



TACOMA HOUSING AUTHORITY

BOARD OF COMMISSIONERS

BOARD PACKET

December 12, 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, DECEMBER 12, 2018

The Board of Commissioners of the Housing Authority of the City of Tacoma will hold its Regular Meeting on **Wednesday, December 12, 2018, at 4:45 pm.**

The meeting will take place at:

**Tacoma Housing Authority
902 South L. 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 December 12, 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

December 12, 2018, 4:45 PM

902 South L. Street, Tacoma, WA 98405

1. **CALL TO ORDER**
2. **ROLL CALL**
3. **APPROVAL OF MINUTES**
 - 3.1 Minutes of November 14, 2018—Regular Meeting
 - 3.2 Minutes of November 30, 2018—Study Session
4. **GUEST COMMENTS**
5. **COMMITTEE REPORTS**
6. **COMMENTS FROM THE EXECUTIVE DIRECTOR**
7. **ADMINISTRATION REPORTS**
 - 7.1 Finance
 - 7.2 Policy, Innovation and Evaluation
 - 7.3 Administrative Services
 - 7.4 Client Support & Empowerment
 - 7.5 Rental Assistance
 - 7.6 Property Management
 - 7.7 Real Estate Development
8. **OLD BUSINESS**
9. **NEW BUSINESS**
 - 9.1 2018-12-12 (1) 2019 Budget
 - 9.2 2018-12-12 (2) 2019 Moving to Work (MTW) Commitments
 - 9.3 2018-12-12 (3) Write Offs
 - 9.4 2018-12-12 (4) Heritage Line of Credit
 - 9.5 2018-12-12 (5) Update to Payment Standards
 - 9.6 2018-12-12 (6) Property Based Subsidy for New Development
 - 9.7 2018-12-12 (7) Pre-construction GC/CM for Hilltop Parcels
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, NOVEMBER 14, 2018

The Commissioners of the Housing Authority of the City of Tacoma met in Regular Session at Bay Terrace, 2550 South G. Street, Tacoma, WA 98405 at 4:45 PM on Wednesday, November 14, 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 5:00 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	
	Commissioner Arthur Banks
Commissioner Stanley Rumbaugh (arrived late at 5:05 pm)	
Commissioner Shennetta Smith (participated by phone)	
Staff	
Michael Mirra, Executive Director	
Sha Peterson, Executive Administrator	
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 at 5:01, and proceeded.

3. APPROVAL OF MINUTES OF THE PREVIOUS MEETING

Chair Hodge asked for any corrections to, or discussion of the minutes of the Regular Session of the Board of Commissioners on Wednesday, October 24, 2018. Vice Chair Young moved to adopt the minutes; Commissioner Smith seconded.

Upon roll call, the vote was as follows:

AYES: 3
NAYS: None
Abstain: None
Absent: 2 (Commissioner Rumbaugh was not yet in attendance)

Motion approved.

4. GUEST COMMENTS

Director of Resources for Education and Career Help (REACH) center Nick Bayard thanked the THA board for approving a policy change last year allowing a portion of THA's dollars for homeless young adults to pay for services and operations. Before this change REACH was unable to provide vital services. This precluded services that were necessary to allow homeless young adults to use THA's dollars. The change has allowed REACH to reduce the number of days to house a young person from 56 to 36 and has resulted in a record number of youth contributing towards their own rent.

Nick also appreciated THA's thoughtful Request for Proposal (RFP) for a service provider for Arlington Drive. REACH is willing to provide assistance to the selected service provider.

Finally, the ACT program, which was born out of a 100-day challenge, launched on October 8. Since then it referred 74 persons seeking family reconciliations.

5. COMMITTEE REPORTS

Real Estate Development Committee—Commissioner Rumbaugh

The Real Estate Development Committee will meet soon.

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. He observed that this board meeting will consider three resolutions, all denoting good and important news about the Arlington Drive project and THA's investment in the county's Rapid Rehousing program. He gave a preview of each and why each was good news.

ED Mirra also announced that Len Simon is retiring. For more than 20 years, Len has been the legislative liaison in Washington, D.C. for THA, the City of Tacoma, MetroParks, and the school district. He has been one of the nation's leading advisors to cities and municipal organizations. Commissioner Rumbaugh said Len has worked tirelessly and has done a remarkable service for THA. ED Mirra handed around a "thank you baseball" for people to sign. He will present it to the next time he is in D.C. at the end of the month.

7. ADMINISTRATIVE REPORTS

Finance

Finance Department (FD) Director Ken Shalik directed the board to the finance report. THA is doing better than budgeted for 2018, and is projecting a healthy surplus. THA is expected to receive a developer free from the Rental Assistance Demonstration (RAD) project (\$2M) and from its tax credit developments (\$2.3M). Information Technology (IT) expenses are over budget as THA continues to invest in its new Salesforce platform. Maintenance and Operation is a little over as well due to third party expenses at Highland Crest and James Center North. General Expenses Protective Services is over budget due to the assignment of full-time security at 902 necessitated by the risks to staff and visitor safety that THA must address with enhanced security services. These enhanced security measures will remain until the end of the year. Money to continue these enhanced services are in the proposed budget that staff will present to the Board in December. The THA Surplus is at \$6.5M. Over all, THA is in good shape going in to 2019. The draft budget for 2019 is nearing final stages. The Board Study Session is scheduled on November 30 to discuss the 2019 Budget. The Audit Exit Conference is scheduled Monday, November 19 at 8 a.m. There were no challenges with the audit.

Commissioner Rumbaugh moved to ratify the payment of cash disbursements totaling \$4,647,423 for the month of October 2018. Vice Chair Young seconded.

Upon roll call, the vote was as follows:

AYES:	4
NAYS:	None
Abstain:	None
Absent:	1

Motion Approved.

Client Support and Empowerment

Client Support and Empowerment (CSE) Director Cacey Hanauer directed the board to her report. CSE is reorganizing its management structure to allow supervisors to focus on staff development and support. CSE will also be defining its scope of service to figure out what can be expected from the team. CSE staff helped a total of 119 individuals and families from being evicted, saving THA \$952K this year. Commissioner Rumbaugh and Director Hanauer discussed how THA calculates this number.

Rental Assistance

Rental Assistance (RA) Director Julie LaRocque directed the board to her report. RA is reviewing a new application for project-based subsidy for 26 units; staff will present this proposal to the board at the next meeting. RA staff are still fashioning the new project-based contracts the board already approved for the Hotel Olympus and Rialto. RA is struggling to get certifications with the clients for Hotel Olympus. Utilization is up a little; RA hopes to get the units utilized as soon as the contracts are signed. Commissioner Rumbaugh inquired if this would bring utilization to 95 percent. Director LaRocque said it would.

Property Management

Property Management (PM) Director Frankie Johnson directed the board to her report. Unit turn time for October was 18 days and leasing days is down to one. Next month will be challenging because a couple of units were vacated in September. PM is experiencing challenges in the leasing area. Commissioner Rumbaugh asked if THA has had leasing problems with large units in the past. Director Johnson said set asides for large units present different challenges. ED Mirra noted the continuing puzzle of how, in the middle of an emergency shortage in the city of affordable housing, THA can ever be short of customers. Director Johnson reviewed the challenges of matching applicants with the sometimes narrow eligibility requirements imposed by financing sources. She added that this is also the month where families do not want to move. THA is also competing with itself — some are offered a unit only to find out they can also have a Housing Opportunity Program (HOP) voucher.

Director Johnson introduced THA's new Facilities Manager David Dailey. PM also hired Jamila Saidi to replace Gretchen Sinkula's position as portfolio manager. Director Johnson also reported that THA has changed its security company from Pacific Security to Pierce County Security. She reviewed the reasons for the change.

Real Estate Development

Real Estate Development (RED) Director Kathy McCormick directed the board to her report. The RED team is currently focused on staffing; it recently filled their two front office positions. RED is also focused on bids, project planning and closing out projects.

Director McCormick said that this month she will present a resolution asking the board to authorize THA to negotiate and execute a contract with Korsmo Construction for pre-construction and construction services for the Arlington Drive Campus. Director McCormick also assisted CSE Director Hanauer with the RFP process for the Arlington Drive Apartments service provider. RED has been receiving bids for the Hilltop master planning. Planning for James Center North is going well; as part of that planning THA hosted an Open House last night with 30 attendees. Most people were curious and feedback was positive. RED staff are trying to close out the Rental Assistance Demonstration (RAD) and the Bay Terrace II project. RED is also trying to finish the Alberta Canada construction.

8. OLD BUSINESS

None.

9. NEW BUSINESS

9.1 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.

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

Comments: Commissioner Rumbaugh inquired about next steps. According to Director McCormick RED will continue the planning process, refine the number of units, and identify interests by community groups to solidify and fold into the plan. After that, RED will solidify the phasing process for developing out the Hilltop project which will include Mr. Mac, Key Bank, New Look, and 902 bullpen. Four parcels are being planned next and this LLLP will do part of the contracting work for two parcels, beginning with Key Bank and Mr. Mac. Commissioner Rumbaugh asked about Key Bank. Director McCormick responded that the building is not completely leased but Fab 5 is leasing the bottom floor.

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

AYES: 4
NAYS: None
Abstain: None
Absent: 1

Motion Approved: November 14, 2018

Dr. Minh-Anh Hodge, Chair

9.2 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.

Comments: Commissioner Rumbaugh wanted to know how much of the full expenditure being reported is a result of getting individuals housed and how much is caused by market rate increase. Tess Colby will be able to provide the requested data but wanted to assure the board that the mass majority of THA dollars are being spent on rent. ED Mirra asked if there is a pattern where people housed end up. Tess responded that they are getting pushed out of the City of Tacoma, and this is another data that she can provide.

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

Upon roll call, the vote was as follows:

AYES:	4
NAYS:	None
Abstain:	None
Absent:	1

Motion Approved: November 14, 2018

Dr. Minh-Anh Hodge, Chair

9.3 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.

Comments: John Korsmo was in attendance and addressed the board. He is excited about the opportunity to work with THA and has a great team for this project. He also felt this was a great project to get started with THA. John is looking to personally get involved and serve youth homeless in Tacoma and Pierce County. Korsmo Construction just finished Eastside Community Center and is currently working with YWCA. Commissioner Rumbaugh wanted to know what it was about this project that John found more appealing than previous projects. According to John, timing and size of the project lined up for his team.

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

Upon roll call, the vote was as follows:

AYES:	4
NAYS:	None
Abstain:	None
Absent:	1

Motion Approved: November 14, 2018

Dr. Minh-Anh Hodge, Chair

**9.4 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.

	YMCA of Greater Seattle		Metropolitan Development Council		Pioneer Human Services		The Coffee Oasis	
	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 Principles, 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	Prioritize 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 accommodate 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 regimens akin to inpatient treatment. Young people would stay in ground 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 medicare 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 \$1.48m. 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 adults. 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.
	YMCA of Greater Seattle		Metropolitan Development Council		Pioneer Human Services		The Coffee Oasis	
	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, Campton 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	

Comments: Mark Putnam with YMCA thanked the board for the opportunity to be the service provider for Arlington Drive Apartments. YMCA is thrilled to be a part of such an innovative project, and will bring their housing first philosophy in their approach to engage young adults. They will also be looking at qualitative

data to track success. The homelessness and affordable housing crisis is in part due to why YMCA is servicing outside of King County. Aaron Fox, also with YMCA, spoke about their commitment to equity. They value education and training, trauma informed care, and ongoing training for staff. He is an East Tacoma resident and has seen the need for a solid service provider. Commissioner Rumbaugh asked what qualitative data the Y can measure and track. According to Mark they can measure how the programs are doing from input and feedback. Commissioner Rumbaugh is interested in tracking the fundamental issues of education completion, job acquisition and job skills training for those coming out of institutions and would like the opportunity to discuss data collected. Chair Hodge would also like feedback from the young adults themselves. Vice Chair Young asked if this is the first project the Y is doing in Pierce County and Mark responded yes.

[A gentleman also invited himself to the podium to speak. His name is Dartanyon Pratcher. He spoke of his experience in some social service activities.]

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

Upon roll call, the vote was as follows:

AYES:	4
NAYS:	None
Abstain:	None
Absent:	1

Motion Approved: November 14, 2018

Dr. Minh-Anh Hodge, Chair

9.4 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.

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

Upon roll call, the vote was as follows:

AYES:	4
NAYS:	None
Abstain:	None
Absent:	1

Motion Approved: November 14, 2018

Dr. Minh-Anh Hodge, Chair

9. COMMENTS FROM COMMISSIONERS

Commissioner Rumbaugh thinks it is disturbing that staff have to work in the shadow of security concerns and thanked everybody for staying with it and encouraged staff to report any concerns they have. Chair Hodge thanked ED Mirra and staff.

