. Executive Director of Homestead Community Land Trust Kathleen Hosfeld and OPAL Community Land Trust/Grounded Solutions Julie Brunner have conducted the workshops. Attendees have included Habitat for Humanity, Rebuilding South Sound, Pierce County Housing Authority, Homeownership Center of Tacoma, Korean Women's Association, Sound Outreach, Hilltop Urban Gardens, Affordable Housing Consortium, Hilltop Action Coalition, Forterra, City of Tacoma staff and THA staff. Next steps are likely to include doing public meetings in the community, both in Tacoma and around the County, to education people and to gauge interest.

THA staff is looking into establishing an Eco-District for the Hilltop. Eco-Districts provide a framework for realizing advanced sustainability through behavior change, building design and infrastructure improvements as well as create goals for equity, resilience and climate protection. It would create a framework and measurement tool for our community development work on the Hilltop. Staff attended the EcoDistrict Summit in Minneapolis in October to learn more about EcoDistricts. Three staff and three members of HAC attended an EcoDistrict Foundations Course on November 7.

5. Renew Tacoma Housing, LLLP

Staff continue to work through the tasks associated with closing out this project. It is now anticipated that all the close-out requirements and approvals necessary to release the second equity installment will be completed this month. The key variable that has impacted the timeframe is resolution/close-out of the environmental escrow. However, staff were able to work with the investor to defer the environmental "*No Further Action*" letter requirement to the release conditions of the next pay equity contribution.

5.1 Watch list

Environmental

K Street:

We continue to wait for Department of Ecology (DOE) to issue the *No Further Action* (NFA) letter for K Street. DOE required some additional soil vapor intrusion testing. The testing is complete and results are being analyzed and evaluated to determine whether physical alterations to the building are required to increase air circulation. 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 required additional soil vapor intrusion testing. The testing is complete and results are being analyzed and evaluated to determine whether physical alterations to the building are required to increase air circulation. 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.



TACOMA HOUSING AUTHORITY

NEW BUSINESS

Resolution 1



TACOMA HOUSING AUTHORITY

RESOLUTION 2018-11-14(1)

DATE: November 14, 2018

TO: THA Board of Commissioners

FROM: Michael Mirra
Executive Director

RE: Authorization to form a tax credit entity (Housing Hilltop LLLP) for the THA property located at S. L & 10th Street and S. L & 11th Street.

Purpose

This resolution would authorize Tacoma Housing Authority (“THA”) to form a new limited liability limited partnership (the “Partnership”) with Tacoma Housing Development Group (“THDG”) to develop approximately 75 units of affordable rental housing for low-income persons, to be located in the vicinity of the 1000 blocks of South L Street and South M Street, in Tacoma, Washington (the “Project”). In particular, the resolution authorizes THA to:

- (1) form the Partnership;
- (2) prepare, execute and submit to the Washington State Housing Finance Commission any agreements or other documents necessary to secure the proper approval of THA’s use of low-income housing tax credits for the Project; and
- (3) expend such funds as may be necessary to be paid by the THA in connection with filing fees, application fees, registration fees and other costs relating to the actions authorized by this resolution.

Background

THA will be initiating the design process for the four (4) parcels it will be redeveloping on the Hilltop. It is anticipated that the four buildings will be financed using two financial structures with two buildings per financing. The parcels located at S L and 10th and S. L and 11th Street will be combined into one financing for the purposes of constructing approximately 75 units of affordable rental units. (The other two buildings (1120-24 MLK & 1120 S 11th) will be combined into the already established Hilltop Lofts LLLP). Staff expects that the new units will be affordable to households with incomes between 30% and 60% of area median income. This resolution will authorize THA’s executive director to execute the documents associated with forming the LLLP.

THA expects to lease the land and improvements to the LLLP for up to 99 years.

The financing structure is expected to include, but not be limited to, the following sources of funding: tax credit equity, City of Tacoma funds, private debt, bonds and THA funds.

Recommendation

Authorize THA's Executive Director to approve, execute and deliver all documents necessary to assume the role of the LLLP's general partner.



TACOMA HOUSING AUTHORITY

Tacoma Housing Authority 2018-11-14 (1)

(Housing Hilltop – Tax Credit Partnership)

A **RESOLUTION** of the Board of Commissioners of the Housing Authority of the City of Tacoma authorizing the Authority to form a limited liability limited partnership in connection with the development of an affordable rental housing project in the vicinity of the 1000 block of South L Street (at 10th & 11th) in the City, and providing for related matters.