10. EXECUTIVE SESSION

None.

11. ADJOURNMENT

There being no further business to conduct the meeting ended at 6:27 PM.

APPROVED AS CORRECT

Adopted: December 12, 2018

Dr. Minh-Anh Hodge, Chair



TACOMA HOUSING AUTHORITY

BOARD OF COMMISSIONERS MEETING MINUTES STUDY SESSION FRIDAY, NOVEMBER 30, 2018

The Commissioners of the Housing Authority of the City of Tacoma met in Study Session at 902 South L. Street, Tacoma, WA 98405 at 12:00 PM on Friday, November 30, 2018.

1. CALL TO ORDER

Commissioner Banks called the meeting of the Board of Commissioners of the Housing Authority of the City of Tacoma (THA) to order at 12:17 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 (participated by phone)	
Commissioner Arthur Banks (arrived late at 12:15 pm)	
	Commissioner Stanley Rumbaugh
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 and Empowerment Director

Commissioner Banks declared there was a quorum present @ 12:18 and proceeded.

3. 2019 Budget

Executive Director (ED) Mirra started the budget conversation by reviewing Tacoma Housing Authority's (THA) four budget principles that the Board has used for the past 15 years, and that have served THA well. The draft budget resolution that staff will describe conforms to these principles:

- budget to the worse of the plausible budgets pending in Congress;
- recurring income covers recurring expenses; THA does not use reserves for recurring expenses;
- THA uses reserves for nonrecurring expenditures that make THA money, save THA money or make THA more efficient or stronger;
- THA keeps reserve levels within the Board's designated ranges for each type of monies: not too much and not too little.

Generally, Congress usually misses its October 1st deadline for writing the next year's budget. This means that THA must write its budget without knowing what HUD funding it will get. That will likely happen again this year. This means THA will budget presuming upon flat funding for 2019, expecting the same as received in 2018. The House and the Senate both passed their versions of the budget which provides THA with modest increases (\$250,000-\$800,000). THA will not presume on those increases.

The proposed THA budget is balanced with a \$56K surplus. In a \$54M budget this is essentially a wash. ED Mirra noted that the effort to designate expenses and income as either recurring or nonrecurring can be a challenge of characterization. This requires judgment that our finance director makes. ED Mirra noted that the main characterization challenge arises with real estate development income. This income has been substantial over the past years. We expect it will continue in substantial levels. But whether we get it or not is a deal-by-deal uncertainty. For budget purposes, we account for that uncertainty by discounting the anticipated amount and regard only the discounted amount as recurring. In reply to Vice-Chair Young's question, ED Mirra reported that the discount was 80% leaving 20% as recurring income.

The budget's main proposed use of reserves is to build or buy more properties. One reason to do this is to make money. THA can make money on real estate in a number of ways. When it buys or builds, THA can receive money from rents, or from an increasing investment value. It can also earned a developer fee.

THA needs enough money in reserves but not too much. THA needs at least two months of operating funds in reserves. One type of reserve is Moving to Work (MTW) funds. Our proposed budget keeps this balance close to zero.

Director Shalik provided the board documents that show a high-level view of the budget, with some detail. He then led the board through those documents in some detail, answering board questions along the way.

Commissioner Smith asked if there is a set amount of reserves THA should or should not have. According to Director Shalik, a long time ago HUD used to ask housing authorities to maintain reserves enough to cover 6 months of operations. HUD has been reducing that recommended period and now does not provide much direction. He noted that the board's budget principle on reserves directs that THA's reserves be enough to carry the agency for 2 months.

Vice Chair Young asked how the percentage of cash flow to THA changed for properties over the past year or so. According to Director Shalik, it has almost doubled. THA used to get about \$500k a month and now gets \$900K a month. THA is finalizing rents for the Salishan and Hillside RAD conversion. A good amount of this income comes from THA's expenditure of its own MTW dollars into the portfolio. Doing this was an investor requirement of the RAD refinancing. The total amount of this annual MTW supplement will be about \$325K.

Director Shalik stated that the biggest challenge for the 2019 budget is the upward pressure on HAP payments resulting from Tacoma's climbing rental markets. At the same time, funds from HUD are not increasing to match this increase costs. For example, HUD calculates a 10% increase in Fair Market Rents for Tacoma. Yet HUD increased the funding by only 3.6% in 2018. Commissioner Banks asked if THA is turning away people that are qualified due to increased rents. While we do not have enough money to serve all who seek our help, Director Shalik noted that present HCV clients who are housed do not pay more as their calculation of rent stays the same. Some HOP tenants, who get a fixed subsidy, see an increased rent burden. Commissioner Banks asked if THA is doing anything for homeless families. ED Mirra recounted the main ways THA serves homeless households.

Vice Chair Young expressed that he is impressed with how the budget has come together and noted how the finance team has done a great job. Commissioner Banks likes the budget as well. He acknowledged that it took a lot of staff and that THA staff always go beyond the call of duty. Commissioner Smith is happy and proud to be part of an organization that cares for people. "The budget looks great!"

Staff will present the 2019 Budget at the board's December 12th meeting.

4. ADJOURNMENT

There being no further business to conduct, the meeting ended at 1:04 pm.

APPROVED AS CORRECT

Adopted: December 12, 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: December 9, 2018
Re: Executive Director's Monthly Report

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

1. **ELEMENTARY SCHOOL HOUSING ASSISTANCE PROGRAM (ESHAP) EXPANSION)**

Six years ago THA and the Tacoma Public Schools (TPS) began the McCarver Elementary School Housing Assistance Program. Since then it has housed or paid to house homeless enrolled McCarver students and their families. The outcomes have been quite positive. On the strength of that success, THA and TPS have been planning the program's expansion to other schools. That planning has included extensive consultation with parents of school children and a wide array of community partners. Every now and then staff have provided the Board with an update on those discussions and the puzzles they seek to solve to allow for an expansion.

I am pleased to report that THA and TPS have a proposal for the expansion of the program. The expansion would extend to more homeless students in all schools and all grades in Tacoma. The Board packet has a memo from THA and TPS staff describing the expansion proposal. April will present the proposal at the Board meeting. Superintendent Carla Santorno will join her in the presentation.

We do not seek a formal Board resolution approving the expansion. That will come later. Instead, for this month, we do need the Board to tell us in general terms if it approves the outline of the expansion or whether it would redirect us.

These are the notable puzzles and questions the planning must address. They may help the Board pose its own questions at the meeting:

1.1 *Tacoma's New and Brutal Rental Market*

We need to redesign the program to account for Tacoma's new and brutal rental market. When we began this program 6 years ago we could presume that THA's rental assistance would allow parents to find housing reasonably close to the school. That allowed us to ask the parents to commit to the school. That is not working anymore. Rents are too high and vacancy rates are too low. At McCarver, parents had to move farther and farther away from the school. For this reason last year we allowed them to enroll at their neighborhood school. The expanded program must account for this new rental market. Here are ways a redesign might do that:

- We could expand the program to a cluster of schools and let parents move among those schools as their housing options allow. This cluster approach

preserves some focus on selected schools and preserves our hopes to have a school-wide effect. It also may allow for some peer support among the families. And because the parents are still congregated to some extent, providing them with supportive services, to that extent, will be easier. Yet it still risks what happened at McCarver: those selected schools may attract more than their normal share of homeless families, burdening the school.

- The staff proposal would let parents scatter throughout the district. This has the charm of giving them a lot of choice and flexibility. Yet it means we give up any focus on individual schools. Also, this scattering will not easily allow for peer support. Providing supportive services will also be harder. The staff proposal, however, may be necessary if we seek to serve homeless students where we find them, in any school and any grade.

1.2 *Rapid Rehousing Model*

The proposal seeks to take advantage of what we learn from the Rapid Rehousing model of assisting homeless families. The McCarver model provides deep rental subsidies and intensive service support for 5 years. This is very expensive. We could not afford to continue this level of subsidy and service in a big expansion. Fortunately, the Rapid Rehousing data tell us that we get the same or better stabilization results from varying and lower levels of subsidy and supportive services depending on a family's need and this subsidy and support need not last for more than a year or so. If that is true, then a Rapid Rehousing model will allow for our expansion to serve more families. Here are some questions arising from the Rapid Rehousing proposal:

- How confident can we be about the ability of Rapid Rehousing to work in Tacoma's new and brutal rental market?
- If Rapid Rehousing does stabilize families, does it do it by helping them find housing inside Tacoma or must they move to Parkland, Lakewood and less expensive communities to the south. Associated Ministries reports, for example, that 90% of the families it serves with Rapid Rehousing assistance locate out of town. Moving homeless Tacoma school families out of the Tacoma school district may not be the type of success we seek, even if it does rescue them from homelessness. Should THA and TPS be prepared to allow our housing dollars and Tacoma school students to leave Tacoma if necessary to save these families from homelessness?
- Pierce County already runs a Rapid Rehousing program. THA is one of its bigger funders. If we have to create our own program for the ESHAP expansion, we may be duplicating what already exists. We will also confuse the community with two parallel systems. To avoid this cost and confusion, to what extent can we use that pre-existing system for the expansion?

1.3 *Supportive Services*

Our McCarver experience demonstrated the value of supportive services. At McCarver, for example, the average earned income of the participating parents doubled. That kind of progress requires considerable support. Also, we learned that a full third of the parents made no income progress because of mental illness, addiction, or serious domestic violence. Intervening in these challenges also requires supportive services. To provide that support, THA placed two full time case workers at the school. They supported 50 families. TPS helped with the cost by contributing \$125,000 a year. In an expansion, THA and TPS cannot afford the same level of support, especially if families are scattered about.

How does the proposal seek to manage the supportive services? We will hear that the proposal seeks to enlist the services of third party service providers. Who will pay for that?

1.5 *Increase THA Allocation of Housing Dollars to \$1.5 million a year*

The proposal would expand the program to all schools and all grades. It proposes that THA increase its allocation of housing dollars for the purpose from about \$400,000 a year to \$1.5 million. Further expansion beyond that will depend on the results we see from this initial expansion. Some questions arise from this increased allocation:

- How many homeless families of TPS students and how many homeless TPS students should we expect to serve and stabilize with \$1.5 million?
- How does that number compare with the number of homeless enrolled TPS students?
- How does that number compare with the numbers of families we would serve if we spent those dollars on the HOP program?
- THA has justified the large amount of housing dollars it commits to all its education initiatives by relying on the following insight: *we would be spending those housing dollars anyway housing somebody. To that extent the housing dollars are not an increased cost or a redirection of the dollars to other purposes. The challenge of the Education Project is to spend those dollars not only to house people but also to help them and their children succeed in school, and to help Tacoma public schools and colleges succeed in educating low-income students. When this works it is a very good housing use of those housing dollars. I continue to strongly support this insight. This proposed expansion is an occasion for the Board to consider, and I hope, reaffirm its own support.*

1.6 *TPS's Role and Contribution*

The ESHAP program is possible for THA to undertake because of our partnership with TPS. THA has been lucky to have such a partner in TPS and in Superintendent Santorno. She will attend the Board meeting on Wednesday. The Board will have that chance to discuss what will be TPS's role in the expansion, and its contribution.

2. **BUDGETS: THA and CONGRESS**

This month the Board will consider a resolution approving THA's budget for 2019. The Board heard the staff's preview of this budget proposal at the recent study session. My cover memo recounts the budget's main features. That memo also recounts the presumptions we make in writing this budget.

One of those presumptions is that for 2019 we will have flat funding from Congress. We judge that to be the conservative bet.

We were hoping that by the Board meeting Congress will have passed a HUD budget. We hoped that because either the House or Senate version of the HUD budget would have given us an increased allocation over last year. Friday, December 7th, was Congress's deadline for passing a budget of some sort or else watch the governmental shut down. Congress did not pass a real budget by then. Instead, it kept the government open by extending the Continuing Resolution until midnight December 21, 2018. That is the new deadline to pass a budget. Our advisors tell us that a governmental shut down on December 22nd remains unlikely. However, a real budget also remains unlikely because of the President's demand for money for 'the wall' along the southern border. Perhaps we should expect a year long Continuing Resolution. That has happened before. In that case, we will indeed get flat funding.

3. **MISCELLANEOUS**

3.1 **Annual Reminder of Open Public Meetings Act Responsibilities for Commissioners**

At this time of year, it is more likely that Commissioners may find themselves attending the same social gathering. THA may even host some of them, like the Employee Appreciation luncheon this coming Friday, which I hope the Commissioners can attend. These gatherings will not be publicly noticed as a regular or special meeting of the Board. I attach my annual reminder of the main requirements of the Open Public Meetings Act and the precautions Commissioners must take during these gatherings to avoid violating it. These precautions should not deter any of you from attending, and enjoying, these social gatherings.