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 Authority owns land in the vicinity of 10th & S L and 11th & S L Streets in the City, upon which the Authority intends to develop, construct, equip, operate and maintain approximately 75 units of affordable rental housing for low-income persons (the “Project”); and

WHEREAS, The anticipated financing for the Project will come from various funding and credit enhancement sources, including low-income housing tax credits, loans from public and private lenders, and grants, and certain of these funding sources will require the formation of a limited liability limited partnership to maximize the benefits and minimize the risks to the Authority; and

WHEREAS, The Housing Authorities Law (chapter 35.82 RCW) authorizes the Authority, among other things, to: (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) “make . . . loans for the . . . acquisition, construction . . . rehabilitation, improvement . . . or refinancing of land, buildings, or developments for housing of persons of low income” (RCW 35.82.070(18)); and (v) “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

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

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

WHEREAS, Based on the consideration of funding sources available for the Project, the need for affordable housing in the City, and other matters, the Board determines it is necessary that the Authority proceed with the transactions described in this resolution;

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

1. The Authority is authorized to participate in the formation of, and become a partner in, a Washington limited liability limited partnership (the “Partnership”). The Board intends that the Partnership will acquire, develop, construct, equip, operate and maintain the Project and receive low-income housing tax credits in connection therewith.
2. The Authority’s Executive Director, the Authority’s Deputy Executive Director and their respective designees (each, an “Authorized Officer” and, collectively, the “Authorized Officers”), and each of them acting alone, are authorized on behalf of the Authority to: (i) execute, deliver and file (or cause to be executed, delivered and filed), to the extent required by law, a partnership agreement, a certificate of limited partnership and all such forms, certificates, applications and other documents that are necessary to form the Partnership; (ii) determine the name of the Partnership; and (iii) take any other action that they deem necessary and advisable to give effect to this resolution and the transactions contemplated herein. The Authority’s Executive Director is delegated the authority to cause, in his discretion, the Partnership to be created as a Washington limited liability company, in which case all references in this resolution to limited liability limited partnership, partnership agreement, general partner, limited partner, chapter 25.10 RCW, and certificate of limited partnership shall be deemed to be references to limited liability company, operating agreement, managing member, investor member, chapter 25.15 RCW and certificate of formation, respectively.
3. The Authorized Officers, and each of them acting alone, are authorized on behalf of the Authority (in its individual capacity and/or in its capacity as the Partnership’s general partner) to: (i) apply for, and enter into contracts relating to, such funding for the Project as they deem necessary or desirable, including without limitation public and/or private sector financing, Community Development Block Grant(s), Washington State Housing Trust Fund grant(s) and/or loan(s), an allocation of private activity bond volume cap from the Washington State Department of Commerce or the Washington State Housing Finance Commission, as applicable, and other federal, state and local funds; (ii) apply for any and all necessary approvals from the U.S. Department of Housing and Urban Development in connection with such funding; (iii) lend or grant all or any portion of the money derived from such funding sources to the Partnership, and/or cause any contracts relating to such funding to be assigned to the Partnership; (iv) apply to the Washington State Housing Finance Commission for an allocation of (or approval of the use of) low income housing tax credits for the Project (depending on whether the Authorized Officers determine to pursue “9%” or “4%” tax credits), enter into such agreements (including a credit reservation and carryover allocation contract), provide such documents (including cost certifications) necessary to secure such allocation (or approval), and cause such allocation (or any portion thereof) to be assigned to the Partnership if the allocation initially is made to the Authority; (v) seek and approve investors to serve as subsequent limited partners in the Partnership in connection with the receipt of low income housing tax credits for the Project; (vi) negotiate with potential investors regarding their acquisition of limited partnership interests in the Partnership and, if the Executive Director determines the same to be advisable, limited partner or member interests in limited partnerships and/or limited liability companies formed to finance other Authority tax credit projects; (vii) execute documents pursuant to which Authority funds (including amounts granted or lent to the Authority for the Project) may

be lent to the Partnership; (viii) prepare all appropriate resolutions for Board review and approval; (ix) prepare all documents required so that the Authority and the Partnership comply with state and federal securities laws; (x) negotiate contracts relating to the use, management and naming of the Project or Project buildings; (xi) take all necessary and appropriate actions for the Partnership to acquire the Project by sale or lease from the existing owner thereof (including entering into any option to lease, or lease, necessary to provide the Partnership with control of the Project site); (xii) apply for bond insurance and other credit enhancement for any bonds to be issued by the Authority to finance the Project (but only if the Authority's Executive Director determines such credit enhancement to be cost effective); (xiii) solicit investment banking firms to serve as the lead underwriter(s) and as members of a selling group (if any) for any bonds to be issued for the Project, and select such lead underwriter(s) and the members of any selling group (if the Executive Director determines that a selling group is desirable); (xiv) apply for ratings of any bonds to be issued by the Authority for the Project (but only if the Authority's Executive Director determines such ratings to be desirable); (xv) assist in the preparation of any official statement to be used in connection with the offering of any bonds by the Authority to finance the Project; and (xvi) otherwise execute the Authority's rights under the Partnership Agreement. Nothing herein shall commit the Authority to issuing bonds to finance the Project.