3.2 Staff Appreciation Luncheon: December 14th

On this coming **Friday, December 14th from Noon to about 3 PM** THA will host its annual luncheon to celebrate our wonderful staff. I hope all the Commissioners can attend. Here is the address: *Tacoma Elks Lodge, 2013 South Cedar Street, Tacoma.*

3.3 Thanksgiving Letter to Friends of THA

On November 23rd I sent my annual Thanksgiving letter to about 300 "Friends of THA". Its first paragraph states its purpose: "As you may know, I write at this time of the year to catch you up on the news from the Tacoma Housing Authority (THA). Writing you is also a chance to reflect on THA's work, its value and what it takes to get it done. It takes hundreds of partners like you. Another reason to write then is to thank you. Thanksgiving is a good time to do that."

Each Commissioner should have received a copy of that email. I attach a copy.

4. RECAP OF A BUSY YEAR, AND A THANK YOU

This has been a busy and challenging year for THA. The year also had its share of victories:

- *Arlington Drive Campus for Homeless Youth and Young Adults:*
We assembled the finances to build Arlington Drive. We chose two first rate service providers, Community Youth Services and the YMCA of Greater Seattle. We chose Korsmo Construction as our general contractor/construction manager (GC/CM), also first rate.
- *Hillside 1800*
We won an award of 9% tax credits for its construction. We chose Walsh Construction as our GC/CM. We know Walsh well. Walsh built Salishan! Walsh was our GC/CM for the RAD fix-up. Walsh is another first rate partner.
- *College Housing Assistance Program Expansion*
We expanded the THA-TCC partnership to house 150 homeless TCC students. We invented a new kind of property subsidy. That allowed us to contract with the owners of the Tiki Apartments (now Highland Flats) to reserve its units for homeless TCC students. We will use the same subsidy to contract with the owners of the Koz Apartments downtown to reserve 52 units for homeless UWT students. We purchased James Center North across the street from TCC for the future development of 300 to 500 apartments.
- *THA's Budget*
In this Board meeting, the Board will receive a budget proposal for 2019. As it shows, THA remains in pretty good financial shape. I believe that is a credit to the Board's stewardship and its nice balance of risk and caution. It also reflects some very hard staff work.

- *Managing Tacoma's New Rental Market; HUD Approval of a 95% Utilization Rate*
We received HUD's approval to serve 95% of HUD's baseline number of families. We asked for that approval because our rental assistance was having trouble keeping up with Tacoma newly expensive and competitive rental market. To seek that approval we undertook a wide ranging consultation with our clients, people on the waiting list and our community. The Greater Tacoma Community Foundation hosted meetings with community leaders that elicited letters of support from the Mayor, the County Executive, the UWT Chancellor, social service providers, advocates and others. I wrote them all afterward to thank them. I ended that letter in a way that fits here: *"So I close with a thank you. You took the time to understand the challenges that THA faces. You let us share the burden with you of making some hard choices. You let HUD understand that THA was not alone in its choice. This whole episode could have been only a dreary and familiar bit of budget cutting. You made it an inspiring communal reminder that we all share this work and we all share the responsibility for the community we all serve. While this good news does not diminish the continuing challenge our rental market presents to the people and the community we all serve, it feels reassuring to face those challenges together."*

I close this memo with a thank you to the Board. The work of THA is hard work. Its pace and its challenges show every day. The staff are continually impressive in their ability to do this work with such quality and commitment. One reason why they can do this is because they feel the Board's support. You let us take risks. You have our back when things go wrong. You are the repository for THA's values. You are the source of the necessary insistence that this work is important and that our clients are important. The staff feel that from you. It means so much.

I hope your holidays are peaceful and meaningful.



Tacoma Housing Authority

Executive Director
Michael Mirra

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

To: THA Board of Commissioners
From: Michael Mirra
Date: December 9, 2018
Subject: Open Public Meetings Act Responsibilities

At this time of year, it is more likely that Commissioners may find themselves attending the same social gathering. THA may even host some of them. These will not be publicly noticed as a regular or special meeting of the Board. I review below the main requirements of the Open Public Meetings Act and the precautions Commissioners must take during these gatherings to avoid violating it. These precautions should not deter any of you from attending, and enjoying, these social gatherings.

Three Commissioners constitute a Board quorum. If at least three of you attend such informal gatherings, the state's Open Public Meeting Act limits what you can discuss together. In general, you may not take "action" as the Board. The Act defines "action" broadly to include even "discussions:"

"Action" means the transaction of the official business of a public agency by a governing body **including** but not limited to receipt of public testimony, deliberations, **discussions, considerations**, review, evaluations, and final actions.

[emphasis added]

This means that three or more Commissioners should not discuss Board or THA business at such informal gatherings. If they do, they would violate two rules: the rule that all action occur at a properly called meeting; the rule that all meetings be open to the public.

The Act, however, permits such informal gatherings as long as no "action" takes place:

It shall **not** be a violation of the requirements of this chapter for a majority of the members to travel together or gather for purposes other than a regular meeting or special meeting as these terms are used in this chapter:

PROVIDED, That they take no action as defined in this chapter. [emphasis added]

Commissioners should also avoid the appearance of a violation. For this reason, when at social gatherings they should avoid sitting or congregating in groups of three or more if possible.

If you have any questions, please call me. Thank you for your understanding.



THA Thanksgiving Update 2018

November 23, 2018

Dear Friends of THA:

As you may know, I write at this time of the year to catch you up on the news from the Tacoma Housing Authority (THA). Writing you is also a chance to reflect on THA's work, its value and what it takes to get it done. It takes hundreds of partners like you. Another reason to write then is to thank you. Thanksgiving is a good time to do that.

I begin as I usually do by reviewing THA's mission as its Board has defined it. I attach a copy. That mission helps me to explain the news I relate in this letter, the puzzles we faced this year and the choices we made. I also begin with a word about THA, its staff and our partners.

THA's mission comes in parts. The main part is to house low-income people, focused on the neediest. THA does that in four ways. **First**, we help people pay rent to private landlords. Our rental assistance programs do that. Measured by people served and dollars spent, these programs are our largest. We serve about 4,000 households that way. We also help to fund our county's rapid rehousing program for homeless families with children and homeless young adults.

Our voucher programs are not working too well in Tacoma's new rental market. Tacoma rents are climbing fast, and vacancy rate are very low. Our voucher clients have trouble competing with other renters who can pay more or who have stronger rental and credit histories. We hope for some improvement from the new state and city laws prohibiting discrimination against voucher holders. But we still must make the program as appealing as possible to our landlord partners, and our voucher holders more competitive. THA is trying to do all that.

Is there any help out there for a single mom with two kids . I have never had the chance to even apply for section 8 , I have struggled my whole motherhood and I just would love a little break :(please D. 253-xxx-xxxx thank you for your time

[email to THA, February 12, 2018]

This rental market posed a special challenge this year. We struggled to fulfill an important HUD requirement that we serve “substantially the same number of families” as we served in 2010. That number is called our “baseline”. Serving that number is called “100% utilization”. We were able to do that easily enough up until about three years ago. Then Tacoma’s market took off. In an effort to keep up, THA has spent \$600,000 more each year in rental assistance to serve the same number of households. Yet our funding has been largely flat. This is not sustainable.

THA’s Board faced four options. I list them below. The Board chose the fourth one. Under that option we sought, and obtained, HUD’s approval to target a 95% utilization rate. THA made this choice only after an extensive community consultation organized by a special partner to THA - the Greater Tacoma Community Foundation (GTCF). This effort convened and consulted voucher holders, people on THA’s waiting lists, service and nonprofit partners, landlords, Northwest Justice Project, other housers, and community leaders and elected leaders from the city, the county, and the state, and other community leaders from business, education, and philanthropy. We also consulted closely with our congressional offices. In granting its approval for this option, HUD noted our “robust community outreach and support.”

To whom it may concern,

I am a single 52 year old disabled homeless women currently living out of my car. I was wondering if you had openings on the section 8 voucher list.

**Thank you
J.**

[email to THA, January 12, 2018]

Here are the four options. I describe them to help explain some of the pressures and puzzles THA and other housing authorities must manage to account for their local markets and to stay in business.

Option 1. Thin the soup more

We could have lowered the value of our vouchers to spread the money around more families and so hope to serve more of them. We did this in 2010 to manage a dip in appropriations. Few people favored this option. The value of our vouchers is already inadequate to keep up with our rising market. Further lowering it would make that problem worse.

Option 2: Favor Higher Income Families

We could have redirected the vouchers to serve higher income families (who cost less to serve) and so serve more of them. No one favored this option. THA’s mission is to serve the neediest.

Option 3: Continue to Cannibalize Other THA Services or Capacities

We could have redirected more dollars from other uses and perhaps serve more families with more vouchers. We have been doing that for the past three years at a rate of \$600,000 more each year. No one favored doing this either, for several reasons. Those other uses are valuable: maintaining the portfolio in good shape and running the voucher program by backfilling Congress's underfunding of operations, building or buying more housing, THA's Education Project, supportive services, and THA's administrative capacity. Some of these uses actually help us maintain the number of families we serve (e.g., building or buying more housing that would serve more families; supportive services to help families find and keep a landlord, providing good customer service to landlords.) We are also contractually obliged to our tax-credit investors to spend this money in the portfolio. In any case, the Board noted that cannibalizing these other uses to pay for vouchers is not sustainable. At a clip of an additional \$600,000 a year, it would not take long to hollow out THA.

Hi,

My name is A. I'm 27 years old with two children, ages 9 and 3. My boyfriend of 5 years has decided to have us move out and we have nowhere to go. I've been a stay at home mom for the past 5 years with my 9 year old, his 8 year old and now our 3 year old. So I have no job at the moment either or a vehicle because those are in his name and he won't let me take one. I don't know what to do. Is there anything you could do to help us?

I'm not entirely sure how to apply for section 8, I'm just worried about getting us a place to make this transition as easy as it can be since our family is being split up.

Please get back to me as soon as possible.

Thank you,

A.

[email to THA, December 21, 2018]

Option 4: Face the Arithmetic

The Board chose a fourth option. This option would have THA and HUD face the arithmetic of our increasingly expensive market and our flat funding. Facing this means that in 2018 we budgeted to serve something less than 100% of the HUD baseline. The Board chose 95%. We do not propose to remove anyone from our programs to get down to this level. Instead, we will reduce the size of the programs by natural attrition.

This whole episode could have been yet another dreary and familiar bit of budget cutting. Yet the civic conversation GTCF convened, and the advice and support THA received, made it an inspiring communal reminder that we all share this work and we all share responsibility for it. From THA's view, it felt reassuring to share the burden of the choice with you. We are grateful for that.

In another response to Tacoma's brutal rental market, THA is emphasizing

other strategies. There are two main ways to subsidize housing. One way is to subsidize people. That is what rental assistance does. When it does not work, we can subsidize places and remove as much as we can of the city's housing stock from the speculative rental market. THA seeks to do that in several ways that constitute the second, third, and fourth way we house people.

Second, we sign long-term contracts with private owners of apartment complexes. These contracts reserve units for low-income households. The contracts subsidize the rent to make the units affordable. The common contract of this kind is to “project-base vouchers”. THA has been able to do this with non-profit owners. Doing that with them also serves two other purposes. It matches our housing dollars with the supportive services of our nonprofit partners. It also strengthens those partners. All that is good. Yet we are also interested in project-basing our vouchers inside market rate properties. That can provide a measure of economic and racial integration on a more granular scale. Market rate owners, however, have not been interested.

This year, to better elicit the interest of market-rate owners, THA invented a new subsidy contract. Its elements are similar to project-based voucher contracts. It obliges the landlord to rent to tenants under the agreed-upon income limit, usually 30% of A.M.I. Participating units must pass THA inspection. And the landlord must keep them filled. But instead of providing a unit-by-unit subsidy that varies with the tenant income, this new contract sets the tenant rent at a uniform level affordable at the assigned income limit. The contract then pays the landlord a lump sum to pay the rent down to that level. This arrangement seems to be more appealing to landlords. It is easier for tenants and landlords to understand. And it has a lot less paper shuffling for the landlord, the tenant, and THA. THA calls this a “property-based subsidy”. This year THA will have signed up its first two market rate landlords!

My daughter and I are desperately in need of housing assistance. My income is about \$1100 a month with \$1000 rent for an apartment. Any help is greatly appreciated.

**Thank you,
A.
[email to THA, July, 11, 2018]**

Third, we build, buy, and rebuild properties that we then rent. We are our city's largest residential landlords. We serve about 1,500 households that way.