4. The Authority is authorized to expend such funds as are necessary to pay for all filing fees, application fees, registration fees and other costs relating to the actions authorized by this resolution. To the extent any fees or predevelopment costs are incurred and payable by the Partnership prior to the time the Authority enters into a formal loan agreement, the Authority may lend money to the Partnership to pay such costs, with the loan bearing interest at such rate that the Executive Director determines, in his discretion (which may be 0% per annum).
5. The Authorized Officers, and each of them acting alone, are hereby directed, and granted the discretionary authority, to execute and deliver any and all other certificates, documents, agreements and instruments that are necessary or appropriate in their discretion to give effect to this resolution and to consummate the transactions contemplated herein, including, but not limited to, any development services agreement between the Partnership and the Authority (and/or others) providing for the development of the Project, contracts with architects, engineers and other consultants, and construction contracts.
6. 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.
7. This resolution shall be in full force and effect from and after its adoption and approval.

Approved: November 14, 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. 2018-11-14(1) (the “Resolution”) is a true and correct copy of the resolution of the Authority’s Board of Commissioners (the “Board”) as adopted at a meeting of the Board held on November 14, 2018, and duly recorded in the Authority’s minute books.

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 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 November 14, 2018.

HOUSING AUTHORITY OF THE CITY OF
TACOMA

By: _____
Michael Mirra, Executive Director

Resolution 2



TACOMA HOUSING AUTHORITY

RESOLUTION 2018-11-14 (2)

Date: November 14, 2018
To: THA Board of Commissioners
From: Michael Mirra
Executive Director
Re: Extension of Rapid Rehousing (RRH) Contracts with Pierce County

This resolution would approve extensions to the two Rapid Rehousing contracts with Pierce County.

Background

Tacoma Housing Authority (THA) began this investment in 2013 through two contracts with Pierce County: (1) funding housing for homeless families with children and (2) housing for homeless young adults aged 18-24. The initial amount of the contracts was \$330,000 and the family contract set a schedule to scale up the investment each year until 2017. Under the contracts, THA's investment increased to \$1.288 million annually in 2017 and 2018. \$1 million of the funds are in the Family contract while the remaining \$288,000 is in the Young Adult contract. The current contracts are set to expire at the end of 2018. The contracts allow THA to increase, decrease or end that investment at any time.

In 2017, staff provided the Board with a full evaluation of THA's investments in the Pierce County family and young adult rapid rehousing systems. At that time, the THA Board of Commissioners directed staff to review these contracts annually and provide recommendations for future funding in following years. This resolution recommends offering an extension on both contracts through 2019.

During the assessment in 2017, THA looked at a number of items related to these investments including:

- The number of unique households served;
- The number of households served with this program that could be counted in THA's Moving to Work (MTW) substantially the same reporting;

- The per unit month cost to serve each household and how those costs compared to other THA programs; and
- The number of returns to homelessness after participation in this program.

Like the findings from last year's evaluation, per household costs and the number of households that we can count for Housing and Urban Development (HUD) purposes remain a concern. The per household cost remains high compared to THA's Housing Opportunity Program (HOP) and voucher programs which means the number of households counted for HUD purposes is lower than THA's mainline programs. However, the households served with these funds are the most vulnerable in our community and cannot access the housing THA offers through its mainline programs. Until THA has other immediate housing options available, it is wise to continue this investment. It is likely that continued investment in this system will become a point of discussion after we see the efficacy of the redesigned and expanded ESHAP program for families and the completion of Arlington Drive for young adults. In fact, some of these dollars might need to be redirected into those programs to fill any funding gaps to provide services in those programs. Most likely, those conversations will begin in the 2020 budget planning process.

In addition to the reasons listed above, staff are making the recommendation to extend the contracts for 2019 for the following reasons:

1. The County projects that it will expend 100% of its funding for both contracts in CY2018. This utilization is a big improvement over past years.
2. Both contracts have kept expenses for overhead and case management support below 25%. For the Family contract, 78% of funds have been spent on rental assistance. For the Young Adult contract, 81% of funds have been spent on rental assistance.
3. For the first eight months of 2018, the county served 113 unique families and 42 unique young adults with its expended funds. These households and these young people are among the most vulnerable in our community. THA dollars are providing housing and services that is just not available elsewhere. All of THA's programs serve people who are disproportionately comprised of persons of color, households headed by women and persons with disabilities. This disproportionately is particularly true of persons experiencing homelessness, especially young people. LGBTQ also feature disproportionately among homeless young people. In this way, THA's investment in RRH serves these underserved populations.
4. The percentage of households housed with THA funds that do not return to the homeless system continue to remain near the national average of 85% for both populations. This information is shown in the table below:

Percent remaining housed by month post participation:	Family RRH (N=177)	Young Adult RRH (N=50)
<i>6 months</i>	154 households (87%)	40 households (80%)
<i>12 months</i>	143 households (92%)	39 households (98%)
<i>24 months</i>	140 households (98%)	37 households (95%)

Recommendation

This resolution recommends adopting Resolution 2018-11-14 (2) to extend the Family and Young Adult Rapid Rehousing contracts with Pierce County through 2019.