Fourth, we help other nonprofit organizations that share our mission to finance and develop their housing. I think of this as THA's shadow portfolio. We do not own it. We do not manage it. We help to finance and develop it. That shadow portfolio is about 1,000 units.

All that is hard work, as our partners know. Yet we do not count it as the harder part of our job. The world knows how to do that work when it wants to. It knows how to finance housing, design it, build it, rent it, and manage it. The world knows how to design and run rental assistance programs. The world does not know nearly as much about the next part of THA's job.

This next, extended, part of our job seeks to spend a housing dollar, not just to house people, but also to get two other things done. **First**, THA seeks to help them succeed, not just as tenants but also, as our mission statement contemplates, as “parents, students, wage earners and builders of assets.” We want their time with us to be transforming in these ways, and temporary. We want this for adults. We want this emphatically for children because we do not wish them to need our housing when they grow up. That explains our large and growing investments in educational partnerships.

Second, we seek to spend a housing dollar to help our communities succeed, and to help them do so equitably. We seek ways to help neighborhoods be “attractive places to live, work, attend school, shop, and play” and for our city and county to be places that low-income people experience as “safe, vibrant, prosperous, attractive, and just.”

The world does not quite know how to do this extended part of our job. What I so admire about THA's staff and our many partners are your efforts to find it out. When it works, it is a very good use of a housing dollar. You can learn more about THA and its work at [**www.tacoma-housing.org**](http://www.tacoma-housing.org).

To Whomever is Lucky Enough to get this . . .

I think this is a little bit late. I'm hoping its not too late. I'd like to thank you and the program for being so nice all these years. I consider myself very lucky to have the support of the program and all you smart nice folks that have helped me so much. Most all of you have helped me in some way or another and it's always been “pretty painless”. I know I've been trying on you alls patience a time or 2 and you (everyone) was really nice about it, and I didn't feel like I was the dreaded client that everyone would like to pass on to their neighbor.

Thank you. P.

P.S. You have helped to make my life . . . well less painful and I always pick your bandages. . . Your people have a way of helping us to get those bandages off quickly and pointed in the “positive” direction.

P.S. just thought you might like to know you make a difference in my (our) lives.

[Letter to THA, August 8, 2018]

This work takes all of you: elected city, county, state and national leaders, your hardworking staff, public and private funders, lenders and investors, foundation and program officers, landlords, architects, planners, builders, construction workers, financial advisors, auditors, attorneys, grant writers, other housers, advocates, service partners, journalists, teachers, school district staff,

police officers, community groups, unions, and neighborhood organizations.

You make our work possible. You make the work effective. Also, you make it meaningful and enjoyable. On behalf of THA's Board of Commissioners and staff, we are grateful to you.

Let me next say a word about THA and its staff. THA is a board of five volunteers. Our wonderful Mayor appoints them. The Board defines THA's mission. It is the repository of our animating values. It sets our strategic choices. It is the source of insistence about the importance of this work and the people and communities we serve.

Trying hard to fulfill this hard mission is a staff of about 130 people. These include our real estate development staff of project managers, tax credit and financial experts, planners, and construction managers. Their job is to develop, build, buy and rebuild properties so they are well built, sustainable and attractive. THA's staff includes maintenance specialists who keep our properties in good shape. They include property managers who manage long and complex waiting lists, screen applicants, verify income and eligibility, turn and lease units, collect rent, enforce the rules and do the hundreds of things it takes to manage a large and varied portfolio, many of whose residents come to us from very challenging circumstances.

Other staff manage THA's rental assistance programs. They market the program, manage the waiting lists, certify eligibility, administer lease requests and

Dear Tacoma Housing

I am writing this letter to thank you for helping me and my children years ago by providing us with a safe place to live.

When I came to see Lesley (the social worker who helped me) I had just left an abusive marriage and had no options. I will never forget the feeling I had on the very first day I moved in. It was one of the best days of my life. There's no way I could've had the opportunity of a warm, nice home if it weren't for you and all the kind social workers who helped me during the years I lived there.

I was suffering from PTSD, anxiety + depression and it led to some problems. Because of the services you provide, my 2 children and I always had a safe, cozy, loving home to be a family.

I have since been able to overcome my problems by the grace of God. I finished the education I began while living in Tacoma Housing and have served as a Public School Teacher for 11 years now. I would not have been able to accomplish self sufficiency if it weren't for the help + relief you provided.

I want you to know that the work you do saves lives + protects children. I'm sure that none of you hear 'Thank you' enough for all you do for clients. It takes a truly kind, caring + compassionate person to do your job.

Thank you for always treating me with compassion patience, and love.

The people who work for Tacoma Housing truly saved my life + my children's as well.

I cannot thank you enough for giving me the gift of autonomy.

[Letter to THA, August 8, 2018]

landlord contracts, inspect units and enforce the rules in a way that accounts for real lives and real needs of tenants and landlords. THA's community service staff of caseworkers and program managers help seniors or disabled persons live independently. They help families stabilize after coming to us from crisis. The two main ones are homelessness and domestic violence. They help people get treatment, be better parents, learn English, increase their earnings, find training, improve their credit, and save. THA includes policy analysts and planners who envision new programs to try, design and evaluate. THA also includes finance staff, accounting specialists, asset managers, risk managers, compliance officers, IT wizards, data and GIS analysts, business process managers, procurement specialists, human resources experts, and clerks.

Hello, mother has dementia and the state will not put her in home yet. So she is living in her apartment in the same building as us so we can care for her. This means she can't move. Her rent has gone up every year but this year..it's gone up 95 dollars more. This means her entire social security check goes to rent...she only gets 1123 a month. She has no money left over to pay her renters insurance, utilities or anything else. She has no assets and no other source of income. How can you help her?

Thank you

P.

[email to THA, August 6, 2018]

Perhaps most poignantly, THA includes receptionists who politely and respectfully greet people who come for help that we cannot offer because we are full. This year presented a peculiar and painful challenge. During the Spring and Summer, a large encampment of homeless persons arose around THA's main administrative building on the Hilltop, and in People's Park across the street. THA struggled to respond in a way that balanced our conflicting interests and values in the matter. The effort became more poignant as staff got acquainted with campers, personalizing the matter. We then invited them to participate in our deliberations about what to do. This effort asked a lot of staff and visitors, who had to navigate through the campers to get to and from the building. Receptionists managed the many visitors seeking bathrooms, shelter and help. Our maintenance staff cleaned up both inside and outside the building. Throughout it all, THA's staff showed what has always distinguished them: professionalism, poise, respect and understanding. When the housing crisis laps at our door in this way it also reminds us why we do this work and the lives at stake.

All these staff persons do this work governed by numerous and exquisitely detailed rules, regulations and requirements from HUD, funders, lenders, investors, auditors, as well as important if less precise community expectations. And they do it in five languages.

This year presented other challenges, and victories. Here are some of them.

ARLINGTON DRIVE CAMPUS FOR HOMELESS YOUTH AND YOUNG ADULTS

Another of THA's preoccupation for the past year (and for the next two years) has been and will be the effort to plan, design, raise the capital financing, build, find the service providers, and find the service dollars for its innovative and ambitious Arlington Drive Campus for Homeless Youth and Young Adults.

In the effort to do all that, 2018 has been a year of successes for Arlington Drive. THA has assembled the capital to build it! Financing comes from tax credit investors, the State of Washington, City of Tacoma, Pierce County, THA and commercial debt. THA plans to break ground around the New Year. Also this year THA chose its partners. Korsmo Construction will be the General Contractor/Construction Manager. Community Youth Services (CYS) and the YMCA of Greater Seattle will be the service providers. They join SMR Architects and BDS Planning and Urban Design. THA is lucky to have such talented partners in this hard work. They offer that special mix of technical excellence, team skills, values, and good humor. You cannot buy this mix. You can only hope to recognize it, and choose it when you can.

The Arlington Drive campus will have the following elements:

- **Crisis Residential Center/HOPE Facility for Homeless Youth 12 – 17 Years of Age.**

This Crisis Residential Center (CRC)/HOPE facility will house 12 homeless youth 12 to 17 years of age. CYC will manage this home. CYC is one of the nation's leading service providers for this hard work. It has a program model that has a 91% rate of success in discharging these youth to safe, permanent housing after an average 12 day stay. At that rate, this CRC will house and save 350 youth a year. For the past three years, CYC has been operating a 6-bed CRC in a single family home THA gave it for the purpose in South Tacoma.

Hello,

My name is [P]. I recently turned 18, in august. i moved out of my mother's apartment due to the fact that i was no longer comfortable there. i currently live in my car, . . . i have no credit score, . . I would love to get some help.. I don't mind what the house/ apartment/ place looks like. As long as i have a place to lay my head at. I recently got a job, full time about 30/40 hours per week, . . Thank you very much.

P.

[email to THA October 1, 2018]

- **Rental Housing: 58 apartments for Homeless Young Adults 18 to 24 Years of Age.**

Arlington Drive will have 58 apartments for homeless adults ages 18 to 24 years. About 30% of them will be parents of babies and toddlers. The YMCA of Greater Seattle will provide the supportive services they will need. The Y is a nationally recognized leader in the provision of these services. These young adults will stay at Arlington until they are ready to live on their own. When they leave they will take a THA housing voucher with them to give them a good start.

Hey my names D. W. & I'm looking for help asap I don't know what to do or where to turn. I have no place to stay and have no cash for a place to rent , I've tried asking everyone I know for help and I have noone... I'm 19 years old and I have a lil bit of mental health with anxiety attacks ,being in a social group I get very closterfobic, I have PTSD I get bad flash backs, & I also have bad health ... So it don't help that I have no help at all and I'm staying in a tent outside and the weather is very bad condition and I don't have very many things no clothes or stuff to clean up and shower with . I'm very in a bad state of mind with this whole homeless thing . I hope to hear from you with maybe some sort of good news. Thank you & god bless
-D.W.

[email to THA, November 5, 2015]

In planning Arlington Drive, designing it, and choosing its service providers, THA consulted and enlisted a broad range of community views: city and county leaders, community organizations, nearby homeowners, social service providers, advocates, and formerly homeless young people. We are pleased to report a wide and deep community support in Tacoma for the campus and for the young people it will serve. We are especially grateful for Tacoma's Eastside for its embrace.



Arlington Drive will give these youth and young adults a second chance at a reasonable adolescence and a second chance at a reasonable adulthood without abuse, exploitation, or fear.

The Arlington project also matured THA's understanding of where THA fits in service to persons who need more than housing. Homeless youth and young adults, for example, need specialized services that THA does not provide, does not know how to provide, and does not wish to learn. Instead, we partner

with high-capacity organizations like CYS and the YMCA that do know how to do this hard work and do it well. Our role is to provide the land, the capital dollars, the real estate development capacity to build it, the property management expertise to run it, and the long-term rental assistance to make it sustainable. We also offer what might be the most significant contribution of all because homeless young people are not accustomed to getting it or feeling it: a warm welcome.

THA's EDUCATION PROJECT: SOME EXPANSIONS AND REDESIGNS

THA's Education Project is an effort to spend a housing dollar, not just to house a needy family, but also to get two other things done: help them and their children succeed in school or college, and help public schools and colleges succeed in their education of low-income students. The Project has 15 initiatives in three categories: early childhood education, K – 12 schooling, and after high school education or training. We do this work in innovative and ever elaborating collaborations with Tacoma Public Schools (TPS), Tacoma Community College, Heritage Bank, City of Tacoma, Bill & Melinda Gates Foundation, CWD Investments, other funders, and nonprofit service providers. We are very fortunate to have such interested and capable partners. Click here to learn more about [THA's Education Project](#).

Below is an update to three of our education initiatives. One of this year's themes has been program redesign and big expansion. THA can expand its investment of scarce housing dollars in these initiatives because of an insight we apply to the question: we would be spending these housing dollars anyway housing somebody. In that way, the housing dollars are not a cost of the initiative. The challenge of the Education Project is to spend them in a way that also promotes school success. When it works it is a very good use of those same housing dollars.

The other theme this year has been the struggle to adapt these programs to work in Tacoma's new brutal rental market. We initially designed some of these initiatives in a market that allowed participating households, with THA's rental assistance, to find housing reasonably close to their participating school or college. That is not working anymore as Tacoma's rents climb and its vacancy rate falls. In consultation with many community partners, and especially participating parents and students, THA and its partners have responded in various ways. We are still feeling our way through this puzzle.

- **Elementary School Housing Assistance Program (ESHAP)**

THA's Elementary School Housing Assistance Program (ESHAP) seeks to stabilize homeless families with children enrolled in Tacoma public elementary schools. The program began six years ago at McCarver Elementary School in Tacoma's Hilltop. Its outcomes were very positive for participating students and parents. THA and Tacoma Public Schools are planning its expansion to other schools and other grades beginning in September 2019.



To expand this program we have to adapt to Tacoma's new rental market. We may have to forego asking parents to commit to a particular school. Instead, we would subsidize their rents wherever they can find housing. This means we would do without a focus on individual schools, peer support and the easier ability to provide services to parents when they are grouped in select schools. We would also change the rental assistance in amount and duration to a more flexible mode perhaps resembling a rapid rehousing program. This may mean varying subsidy amounts for varying durations depending on individualized need. In this redesign THA will greatly increase its investment of housing dollars to serve more homeless enrolled Tacoma public school children.

- **College Housing Assistance Program**

The THA-Tacoma Community College (TCC) began their College Housing Assistance Program (CHAP) as a pilot program in 2014. In the pilot, THA gave housing vouchers to 47 homeless TCC students, 70% of whom were parents. THA and TCC tracked them alongside a control group of 157 unassisted homeless TCC students who applied but who did not fit inside the pilot. The initial results were very promising: TCC students who received rental assistance maintained higher grade point averages and were nearly four (4) times more likely to remain enrolled or graduate than those without assistance!



	Homeless/Near Homeless TCC Students Receiving Housing Assistance (47)	Homeless/Near Homeless TCC Students Receiving No Housing Assistance (154)
Graduated or Remaining Enrolled	60%	16%
Grade Point Average	3.05	2.75

In 2016, the University of Wisconsin surveyed TCC students: 69% of those answering the survey reported serious housing instability within the 12 months prior to answering the survey; 27% reported being homeless within that time. The legal term for this extent of need is “holy moly”. This alarming survey result, and the positive outcomes of the pilot program, impelled THA and TCC to expand the CHAP program. CHAP is now designed to house 150 homeless or near-homeless TCC students, and their children. The CHAP will have a sub-cohort of 25 students who begin their TCC studies while in prison. When they get out of prison, they come to campus and continue their studies. Most of them are mothers reuniting with children. Their housing problems are worse than most.

Hello,

. . . In short, I am a 20 year old single female, I attend college and have two jobs, but still do not make enough money to hold my own in my own place. I have been staying back and fourth with people, but I would like to settle down and actually be comfortable for once in a place I can call my own. If you need anymore information or just have general advice for me that would be appreciated.

**Thank you,
J.**

[email to THA November 17, 2018]

The CHAP housing assistance lasts for three years or until graduation, whichever occurs first. TCC’s foundation will also pay for security deposits and other barrier costs. Participating students must maintain a 2.0 GPA or higher, make adequate progress towards graduating with a degree, and partake in supportive services. TCC provides supportive services on campus in the form of navigators and “Completion Coaches” that offer academic counseling and planning for assisted students. Temple University, with a generous grant from the Kresge Foundation, will evaluate the CHAP.

Hello,

. . . I am a single mom, with 2 kids: 9 and 11. . . We have lived with my parents for the last 9 years, but they are getting older and looking to retire. I can’t see a way to support my family on my own, but I need to alleviate the stress of them supporting us, so I’m investigating my options. I am currently a full time student at PLU. I will graduate Spring of 2019. I work at Starbucks 20 hrs during school, but am working more over the summer. . . . I am aware housing assistance is very competitive in WA state. I would so appreciate any help in how to get started and navigate through this process?

**Thanks so much,
B.**

[email to THA, July, 22, 2018]

This year the Harvard Kennedy School named the THA-TCC CHAP as one of the nation’s top 25 most innovative governmental initiatives.

As CHAP expands, it now faces new challenges arising from steeply rising rents in the TCC area. CHAP’s design presumed that participants, with

THA's rental assistance, could find housing reasonably close to campus. That worked when it started, But that is no longer true.

THA has responded in several ways. It has purchased apartment complexes in walking distance of the campus. It has contracted with the owner of a nearby apartment complex to reserve its units for homeless or near homeless TCC students. THA gives the owner a lump sum subsidy to buy down rents to levels affordable to those students. THA has also purchased an underused 7 acre retail mall across the street from TCC. On that acreage, THA and its partners will build 300 to 500 apartments, with commercial and community space. A portion of those apartments will be available to needy TCC students. (Until we build it, and perhaps beyond, THA is the only housing authority we know of in the nation that is the proud landlord of a hookah lounge!)

- **Children's Savings Account Program**

THA's Children Savings Accounts (CSA) for the children of New Salishan is now in its fourth year. 179 children are enrolled, more than 30% of the eligible children! They have an aggregate account balance of \$53,482.



CSAs are financial accounts for education and training expenses after high school. Research from Prosperity Now reports that when low-to-moderate-income students have such accounts, in comparison to their peers without accounts, they are three times more likely to enroll in college and four times more likely to graduate from college.

This last year saw an important milestone for THA's CSA program. We celebrated the opening in Salishan of a branch bank by our wonderful CSA partner, Heritage Bank. This bank will do several things, all of them important. It will help CSA students and their parents make deposits. It will help get unbanked families banked. And it will more firmly imbed the CSA into the visible walking Salishan landscape. When children walk to school and back they will pass by that bank. They can think of it as their bank. And they can think of their money in there. Heritage Bank at Salishan is also the first new bank in the Eastside in many years. Leading the celebration were Mayor Woodards, City Councilmember Catherine Ushka, Superintendent of Tacoma Public Schools Carla Santorno, Jeff Deuel and Brian Vance of Heritage Bank, Andrea Levere of Prosperity Now, and CSA parents and children.

THA's REAL ESTATE DEVELOPMENT

Real estate development continues to be a THA focus. This work serves several parts of THA's mission. It helps us house people and to do so outside the speculative rental market. It is also our way to invest in neighborhoods that need the investment. We seek to do a good job and in that way encourage other people to invest. For example, when it builds THA tries to set a high design bar. We tell ourselves that both ugly and lovely are contagious. Good design is especially important to THA's job to help our city attain the higher densities that its Comprehensive Plan directs. Higher densities can concern neighborhoods. We think of this as a design challenge. THA's job is to show that higher densities can be very attractive.



Most important, what we build or buy helps to create or preserve a neighborhood's economic and racial diversity, especially in the face of gentrification. This is a particular issue in Tacoma right now. Tacoma's steeply rising rental and real estate market gives an added urgency to THA's real estate development work. THA judges that some Tacoma neighborhoods are changing so fast that in 5 years their only notable measure of affordable housing and racial and economic integration, and their main supply of affordable retail space, is what THA and its nonprofit partners can own, buy or build now.

My name is [W]..I just wanted to let you know I'm very thankful for salishan and my landlord's Barb and Tonya, for blessing me and my family with this opportunity to have a home. Tonya was my first landlord here and she always made me want to strive and do my best to be my best in life! . . . without their hardwork I don't know what my family my children and I would have done specially that I ended up having my daughter 1 month early during that exact time. I mean I can't put in words everything they've done for me I truly love them and will forever be thankful to them both! Thank you . . . for all that you do for families like mine! We are forever blessed! THANK YOU!!!

[email to THA, January 26, 2018]

In all these ways, the work is challenging and important. It would also be impossible without THA's many partners. On behalf of THA's Board of Commissioners and staff we are grateful to you. We hope your holidays are

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peaceful and meaningful. In expressing these holiday wishes and explaining why this work we share with you is important, we cannot do better than quote a letter we received on Wednesday. It shows below.

Michael

Michael Mirra
Executive Director



"Housing Tacoma Forward"

We would like to express our sincere deepest appreciation for your continued support to our housing payments. The first two years we arrived in US, we had to spend almost all of our income to pay for rental. But we have been fortunate to be selected by your Section 8 office to receive this huge support in our renting payment difficulty.

But later, your office had offered us even more. We got an opportunity to buy the house with your amazing support in mortgage payments.

Thanks to you, I, as a head holder of my family, was able to spend more time in college to improve my English and skills.

We would like to say special thanks to Maria Yakimenko. Marie had saved our contacts and reached out to us when your office had opened the Section 8 program. She gave us many advices on how to do everything correctly to be successful in our country.

Also, we would like to Alice Kimbowa who worked in your office. Alice and Maria directed my family to try the better opportunity to buy a house with your office support. We believe this is one of our greatest blessings in our life for our big family.

Please accept our sincerest thanks and gratitude. We wish all blessings to all who is working in this office.

We wish blessings to you and your families. May all of you have nice and peaceful homes and everything good in it.

God Bless You and America.

Have a blessed and happy Thanksgiving.

Sincerely,

S. Family

(sic)

[Letter to THA, November 20, 2018]



TACOMA HOUSING AUTHORITY

**ADMINISTRATION
REPORTS**



TACOMA HOUSING AUTHORITY

FINANCE



TACOMA HOUSING AUTHORITY

Motion

Adopt a consent motion ratifying the payment of cash disbursements totaling \$4,468,337 for the month of November, 2018.

Approved: December 12, 2018

Dr. Minh-Anh Hodge, Chair

TACOMA HOUSING AUTHORITY
Cash Disbursements for the month of November 2018

		Check Numbers		Amount	Totals
		From	To		
A/P Checking Account					
Accounts Payable Checks	Check #'s	92,711	-	92,824	
Accounts Payable EFTs	EFTs	37	-	41	
Business Support Center				407,599	Program Support
Moving To Work Support Center				49,006	
Moving To Work Buildings (used by Support Center)				75,482	
Tax Credit Program Support Center				11,451	
Section 8 Programs				18,717	Section 8 Operations
Arlington Crisis Residential Center				1,806	Properties
Hillsdale Heights				200	
KeyBank Building				1,118	
Salishan 7				10,849	
Salishan Common Areas				547	
Court F (HT 1800 Block)				130	
Highland Crest Apts				4,463	Development
James Center				31,188	
Arlington Youth Campus-THA Costs				4,882	
Salishan Area 4 - Arlington				190	
Bay Terrace II				3,078	
Salishan Developer Fee				10,042	
Bus Development Activity				15,996	Client Support
Community Services MTW Fund				10,614	
Education Private Grants (Gates, etc.)				5,800	
COT-Landlord Incentives				600	Public Housing
AMP 6 - Scattered Sites				10,880	
AMP 7 - HT 1 - Subsidy				1	
AMP 8 - HT 2 - Subsidy				1	
AMP 10 - SAL 1 - Subsidy				13,088	
AMP 11 - SAL 2 - Subsidy				14,088	
AMP 12 - SAL 3 - Subsidy				11,827	
AMP 13 - SAL 4 - Subsidy				12,471	
AMP 14 - SAL 5 - Subsidy				14,651	
AMP 15 - SAL 6 - Subsidy				13,754	
THA SUBTOTAL				754,519	Tax Credit Projects - Reimbursable
Hillside Terrace 1 through 1500				2,797	
Bay Terrace I & II & Community Facility				24,147	
Alberta J Canada Bldg				585	
Arlington Youth Campus				419	
Court F (HT 1800 Block)				147,482	
Renew Tacoma Housing				6,781	
Salishan 1 - Salishan 6				7,343	
TAX CREDIT SUBTOTAL (Operations & Development - billable)				189,554	944,073
Section 8 Checking Account (HAP Payments)					
SRO/HCV/VASH/FUP/NED	Check #'s	482,591	-	482,618	52,956
	EFTs	132	-	139	2,817,309
Payroll & Payroll Fees - ADP					653,999
TOTAL DISBURSEMENTS					4,468,337

TACOMA HOUSING AUTHORITY			
CASH POSITION - November, 2018			
Account Name		Current Balance	Interest
HERITAGE BANK			
Accounts Payable		1,619,056	0.45%
Section 8 Checking		3,136,695	0.45%
THA Affordable Housing Proceeds-Salishan		3,445,540	0.45%
THA Scattered Sites Proceeds		4,877,190	0.45%
FSS Escrows		146,238	0.45%
CSA Escrows		100	0.45%
Note Fund Account		185	0.45%
Credit Card Receipts		86	0.45%
Key Bank Security Deposits		3,016	0.45%
THA Investment Pool		334	0.45%
THDG - Tacoma Housing Development Group		776,965	0.45%
Salishan 7 Operations		1,615,268	0.45%
Salishan 7 Security Deposit		27,624	0.45%
Salishan 7 Replacement Reserve		272,798	0.45%
Salishan 7 Operating Reserve		201,427	0.45%
Highland Crest Operations		407,488	0.45%
Highland Crest Replacement Reserve		203,234	0.45%
Highland Crest Security Deposit		40,617	0.45%
Outrigger Operations		196,105	0.45%
Outrigger Replacement Reserve		117,545	0.45%
Outrigger Security Deposit		27,572	0.45%
Prairie Oaks Operations		92,882	0.45%
Prairie Oaks Replacement Reserve		20,193	0.45%
Prairie Oaks Security Deposit		3,866	0.45%
Payroll Account		8,995	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		\$ 17,586,156	
Less:			
2. Total MTW Cash Balance		\$ 726,000	
Less Minimum Operating Reserves			
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 - November, 2018