TACOMA HOUSING AUTHORITY

RESOLUTION 2018-11-14 (2) **(Extension of Pierce County Rapid Rehousing Contracts)**

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

WHEREAS, THA has been investing in the Pierce County Rapid Rehousing system since 2013; and

WHEREAS, The THA board directed the THA staff to reevaluate the contracts on an annual basis in response to the demonstrated need based on the prior year's spending provided by the County. This review looked at successes and challenges to date and provides a recommendation for future funding the following year; and

WHEREAS, The Family and Youth Rapid Rehousing contracts will be extended through 2019; and

WHEREAS, Other administrative items needing to be added to the contract and the extension of the contract must be negotiated between Pierce County and THA; 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 negotiate these changes to the respective Pierce County contracts.

Approved: November 14, 2018

Dr. Minh-Anh Hodge, Chair

Resolution 3



TACOMA HOUSING AUTHORITY

RESOLUTION 2018-11-14 (3)

Date: November 14, 2018
To: THA Board of Commissioners
From: Michael Mirra
Executive Director
Re: Arlington Drive GC/CM Contractor

This resolution would authorize Tacoma Housing Authority's (THA) Executive Director to negotiate and execute a contract with Korsmo Construction for preconstruction and construction services for the Arlington Drive Campus.

Background

On September 24, 2018, staff solicited proposals for a General Contractor/Construction Manager (GC/CM) to provide pre-construction and construction services for the development of the Arlington Drive Youth Campus. Staff posted advertisements for the Request for Proposals (RFP) and related addenda to Washington Electronic Business Solutions (WEBS) and THA's website. Proposals were due October 29, 2018.

By October 29, 2018, staff received five (5) proposals from qualified contractors. Staff assembled a proposal review committee.

An evaluation team, comprised of three (3) THA staff, reviewed and scored the proposals according to the evaluation criteria listed in the RFP. The committee completed the first stage of the review process and determined that all of the proposers would advance to the second stage of the review - the oral interviews. A maximum of 100 points were available. Points were organized into six primary sections, with proposals scored on several factors, including:

1. Firm Experience (15 Points);
2. Record of Safety (15 Points);
3. GC/CM Project Team (15 Points);
4. Project Approach (20 Points);
5. Fee Proposal (15); and
6. Utilization Plans for Targeted Business, Section 3 and Incorporation of Apprenticeship/Training Programs (20).

After the oral interviews, the evaluation team voted unanimously in favor of recommending Korsmo Construction to the Housing Authority Executive Director. The evaluation scores are as noted below:

	Panelist 1							Panelist 2							Panelist 3							Average						
	1	2	3	4	5	6	T	1	2	3	4	5	6	T	1	2	3	4	5	6	T	1	2	3	4	5	6	T
MZT	10	12	12	14	15	10	73	10	15	14	15	15	0	69	10	15	15	20	15	10	85	10	14	14	16	15	7	76
Pavillion	13	13	12	17	18	13	86	10	5	10	15	20	10	70	15	10	10	20	20	18	93	13	9	11	17	19	14	83
Charter	13	14	13	15	18	15	88	13	14	13	20	15	15	90	15	15	15	15	20	10	90	14	14	14	17	18	13	89
Walsh	15	15	15	18	15	15	93	15	15	15	17	15	15	92	15	15	15	20	15	15	95	15	15	15	18	15	15	93
Korsmo	13	15	14	19	18	15	94	14	15	15	17	20	15	96	15	15	15	20	17	15	97	14	15	15	19	18	15	96

Staff recommends Korsmo Construction to provide pre-construction and construction services for the development of up to 58 new affordable housing units and the Crisis Residential Center to be developed at Arlington Drive. Korsmo Construction has demonstrated a qualified team of professionals that are dedicated to achieve the project budget and timeline.

Recommendation

Approve Resolution 2018-11-14 (3) authorizing THA's Executive Director to negotiate, and if those negotiations are successful, to enter into an agreement with Korsmo Construction not-to-exceed \$95,000 for pre-construction services and negotiate a Guaranteed Maximum Price (GMP) for construction at the conclusion of the bidding phase in early 2019.



TACOMA HOUSING AUTHORITY

RESOLUTION 2018-11-14 (3) **Arlington Drive Youth Campus GC/CM Contractor**

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 (THA) is committed to developing new affordable housing in the City of Tacoma; and

WHEREAS, THA is seeking to develop the site known as Arlington Drive with up to 58 new affordable housing units for rent and a 12-bed Crisis Residential Center; and

WHEREAS, On September 24, 2018, THA solicited proposals for a GC/CM contractor to provide pre-construction and construction services; and

WHEREAS, On October 29, 2018, THA received five (5) qualified and responsive Proposals; and

WHEREAS, An evaluation team, comprised of three (3) THA staff, reviewed and scored the proposals according to the evaluation criteria listed in the RFP; and

WHEREAS, The evaluation team recommends Korsmo Construction to provide preconstruction and construction services with a negotiated Guaranteed Maximum Price (GMP); 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 to negotiate and, if those negotiations are successful, to enter into an agreement with Korsmo Construction not-to-exceed \$95,000 for pre-construction services and negotiate a Guaranteed Maximum Price (GMP) for construction at the conclusion of the bidding phase.