4. Non MTW Cash Restrictions/Obligations				
<i>4.1 Non MTW Operational Restrictions</i>				
4.10 HUD Restricted - Lot and Property Sales			\$	8,322,730
4.101 Area 2B Sales Proceeds (Afford Hsg)	3,445,540			
4.102 Scattered Sites Proceeds (Afford Hsg)	4,877,190			
4.20 THA Property Accounts Reserved			\$	2,128,836
4.201 Security Deposit Accounts	159,763			
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	117,545			
4.208 Prairie Oaks Operations Reserves	64,250			
4.209 Prairie Oaks Replacement Reserves	60,193			
4.210 Salishan 7 Operations Reserves	340,375			
4.211 Salishan 7 Replacement Reserves	272,798			
4.30 Rental Assistance Reserves			\$	472,689
4.301 Mod Rehab Operating Reserves	120,842			
4.302 VASH, FUP & NED HAP Reserves	191,924			
4.303 FSS Escrows	159,923			
4.40 Prepaid Grants			\$	939,737
4.401 Gates Foundation	162,772			
4.402 THDG	776,965			
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)			\$	14,363,992
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)			\$	14,460,106
5. THA UNENCUMBERED (Non-MTW) CASH (Lines 1-2-4.99)				\$ 2,400,049
6. Development Payments - Project Reimbursement upon closing				\$ 540,928
6.01 Arlington Heights	322,930			
6.02 Court F LLLP (1800 Block)	217,998			



TACOMA HOUSING AUTHORITY

**POLICY, INNOVATION, AND
EVALUATION**



Date: December 4, 2018

To: Michael Mirra, Executive Director, Tacoma Housing Authority
April Black, Deputy Executive Director, Tacoma Housing Authority
Carla Santorno, Superintendent, Tacoma Public Schools
Josh Garcia, Deputy Superintendent, Tacoma Public Schools

From: Thu Ament, Director of K-12 Leadership Development, Tacoma Public Schools
Amy Van, Program Manager, Tacoma Housing Authority

Re: Elementary School Housing Assistance Program Redesign

1. Background

The Elementary School Housing Assistance Program (ESHAP) began as a pilot in 2011 at McCarver Elementary School in Tacoma, WA. The Tacoma Housing Authority (THA), in partnership with the Tacoma Public Schools (TPS), launched this program to help address and decrease the high student transience rates that result from student homelessness and housing instability.

The ESHAP has two main goals: it seeks to improve outcomes for participating families and students, and also to improve outcomes for the entire school.

The program measured educational outcomes for McCarver students & ESHAP cohort students using the following metrics:

- Annual rate of student transience at McCarver Elementary and cohort students
- Annual reading and math test scores
- Annual student attendance
- Annual rate of student discipline (suspensions and/or expulsions)

The program measured the cohort families' economic self-sufficiency using the following metrics:

- Number of school-engagement activities attended by adults of the household
- Number of self-sufficiency activities by adults of the household
- Number of job placement and job retention by adults of the household
- Changes in earned income by adults of the household.

The ESHAP provides housing subsidy to rent from private landlords and access to caseworkers for participating families. In exchange, the program asks that families commit to investing in their

child's education, which includes keeping their child enrolled at McCarver, as well as engage in casework services and work toward improving their self-sufficiency.

A third party evaluation was conducted by GEO Education and Research throughout the initial five years. The evaluators gathered and analyzed school and family data for THA and TPS to monitor program outcomes. Upon the ESHAP's completion of its first five years, THA and TPS agreed to expand the ESHAP to serve more families within the Tacoma school district. To begin the expansion work, THA and TPS used the evaluation data, as well as feedback from school partners, families and service providers, and other stakeholders to guide the direction of the new design for the expansion.

The redesign considered the following lessons that THA and TPS learned along the way:

- The ESHAP does help stabilize families, reduce student transience and improve student and household outcomes. In general, the outcomes for the participating families and children were quite positive. Transience rates declined for the school as a whole from 114% at the beginning of the intervention to a low of 74% after a few years to a current 91%. The program children's transient rates consistently remained much lower than the school rate as a whole dipping to under 10% and to a current 23% by year 5. The reading scores of the program students saw significant gains within the first year of the program with the number of program students reading at grade level doubling between the fall and spring semesters. Program students continued their reading gains and maintained reading outcomes comparable to their non-homeless peers at school. The average income of the cohort parents doubled. Yet this increase was not enough to keep up with Tacoma's rising rental market. The increase also did not extend to a third of families, who are beset with mental health challenges, drug or alcohol dependency or serious family violence. The evaluation did not track income progression of the school as a whole.
- Place-based programming in combination with an increasingly competitive rental housing market has unintended consequences. In the last three years, ESHAP families have had greater challenges leasing up within close proximity of McCarver Elementary. This is largely due to an increasing cost of rent and a dwindling supply of affordable housing. By the start of the 2017-2018 school year, 80% of ESHAP households were living outside of McCarver's catchment. Transportation was no longer sustainable by TPS and families were burdened with traveling long distances to get their students school. In response, and pending this program redesign, THA and TPS changed the requirement that families must remain enrolled at McCarver and helped families enroll into their neighborhood schools. THA and TPS entered the redesign with an understanding that reducing student and school mobility rates will have to be carefully reconciled with the current status of the housing market.
- Tacoma has a homelessness crisis. In May of 2017, in response, the City of Tacoma declared a state of public health emergency. Simultaneously, the Tacoma school district McKinney-Vento office reported 1,900 students with McKinney-Vento status in the 2017-2018 school year. These students are literally homeless, or have unstable and often unsafe

housing because they are doubled-up or couch-surfing. The need for housing intervention is urgent and the demand for housing resources is high.

- Strong social services and supports are key to stabilizing families coming from homelessness. Throughout the initial cohort, two THA caseworkers provided support to program families. By the start of the second cohort in 2017, THA needed to adapt the casework model to fit the high-needs of program families as well as to ensure family and school supports are ongoing due to the geographic scattering. THA changed the staffing to one ESHAP caseworker and one Education Programs Specialist to support families and school navigation. In anticipation of a program expansion, THA and TPS acknowledge that this model is too expensive for a significantly larger group of families and students in multiple schools. In order to be successful, the ESHAP will need to other strategies to provide meaningful and sustainable services.

2. Community Recommendations

THA and TPS convened community stakeholders, partners and families throughout May, June and July 2018 to get advice on the future direction of the ESHAP. Below are the agreed upon recommendations decided by group consensus. Complete meeting notes are attached in Appendix C.

2.1. Eligibility

Prioritize TPS McKinney-Vento families who have less success accessing the homeless response system. Because the Pierce County Coordinated Entry system currently only serves those who are literally homeless or are experiencing domestic violence, families who do not fit this definition, but still need stability, generally go unserved. Therefore, the community would like the ESHAP to also serve families that are doubled-up or are at near risk of homelessness,

2.2. Program Placement

Expand the program district wide to include any TPS school and across all grade levels.

2.3. Service Model

Allow the role of the school district's McKinney-Vento office to refer families to another external service provider who will screen for program eligibility and determine appropriate housing assistance. THA's Client Support & Empowerment staff and Housing-Specialist will then facilitate the enrollment and rental-assistance process. THA & TPS will determine a method to bring together a coalition of service providers who will meet on a frequent schedule to coordinate services for families with social service partners.

2.4. Rental Assistance

Families and community partners expressed a desire to see a program that provides assistance based on each individual family's needs. An example of such a program would include:

- 2.4.1. Develop a two-tiered rental assistance approach that will either provide a “deep-subsidy” for eligible families with high-needs, demonstrated by the household’s needs assessment; or a separate avenue that will provide a “shallower-subsidy” for eligible families needing lighter-rental assistance, also demonstrated by their needs assessment.
- 2.4.2. Expand THA’s flexible funding to assist families at risk of homelessness with a one-time allocation of a capped amount that would help avoid eviction or cover the cost of rental fees.
- 2.4.3. Develop a subsidy model that sets aside a portion of rent into an escrow account for families that they will have access to upon exiting the program.

2.5. Time Limits

Limit the program to 1-2 years with a hardship plan in place that provides the following options:

- 2.5.1. Extension of housing assistance for up to 12 months
- 2.5.2. Transition to the Housing Opportunity Program voucher.

2.6. Housing Navigation

Embed housing navigation services into the program in the following ways:

- 2.6.1. Ensure every family participates in a ready-to-rent class. Current ESHAP households and service providers stressed the importance of families being better oriented and prepared to navigate the housing market. This includes understanding how to search for housing, strategies to ensure a healthy interaction with landlords, maintaining housing and understanding of the voucher issuance process.
- 2.6.2. Leverage landlord engagement strategies across housing and service providers. The housing search is often challenging for low-income families due to the competitive nature of the housing market and strict landlord practices around tenant financial standing and fees associated with a lease. Coordinated program advocacy from housing and service providers can help to improve relationships with landlords and reduce the barriers families would otherwise face on their own when engaging with landlords. THA has a designated Landlord Engagement Specialist who can support with advocacy and coordination with partners.

3. Local Homeless Intervention Models

Feedback from the consultation process presented two key themes. The first is that housing assistance and case services should be better tailored to the needs of each individual household. The second is the need for a pathway for families who are literally homeless as well as families that are at risk of homelessness or are experiencing unstable and unsafe doubled-up housing. Among the Tacoma community, there are a number of assets that tackle homelessness. A key component is the Pierce County homeless response system, which takes a centralized approach through Coordinated Entry (CE). CE is a county-wide centralized intake and data tracking model used by service providers assisting those entering the homeless response system.

The community consultation elicited an interest in a homeless intervention program similar to the Coordinated Entry system, but that also addresses homelessness prevention for all TPS McKinney-Vento families, not just those who are literally homeless. As it currently operates, CE prioritizes clients who fit the definition of the Housing & Urban Development (HUD) definition of literally homeless (category 1) and those experiencing or fleeing domestic violence (category 4).¹ The community emphasized the importance of serving families who otherwise do not qualify for Coordinated Entry, specifically those who are not literally homeless but who are unsafely doubled-up or at near risk of homelessness.

Outside of Pierce County, an existing partnership between the King County Housing Authority (KCHA), Highline School District (HSD), and Neighborhood House, demonstrates the possibility of a housing program with similar characteristics as Coordinated Entry, but is specific to McKinney-Vento households, including those who are doubled-up or at near risk of homelessness. This program is known as the Student & Family Stability Initiative (SFSI). Both this King County program and Pierce County's CE program are described below:

3.1. Pierce County Coordinated Entry

The objective of the Coordinated Entry (CE) system is to ensure streamlined access to the homeless response system for all households that are literally homeless and ensure they are matched to an appropriate intervention to end their homelessness, based on their vulnerability and housing barriers.²

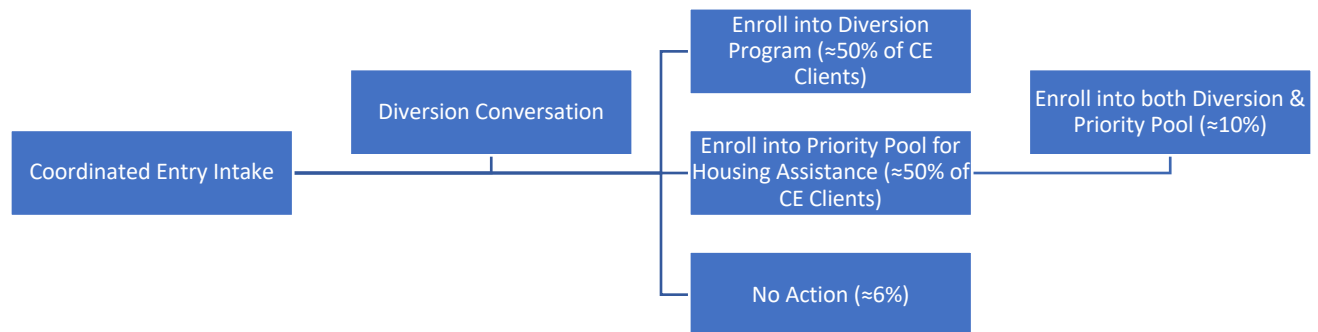
There are a number of Pierce County Coordinated Entry agencies (Catholic Community Services, Associated Ministries, and Greater Lakes Mental Health, Comprehensive Life Resources, to name a few). Altogether, these agencies channel resources primarily to

¹ Pierce County Coordinated Entry definition of literal homeless includes the following: Unsheltered (street, car, encampments, other places not meant for human habitation); living in emergency shelter (including motel stays paid for by charitable organizations); living in transitional housing (having been unsheltered or in shelter upon entry); exiting an institution with stay of less than 90 days (having been literally homeless upon entry)

² <https://www.co.pierce.wa.us/DocumentCenter/View/66615/Pierce-County-CE-Policy-Manual-Published-071618?bidId=>. Page 5

support clients with rental assistance, client transportation and other funds used for other housing related costs.