Approved: November 14, 2018

Dr. Minh-Anh Hodge, Chair

Resolution 4



TACOMA HOUSING AUTHORITY

RESOLUTION 2018-11-14 (4)

Date: November 14, 2018

To: THA Board of Commissioners

From: Michael Mirra
Executive Director

Re: Arlington Drive Apartments Service Providers

This resolution will authorize Tacoma Housing Authority's (THA) Executive Director to negotiate, and if those negotiations are successful, to execute a contract with The Accelerator YMCA, a branch of the YMCA of Greater Seattle, to provide services to young adults who will live at Arlington Drive Apartments for homeless young adults.

Background

Arlington Drive Apartments will be a 58 unit apartment building to house homeless young adults in Tacoma. This apartment building is part of the Arlington Drive Campus THA will build for homeless youth and young adults. It is a large undertaking. It shows THA's commitment to address the housing crisis in the region that these young people face. Arlington Drive Apartments will be a safe and stable place for young people to call home, and a place where they can expect and receive a high level of support that is expert, culturally humble, flexible and designed to help them reach their housing, education, employment, and self-sufficiency goals. THA does not provide these services. THA does not know how to provide them. And THA does not wish to learn. Instead, THA seeks a high quality, experienced partner to do this work.

1. The Selection Process: RFP, Scoring Criteria and Scoring Detail

On July 15, 2018, THA released an RFP seeking a service provider for Arlington Drive Apartments. It asked Respondents to address the following in their proposals:

Section	Total Possible Points
Letter of Intent	5 Points
Guiding Principles, Project Approach, and Budget	30 pints
Experience and Capacity of Project Team	30 Points
Service Plan, Metrics and Evaluation	30 Points
Ability to Help THA Find Service Funding	5 points
RFP Exhibits Completed and Attached	Yes/No
TOTAL POINTS POSSIBLE	100 Points

Interested agencies had until September 24, 2018, to respond to the RFP. THA received a total of four responses:

- The Coffee Oasis
- Pioneer Human Services
- The YMCA of Greater Seattle, Accelerator Branch
- Metropolitan Development Council.

All four agency proposals were responsive, including all required information and materials.

Five (5) THA staff members read and reviewed the proposals, and three (3) of those staff scored the written proposals prior to interviews. The chart below shows their scores:

	The Coffee Oasis	Pioneer Human Services	YMCA of Greater Seattle	Metropolitan Development Council
THA Person 1	51	62	97	73
THA Person 2	52	48	96	71
THA Person 3	62	93	93	84
Average	55	67.66	95.33	76

2. The Selection Process: Interview and Panelist Information

On October 26, 2018, THA invited all four responding agencies to participate in two panel interviews. All four attended the panels. Eleven (11) stakeholders served on the interview panels. They represented a wide cross section of organizations, views and interests:

- Pierce County
- City of Tacoma
- Salishan homeowner
- young adults who have experienced homelessness
- Community Youth Services
- Oasis Youth Center
- BDS (firm supporting the Advisory Committee and community engagement),
- THA staff members

The panel was also impressively representative with regard to race, gender, sexual orientation, age and socioeconomic status. In total, 5 of the 11 interviewers identify as people of color, six identify as female and five identify as male.

Each panel interviewed all four agencies. Agencies opened each interview with a 25-minute presentation about their proposal. We also asked them to address the following topics in their opening:

- their experience providing housing for homeless young adults and/or experience working with young adults
- their plan for operating trauma-informed and culturally humble 24 hour services

- their understanding of the population to be served
- how they will assess young people's needs
- how they will meet those needs
- how they will help young people stabilize and move into their own housing after living at Arlington Drive

After the presentation, each of the two panels posed four questions, totaling eight questions in all. Those questions were:

- How will you use your involvement at Arlington Drive to integrate into the youth/young adult homelessness world in Pierce County? Which organizations will you build or strengthen your relationships with and why?
- How do you integrate youth/client voice into the work you do now and how will you do that at Arlington, both with regard to treatment/service planning and policy development?
- How do you use your own data to inform your programming? How often do you look at data to course correct? Please give examples.
- How have services at your agency evolved over the last 2-3 years and what prompted the evolution?
- How are staff at all levels of your organization trained in cultural humility and how do you ensure staff provide culturally humble services? Why is this important to your organization?
- What do you see as your role in addressing youth/young adult homelessness at the policy level?
- What will your approach be to finding and securing ongoing funding for services at Arlington Drive?
- How do you utilize best-practice and evidence-informed service delivery models for this specific population? Which best-practices and evidence-informed approaches will you take at Arlington?

Two agencies interviewed in the morning. Panelists then ate lunch together to debrief the morning. Two agencies interviewed in the afternoon. The interview panelists wrapped up the day with a combined discussion amongst themselves about all four interviews, points of excitement and areas of concern. Finally, panelists were asked to rank each of the four agencies individually and submit their responses along with their interview notes. Panelists did not rank their preferences out loud to the group.

The YMCA was the very strong preferred choice of the interview panels, by a wide margin. Of the 11 panel members, 10 highly recommended the YMCA of Greater Seattle as their

number one choice. Some of them concluded that if THA did not choose the YMCA that THA should then keep looking. One person chose Metropolitan Development Council, stating that he or she simply preferred a local agency to one who is currently based outside Tacoma. That person ranked the YMCA second. All 11 panelists picked The Coffee Oasis as their fourth choice. Importantly, the formerly homeless young people on the panel stated that the YMCA was their first choice.

Panelists spoke highly of the YMCA's 20 years of experience, youth-driven approach, evidence-based service delivery model, adaptability to work with young people at developmentally and culturally appropriate levels, its strong ability as a fund-raiser and its influence at the city, county, state and federal policy levels. Below is the de-identified list of how all panelists ranked agencies, with one (1) being the highest and four (4) being the lowest:

Agency/Role	YMCA of Greater Seattle	The Coffee Oasis	Metropolitan Dev. Council	Pioneer Human Services
Pierce County	1	4	3	2
City of Tacoma	1	4	2	3
BDS staff	1	4	2	3
BDS staff	2	4	1	3
Young Person	1	4	2	3
Young Person	1	4	2	3
Salishan Homeowner	1	4	3	2
Corp. for Supportive Housing	1	4	2	3
Community Youth Services	1	4	2	3
Oasis Youth Center	1	4	2	3
THA	1	4	2	3
THA	1	4	2 (tied)	2 (tied)
THA	1	4	3	

On the Monday following interviews, THA staff members gathered to discuss the proposals, interviews, corresponding group dialogue and to finalize their ranking. Importantly, there was no discrepancy between how THA staff scored RFP's prior to the interviews and their final rankings at the end of the whole process.

The Director of THA's Client Support and Empowerment Department strongly concurs in the recommendation of the panelists to contract with the Y. I attach a summary of her views explaining her conclusion. In particular, she notes the following strengths of the Y:

- Y staff have more than two decades of evidence based experience with housing and serving homeless youth and young adults; it is the largest provider of these services for homeless young people in King County; it uses trauma-informed care at every point in their service provision; it is a proven community leaders in providing culturally responsive and humble services;

- The Y has a large array of services, all focusing on youth and young adults. Those services include: providing crisis response services for young people in King County, outpatient mental health and substance use treatment, gang intervention and violence prevention, education, employment and civic engagement programs, transition services for young people aging out of foster care and evidence-based programs.
- The Y uses data and feedback to regularly course correct.
- The Y is very strong at fundraising. This will likely be critical at Arlington.
- They are strong advocates with and for young people, with their own young adult advisory board and partnership with the Mockingbird Society as the chapter hub for King County.
- THA staff and community stakeholders who have participated in this process have all endorsed the Y. Community voices express great excitement in developing a regional services hub at Arlington Drive and working with the YMCA to elevate Tacoma as a leader in addressing youth homelessness.
- The Y is a prominent voice at the local, county, state and national legislative levels. The Y has experienced leadership and a solid infrastructure enabling expansion.

Recommendation

Approve Resolution No. 2018-11-14 (4) to authorize the Executive Director to negotiate, and if those negotiations are successful, to execute a contract with the YMCA of Greater Seattle, Accelerator Branch as the service provider at Arlington Drive Apartment for homeless young adults.



TACOMA HOUSING AUTHORITY

RESOLUTION 2018-11-14 (4) **(Contract for Arlington Drive Apartments Service Provider)**

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

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

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

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

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

WHEREAS, THA has secured funding to develop a Crisis Residential Center for youth age 12-17 who are experiencing homelessness and has executed an agreement with Community Youth Services to provide services and operate the facility; and

WHEREAS, THA has secured funding to develop up to 58 units of rental housing for young adults age 18-24 experiencing homelessness; and

WHEREAS, These young adults will need services that THA does not provide and does not have the capacity to provide; THA needs a high capacity social service partner with the requisite expertise and experience; and

WHEREAS, THA engaged in a thorough and thoughtful community consultation process to develop a scope of services for a service provider to offer; and

WHEREAS, To help THA select the service partner THA engaged community voices, to include formerly homeless youth, service providers, city and county representatives, neighboring homeowner and others; 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 negotiate, and if those negotiations are successful, to execute an agreement with the YMCA of Greater Seattle, Accelerator Branch, to provide services for the Rental Housing being developed for Young Adults as part of the Arlington Campus for Homeless Youth and Young Adults.