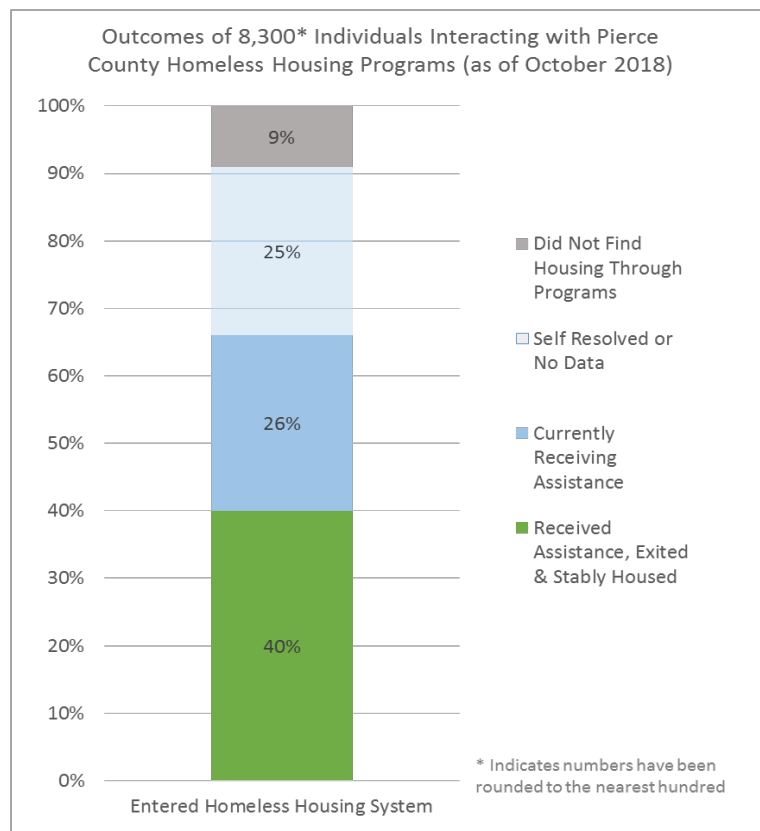
In Pierce County, every individual who enters CE initially has a “diversion conversation” with a specialist who helps to identify any potential immediate housing solutions that may resolve the client’s challenges with becoming housed. Clients who are unable to find success through the diversion method may then pursue further assessment to be screened into the priority pool for housing assistance (which is described in more detail in the sections that follow). There is also a small portion of individuals who may initially complete assessment but do not enroll or take further action with services. The flow chart below describes the general process for when a client enters CE and enrolls into a program.



In 2018, the county reports that roughly half of clients who enter the homeless response system enroll within diversion and the remaining half enroll into the priority pool for housing assistance (roughly 10% of these clients enroll in both); about 6% do not appear to be followed by any action. The enrollment rates are listed as approximate percentages and therefore may not equal 100% due to the frequent nature in which CE clients cross-enroll into programs, discontinue communication with the system or abruptly exit the system at any given point.

3.1.1. *Outcomes of CE System:*

The bar graph below shows the outcome of 2018 clients who have enrolled into a housing program through Coordinated Entry.

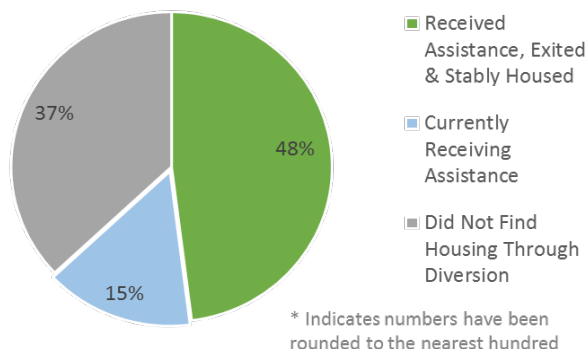


Of those who enrolled into CE services, 40% of clients were able to successfully exit into stable housing and an additional 26% are receiving ongoing assistance within CE programs. County staff estimate that about 25% of clients who enter the county's system but do not enroll into any particular program are likely able to resolve their housing challenges on their own without interventions. Less than 10% exit the system unable to secure housing or having received assistance in some capacity.

In the past year, Pierce County observed that 85% of their clients who found housing two years ago did not return to the established shelter system over the past 12 months. That is, clients who exited the county's homeless system did not re-enter the system at any point in the past year. Unfortunately, we lack data to compare the rate of return-to-homelessness with the McCarver program as there is no data capturing whether families who have exited the program returned to homelessness. It remains unclear whether the McCarver experience was effective in keeping households stably housed once a household is no longer receiving subsidy.

- 3.1.2. *Diversion:* As part of Coordinated Entry, agencies deploy a "light-touch" method known as diversion at the initial point of contact for all clients who enter the homeless response system. Diversion is described as a cost-effective way to help families become housed in a shorter amount of time, freeing up more resources to help other families in need. Generally, a "soft" maximum of around \$800 is available for each household, and each agency manages the limit. They also place heavy emphasis on

3,300* Enrolled in Pierce County Diversion
(as of October 2018)



training so that staff are well-equipped to support clients and only leverage funds when necessary.³

This pie chart shows outcomes of those who enrolled into diversion in 2018. Roughly half (48%) of diverted clients are able to identify a housing solution, receive the necessary assistance to meet their housing needs and successfully exit the program. A little over one-third of clients exit diversion unable to secure housing offered through its

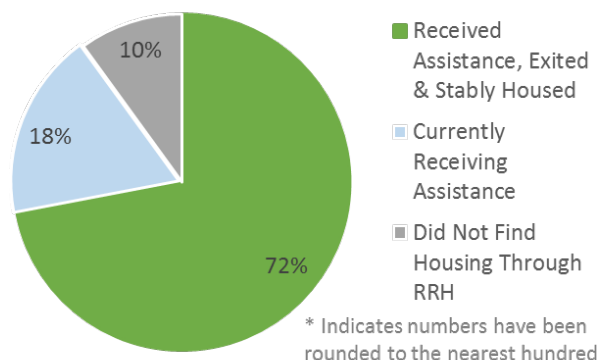
assistance and many continue on to receive further assessment to enroll into the priority pool for housing assistance. 15% of clients are continuing to receive assistance through diversion to date.

It is important to note that while some diversion clients may exit diversion unsuccessfully, some clients do become successfully housed under another program (such as rapid rehousing, transitional housing, or permanent supportive housing) after subsequent enrollment in the Priority Pool.

- 3.1.3. *Priority Pool for Housing Assistance:* The priority pool allows a client to be placed on a waiting-list for one of the following housing programs based on the client's assessed needs: Rapid rehousing, transitional housing, or permanent supportive housing. Roughly 60% of those who enter CE enroll into the Priority Pool.

Rapid Rehousing (RRH) is the most common housing program clients within the Priority Pool receive. RRH is an intervention designed to help clients who do not need intensive and ongoing supports to exit homelessness and return to permanent housing. RRH's housing assistance is offered without preconditions (such as employment or income) and resources are tailored to the unique needs of the household.⁴

900* Enrolled in Pierce County Rapid Rehousing
(as of October 2018)



This pie chart describes the outcomes of clients who enrolled into the RRH in 2018.

³ <https://www.co.pierce.wa.us/DocumentCenter/View/66615/Pierce-County-CE-Policy-Manual-Published-071618?bidId=>. Page 7

⁴ United States Interagency Council on Homelessness: www.usich.gov/solutions/housing/rapid-re-housing/

Altogether, Pierce County RRH program has successfully housed and exited over 70% of households who enrolled in 2018, and it is continuing to serve an additional 18% of households who have yet to exit the program. The median time RRH clients spend on the program from the point of receiving a housing referral to exiting RRH is 141 days.

Transitional housing and permanent supportive housing referrals are less common in CE due to the limited capacity of households these programs can serve at a given time, although these programs are also similarly successful with helping to exit households out of homelessness. In general, majority of clients who enter the priority pool for a housing referral will spend most of their time on the waiting-list. County staff attribute this wait-period to a number of factors. First, the dynamic-prioritization method used in CE allows those with a higher needs assessment score to move up on housing waiting-list which may out-place a client with a lower-vulnerability score. Due to this, clients who are assessed with a higher vulnerability score are prioritized over lower scoring clients, no matter who entered the waiting-list first. Those on the waiting-list tend to have lower-scores, yet not any less in need of housing. Second, the supply of affordable housing is limited in this current housing market which can prolong the period in which it takes a household to search for and lease-up with a housing unit. Third, the median time spent on transitional and permanent supportive housing programs once a client has successfully moved off the waiting-list, received a housing referral, becomes housed, and exits program generally spans anywhere between 300-550 days, therefore there is a general lag in the time it takes to move individuals along the waiting-list.

3.2. THA's Investment in Pierce County Family Rapid Rehousing Programs (RRH)

THA invests \$1 million per year in Pierce County's Rapid Rehousing system focused on families. The 2017 calendar year and the 2018 YTD 2nd quarter reports for this investment are included in Exhibit D of this memo.

3.2.1. *THA RRH Household Self-Sufficiency Outcomes:* THA's investments into the county's RRH has similar promising outcomes for the families enrolled in the program. In 2017, a total of 112 households were supported by THA's investments of RRH. By the second quarter of 2018, 104 households were served through THA's investments. The general length of stay on program for RRH clients range between 4-8 months based on THA and county data.⁵ In the recent 2018 Q2 RRH data specifically, 34% of households were able to increase their income, and the median monthly increase in income was \$420.⁶ This progression is worthwhile to note as the general length of stay on program for RRH clients is much shorter when compared to other housing assistance program, such as the 5-year THA McCarver housing assistance program.

⁵ The county reports that the median length of stay for clients on RRH is 141 days; however this is a lower number compared to the 2017 reported average of length of stay of 226 days for households based on the THA RRH performance report. While comparing the median and average is not ideal, what it does provide us is a general range in which we can project that RRH clients will spend anywhere between 4 – 8 months on assistance.

⁶ Tacoma Housing Authority RRH 2018 YTD (Q2 Report).

Based on evaluation data of the initial cohort of the McCarver experience, between 50-60 unique households served on this program reported a median monthly income change of \$441 from program year 1 to year 5.⁷

When comparing the impact of short and long-term housing assistance on household income, families across both programs have similar outcomes despite the difference in length of time on program.

3.2.2. *THA RRH Household Lease-Up Outcomes:* In Q2 of 2018, about one-third of RRH households funded by THA enter the system having come from Tacoma. Yet, close to half of the 104 households lease-up in Lakewood. A little over 20% of households are able to lease-up within the city of Tacoma. THA has observed an increasing shift of households receiving assistance through CE leaving the city of Tacoma limits for affordable housing in neighboring areas such as Lakewood, Parkland and Puyallup.

The affordable housing supply in Tacoma is observed to be outpaced by the growing demands for housing. The challenges in locating and securing affordable housing is even more so amplified among CE households who often have additional barriers to overcome when applying for housing, including having past eviction notices, rent arrears or termination from previous housing programs within their histories.

As THA contemplates to assist McKinney-Vento households through CE, the reality of housing unavailability within the Tacoma school district's jurisdiction raises concerns for whether families will find housing and remain within district boundaries once served. Current CE data report that most assisted RRH households, all of whom are literally homeless or fleeing domestic violence, find housing outside Tacoma. However, a THA-TPS program may have better success in stabilizing families inside the school district. About 80% of the current McCarver cohort found housing within the school district. The proposed redesign will continue to serve not only families who are literally homeless or fleeing domestic violence. It will also continue to serve families who may be in less immediate crisis, but are nonetheless unsafely doubled up or otherwise unstably housed. Because they are averting crisis, they may show better success in stabilizing inside the school district. These families who are doubled-up or at near risk of homelessness constitute 70% of the McKinney-Vento population.

The ESHAP redesign seeks a sustainable approach to exit McKinney-Vento families out of homelessness, help families achieve stability and improve outcomes for students and adults alike. The CE system and its programs as it currently operates provides the technical and social services which stakeholders and research have identified as necessary to achieve the goals of the ESHAP. However, we know not all McKinney-Vento families can access that system. We seek now to explore what the investments into the homeless response system can achieve if expanded to serve families

⁷ Median household monthly income data. McCarver Elementary School Housing Assistance Program, GEO Education & Research, 2017. Page 12

experiencing homelessness by the literal definition and those who McKinney-Vento defines as homeless because they are unsafely doubled-up or at risk of homelessness.