Approved: November 14, 2018

Dr. Minh-Anh Hodge, Chair

	<u>YMCA of Greater Seattle</u>		<u>Metropolitan Development Council</u>		<u>Pioneer Human Services</u>		<u>The Coffee Oasis</u>	
	Points Awarded	Narrative	Points Awarded	Narrative	Points Awarded	Narrative	Points Awarded	Narrative
Letter of Intent (5 possible points)	5	All letters of intent met the specified criteria	5	All letters of intent met the specified criteria	5	All letters of intent met the specified criteria	5	All letters of intent met the specified criteria
Guiding Principals, Project Approach, and Budget (30 possible points)	29	Clearly stated understanding that relationships between participant and staff are integral to engagement. Strong understanding of trauma-informed care. Prioritize housing first and minimal barriers to housing. Prioritize cultural humility and hiring staff with lived experience. Will use evidence-based program that requires intense fidelity monitoring and yields predictable outcomes related to permanent housing. Reasonable, well thought out and thorough budget and staffing levels.	22	Priorize housing first. Will remind clients that "choices come with consequences and that their housing is time limited" contradicting the housing first model. Individualized planning and services are required for each resident depending on their needs and history. Prospective language. Awareness that services should not retraumatize clients and mention of trauma informed care. Flexible staff schedules to accomodate client needs. Reasonable budget, but specific positions to be funded are heavily reliant on peer supports. Unclear about wages per position. No mention of paid mental health/chemical dependency staff.	20	Institutional approach with consistent reference to "treatment" throughout the proposal and interviews. Mention of housing first but also reference intense biopsychosocial assessment as necessary within 48 hours of entry and service regimines akin to inpatient treatment. Young people would stay in gound level transitional units for the first 48 hours to allow provider to engage supports. Level of treatment (1-3, 3 being the most intense) determines frequency of meetings with staff via assessments, group meetings, and individual counseling. Will engage a comprehensive treatment team including other young people, family and friends. Biggest budget at \$2.2m with \$685,000 funding gap. Remainder to be billed to medicaid for clinical services. Stated reliance on THA to raise the uncovered funding.	18	Mention of trauma informed care and harm reduction, but no specifics of what either mean or how they translate to implementation. Clear understanding that young people need flexible intake processes and time to build relationships with staff before engaging in services. Culturally responsive environment is described as "non-discriminatory" with attention paid to hiring the "best qualified staff". When asked during the interview what makes a staff "qualified" the response was repeatedly "experience working in social services and education" without regard to lived experience or diversity. Consistently called women "gals" during interviews and referenced homeless young adults as the "underside of our society" in one of the interviews. Propose 32 full time staff with a total staffing budget of only \$1.469m. During interviews they stated that scaling up would "be no big deal. We already serve 1,000 kids per year, what's another 60" indicating a severe lack of understanding of the magnitude of this project.
Experience and Capacity of Project Team (30 possible points)	27	20 years of experience housing homeless young adults in various types of housing programs. Largest housing provider for young adults in all of King County. County-wide crisis responders for youth and young adults. Offer outpatient mental health and chemical dependency treatment. Gang intervention and violence prevention programming. Experienced leadership. Proposed Director of Arlington lives three blocks from Salishan. No social services offered by the YMCA of Greater Seattle in Pierce County. YMCA of Pierce and Kitsap Counties has a strong presence in the community.	18	15 months of experience providing permanent supportive housing with the Avenue Apartments with "2-3 exits", two of which left to permanent housing, one unknown. Experience with supportive employment, counseling and chemical dependency counseling. Heavy reliance on peer support specialists but unclear how they will be supported.	18	Experience with young adults limited to one program serving young people 18-20 years old and focused on helping young people transition back into the community from justice system involvement. Other programs serving young people focus on youth under 18 years old. Oversight of Arlington would include a Clinical Director, Director of Youth and Young Adult Programs and Director of Research and Client Outcomes.	15	Two years of experience providing supportive housing for young adutls. Ten years of experience in job training, outreach and drop in services. Experience providing 24hr services for young adults since 2013. Prospective language with regard to staff who would work at Arlington, including education, training and experience expectations. No reference to preference for those with lived experience or diversity dimensions.

	<u>YMCA of Greater Seattle</u>		<u>Metropolitan Development Council</u>		<u>Pioneer Human Services</u>		<u>The Coffee Oasis</u>	
	Points Awarded	Narrative	Points Awarded	Narrative	Points Awarded	Narrative	Points Awarded	Narrative
Service Plan, Metrics and Evaluation (30 possible points)	29	The YMCA uses the YV LifeSet service model. This model is a nationally known service regimen founded in evidence. It requires strict evaluation, evidence based interventions, small caseloads (no more than 10 clients per case manager), minimum of once per week meetings, comprehensive treatment plans, and team approach. Proven outcomes: 77% stably housed, 74% increase in education credentials, 89% avoiding further justice system involvement. Opportunity for services with less intensity including live-in resident manager for 24hr assistance and a housing case manager. On-site mental health and substance use treatment.	23	Prospective language. One care coordinator per every 24 residents. One meeting per month and access to all MDC services including behavioral health, chemical dependency, employment and education supports. Peer specialists available for more frequent meetings. Staff available 24 hours per day. Local to Tacoma with connections to several local organizations including REACH, Shared Housing Services, Team Child, Vadis, Associated Ministries, Oasis Youth Center and the Center for Children and Youth Justice	20	Service planning includes several intense assessments including the mini mental status exam, the American Society of Addiction Medicine Dimensions, and Social Determinants of Health assessment. Scores on these assessments will determine the young person's "level". No plan for young people who are uninterested in intensive assessments and services. Experience in Tacoma and established relationships with several service providers including Oasis Youth Center, Wellspring Family Services, Columbia Legal Services, and Northwest Justice Services. Assessments are clear but anticipated outcomes are not identified.	15	Service model includes emphasis on social enterprise and job training programs. Mention of providing "culturally appropriate on-site and off-site services, including...case management, health screenings and therapy appointments", but few specifics about how residents' individual needs will be assessed and/or addressed. Outcome measurements focus on safety, well-being, permanent connections, and self-sufficiency. No mention of permanent housing as an outcome measurement.
Ability to Help THA Find Service Funding (5 possible points)	5	There is strong philanthropic support for YV LifeSet, including a potential 1:1 match up to \$1m in the state of WA outside King County. Solidified legislative strategy to include funding in 2019 state budget. The YMCA has more than 100 government contracts and projected \$14,000,000 budget in 2018. The Y expects to pull medicaid funding via Foundational Community Supports and billing for mental health/chemical dependency services. Current and prospective support from the Ballmer Group, Raikes Foundation, Campion Foundation, The Boeing Company, Cheney Foundation, The Russell Family Foundation, The United Way of Pierce County and the Bamford Foundation. The Y has a strong reputation and presence within philanthropic, local, state and federal funders. Plans to tie into the Anchor Communities initiative in Pierce County.	2	State that each unit will come furnished with bedding, houseware, and bathroom accessories via community donations. MDC has a fund development staff to support funding, including grant writing and grassroots efforts to raise money. Utilize medicaid billing via Foundational Community Supports. Little presence locally or at the state level regarding young adult homelessness.	2	Proposal to pay for clinical services via medicaid and applications for additional clinical funding through various federal block grants. Funding gap of \$685,000 is expected to be covered by THA which was mentioned in interviews. Mention of "community foundations [and]...corporate giving at federal, state and county levels of government" as potential funding streams in the proposal. No additional specifics mentioned.	1	Expect to raise 55% of funding (approximately \$940,000) via social enterprise with THA providing the remainder of funds. Mention pursuing funding via state and federal funding, but unclear through which specific funding streams.
Point Total	95		70		65		54	



TACOMA HOUSING AUTHORITY

WALK-ON RESOLUTION

**THA BOC Resolution 2018-11-14 (5)
A&E Services Amendment for Hilltop
Parcels**



TACOMA HOUSING AUTHORITY

RESOLUTION 2018-11-14 (5)

Date: November 14, 2018

To: THA Board of Commissioners

From: Michael Mirra
Executive Director

Re: Amendment to Architectural and Engineering Services with Mithun Architects for Hilltop Parcels

This resolution would authorize the Tacoma Housing Authority's (THA) Executive Director to increase the amount of the not to exceed amount of the contract with Mithun Architects for Architectural and Engineering (A&E) Services for the Hilltop Parcels.

Background

On September 26, 2018, the Board approved Resolution 2018-09-26 (2) authorizing THA's Executive Director to negotiate and execute a contract not-to-exceed \$250,000 with Mithun Architects for the Hilltop Parcels project. Upon selecting Mithun, staff requested that they increase the amount of community engagement that was originally proposed in their response. This work will be informed by the 2016 Housing Hilltop process and will be setting the stage for design standards and future community development for this portion of Martin Luther King and the Hilltop. As a result, this phase of A&E work is expected to cost \$275,000 rather than the \$250,000 that was originally approved.

Recommendation

Authorize THA's Executive Director to negotiate and execute an amendment to the contract with Mithun Architects for its Hilltop Parcels to increase its not-to-exceed amount to \$275,000.



TACOMA HOUSING AUTHORITY

RESOLUTION 2018-11-14 (5)

(Amendment to Architectural and Engineering Services with Mithun Architects for Hilltop Parcels Project)

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 September 26, 2018, the Board approved Resolution 2018-9-26(2) authorizing the Executive Director to negotiate and execute a contract not-to-exceed \$250,000 with Mithun Architects for the Hilltop Parcels project; and

WHEREAS, At this time, THA would like to increase the not to exceed amount of the contract to \$250,000 to cover the increased cost of community engagement activities requested by THA; now, therefore, be it

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

Authorize THA’s Executive Director to negotiate and execute an amendment to the contract with Mithun Architects for its Hilltop Parcels to increase its not-to-exceed amount to \$275,000.

Approved: November 14, 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. 2018-11-14 (5) (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 the 14th day of November, 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 this 14th day of November, 2018.

Michael Mirra, Executive Director of the Authority