3.3. King County Housing Authority Student and Family Stability Initiative

In partnership with Highline Public Schools & Neighborhood House, KCHA developed the SFSI to help reduce the district's McKinney-Vento transportation costs and to help reduce instability amongst McKinney-Vento families in the Highline School District. SFSI is primarily administered by Neighborhood House, however referrals are made by HSD McKinney-Vento liaisons. The key components of the program are structured in this way:

- HSD McKinney-Vento liaisons contact families to determine their housing status. Families sign a release form and McKinney-Vento liaisons fax family information to Neighborhood House (NH). The turn-around time is typically 2-3 weeks.
- NH conducts a phone-screening to identify the family's needs. Based on the screening, if the family meets eligible criteria for SFSI, NH invites qualifying households to an orientation.
- Once a family completes orientation and determines SFSI is the right fit for them, NH provides intake and casework support to the family.

In the first three years of the program, over 400 families were screened as potential candidates for SFSI. Since then, 235 households have exited the program, over half of households (53%) successfully transitioned off their rental subsidy while the remaining had an incomplete exit or had missing data. Over 85% received housing search services or financial assistance for housing related costs and 30% did not receive financial support.

The program initially provided every family 3-6 months of rental assistance. However, program staff realized that the allotment of rent support did not involve households enough to prepare them for absorbing the cost of rent upon program completion. The program has now adopted a more flexible structure where every household is allotted a \$7,000 cap within a one-year timeframe. Caseworkers work with families to determine specific amounts for housing needs, whether it be in the form of rent, partial rent, fees and applications, or deposits. This is a "soft-cap", allowing caseworkers with some flexibility to provide additional support if a household demonstrates hardships. (See Appendix D for more information on SFSI.)

This program is unique in that it specifically targets families who are work-able and willing to work unlike the Coordinated Entry system. However, similar to the Coordinated Entry system, this initiative provides client-directed services in which a service plan is created and flexible housing funds can be accessed for various housing-related costs.

4. Staff Recommendations for Next Steps

The robust consultation process has directed THA and TPS to explore opportunities to expand the ESHAP to increase support for as many TPS McKinney-Vento students as possible. Combining the feedback and data we have, THA and TPS staff recommend to expand the ESHAP in the following way:

THA will invest its funds into the Coordinated Entry system to enhance the capacity of CE service providers who will deliver housing assistance and related services to TPS McKinney-Vento families. McKinney-Vento include households who are literally homeless, unsafely doubled-up, at risk of homelessness and those fleeing domestic violence (categories 1, 2, 3 and 4).

Below is a chart that outlines the model of the original McCarver program (pink column), followed by the initial proposals of THA and TPS staff prior to public consultation (yellow column), the community recommendations (blue column) and the final proposals from THA and TPS in considering community feedback and data evaluation (green column).

Current Program	Initial Redesign Proposal	Community Recommendation	THA TPS Staff Recommendation
4.1. THA provides housing vouchers to 50 households at McCarver Elementary. Two THA caseworkers support families toward self-sufficiency. The program is a 5-year commitment.	THA will increase the number of vouchers to expand support to more McKinney-Vento families in the school district. THA will discontinue intensive casework support and shift to navigation & referral services.	Provide housing assistance with shorter time-limits (1-2 years); target doubled-up and near homeless families; tailor family supports based on needs assessment and rely on McKinney-Vento liaisons and external partner to refer & assess families into the ESHAP.	THA will invest funds to enhance a CE service provider's capacity to deliver housing services to McKinney-Vento families (categories 1, 2, 3, and 4). Families are assessed through CE and enrolled into the appropriate housing programs to meet their needs.
4.2. Only Elementary, McCarver based.	Focus on stabilizing the student and family regardless of TPS school choice & grade; prioritize the goal to reduce mobility rates of participating families throughout the entirety of a student's P-12 career.	Support moving to all grade levels & district wide.	Adopt original proposal.

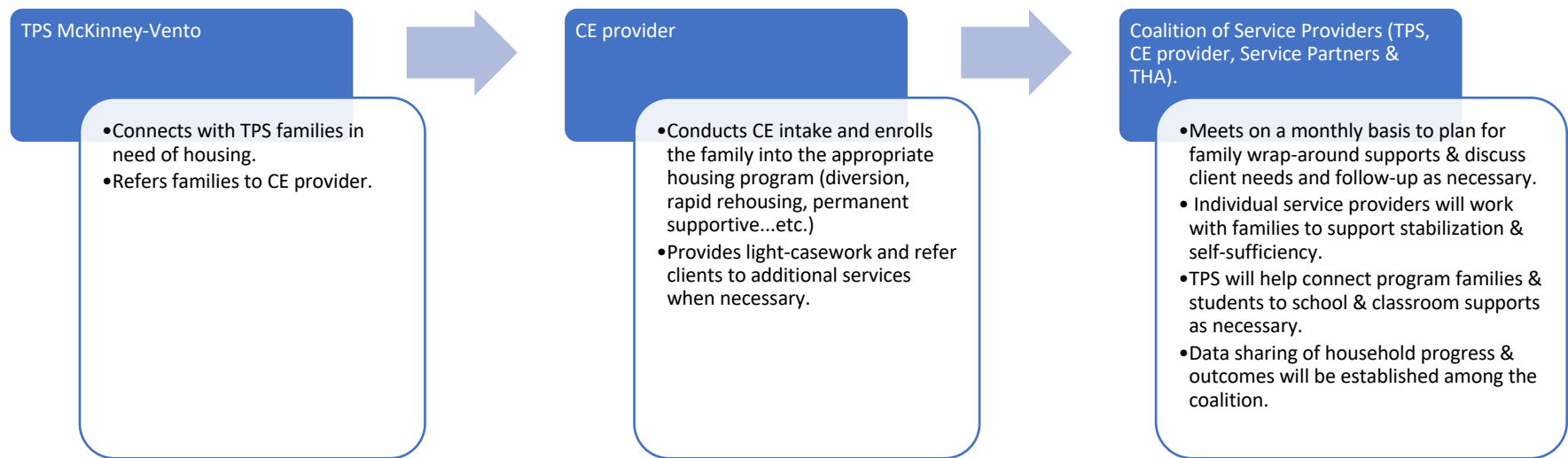
Current Program	Initial Redesign Proposal	Community Recommendation	THA TPS Staff Recommendation
4.3. Any referred McKinney-Vento qualified families including literally homeless.	Narrow the definition of homelessness – either to HUD’s definition of homelessness, for those living in places not meant for human habitation. Or living in emergency shelter or temporary housing.	Prioritize: <ul style="list-style-type: none"> McKinney-Vento Doubled-Up McKinney-Vento Near-Homeless 	The program will continue to serve all categories of McKinney Vento. <ul style="list-style-type: none"> THA and TPS will seek contract services with a provider who will take referrals from district McKinney-Vento liaisons, provide intake and enroll families into the appropriate programming provided through the homeless-response system.
4.4. McKinney-Vento supported with transportation for qualifying families.	Maximize the role of TPS McKinney-Vento Liaisons , school counselors, to act as a bridge between THA families and the TPS system.	McKinney Vento helps to refer families/can also provide intake to families.	Assign McKinney-Vento liaisons to refer TPS families to the contracted CE service provider.
4.5. Serve up to 50 families.	Plan to significantly expand the program’s cohort size to serve up to 150 households on a rolling basis.	Expand to THA’s capacity, however expand in phases.	Plan to increase THA investments of housing dollars to assist a target of 150 TPS McKinney-Vento households access the CE system.

Current Program	Initial Redesign Proposal	Community Recommendation	THA TPS Staff Recommendation
<p>4.6. THA provides on-site intensive case management. Families are not screened initially for FSS qualification.</p>	<p>THA will discontinue on-site intensive case management and move to a hybrid management model. We will incorporate the federally funded Family Self-Sufficiency (FSS) program with a navigation and referral service model.</p>	<ul style="list-style-type: none"> • Intake process will have to screen for (higher functioning) families who will qualify for FSS and are ready for it. • THA & TPS coordinate service-coalition with partners that meets regularly to identify resources for families' needs. 	<p>THA will discontinue on-site intensive case management and pursue the following:</p> <ul style="list-style-type: none"> • Supportive services will be coordinated amongst a coalition of service partners who will meet frequently and assist with direct services as they relate to housing, education, well-being and other self-sufficiency needs of the households. • THA staff will determine whether other programs like FSS or the CSA will be an available option for families who are eligible.
<p>4.7. TPS school counselor identifies and refers eligible families to ESHAP caseworkers.</p> <ul style="list-style-type: none"> • THA ESHAP caseworkers completes intake & provides casework support. • THA housing specialist processes housing documents 	<p>TPS selects eligible families; THA navigates families through the housing search and lease-up process; TPS enrollment office assists families with enrolling students into their new neighborhood school; and THA and TPS both provide ongoing wraparound services to meet mutual goals and will leverage community partners and resources to supplement</p>	<ul style="list-style-type: none"> • TPS identifies & refers eligible families • [unknown] Selects families for ESHAP & does intake • [unknown] Provides casework support 	<p>TPS MV Liaisons will refer families to the contracted CE provider.</p> <ul style="list-style-type: none"> • THA and TPS will seek contract services with a homeless-service-provider who will conduct intake and enroll households into the appropriate housing program available in the

Current Program	Initial Redesign Proposal	Community Recommendation	THA TPS Staff Recommendation
	services outside of housing and education supports.	<ul style="list-style-type: none"> • THA provides housing supports. • THA & TPS send designated field staff to service-coalition meetings. 	<p>county's homeless-response-system (such as Rapid Rehousing or Diversion).</p> <ul style="list-style-type: none"> • THA will provide housing support by investing in contract services with the homeless-service-provider. • THA and TPS will designate staff to develop a coalition with supportive service partners who will provide wrap-around services for households in the program. This coalition will meet monthly to monitor and track family progress.
4.8. Five-year subsidy using Housing Choice Voucher (Family pays 30% of income to rent). One size fits all.	Revise the 5-year program limit as well as consider a decreasing-subsidy model.	<ul style="list-style-type: none"> • Limit program to 1-2 year of assistance, with opportunity for family to receive extensions based on hardship. • Adjust subsidy amount based on family's need (similar to Coordinated Entry) 	Shift from time-limited subsidies to short-term rental assistance. This will include housing-first strategies used by the homeless response system (such as Rapid Rehousing and Diversion).

Current Program	Initial Redesign Proposal	Community Recommendation	THA TPS Staff Recommendation
		<ul style="list-style-type: none"> Develop Diversion fund available for 1 time allocation of families to address barrier related to housing or self-sufficiency. 	
4.9.	ESHAP will adopt TPS district-based benchmark and target goals for student outcomes and THA's income progression & self-sufficiency for family goals.	No change.	Adopt original proposal.
4.10. Annual data exchange (1x/year)	Enhance the THA-TPS data sharing agreement to support robust and real-time student data.	No change.	Adopt original proposal once data agreement and business process has been formalized.

4.11. The flow chart below provides a visual description of the process THA and TPS has outlined in the table above.



4. Near, Mid and Long-term Next Steps

4.7. Near Term Decisions

THA and TPS should agree upon the adjustments of the joint proposal outlined in Appendix A and review the current & projected financial costs associated with the ESHAP in Appendix B.

4.7.1. Agree to expand the program school-district wide across all grades.

4.7.1.1. With this recommendation, it is understood that the program may risk or forego the following:

- Having a focus on examining the impact of academic outcomes and mobility within an individual school;
- The ability for centralized coordination of peer support among participating families within a particular school setting;
- The ability to target supportive services when parents are grouped together in specific schools;
- The ability to recruit landlords within a specific geographic area if families are not bound to one specific school site or catchment;
- The ability to ask parents to commit to a participation agreement that ensures their investment into their children's education or household self-sufficiency;
- Uniquely distinguishing this housing program from an undifferentiated rapid rehousing program;
- Relying on the rapid rehousing model when we cannot cite the results from Pierce County in a way that will guarantee stronger results than our previous program model.

4.7.1.2. Despite the risks and impacts we may potentially forego, this new direction allows us to do the following:

- Apply over five years' worth of data and lessons learned provided by the McCarver program evaluation. The third-party evaluation indicated to us that the results were mixed on whether the program had a school-wide effect on student outcomes and reduction of school-wide mobility.

- Adapt to the changing Tacoma rental market. The high cost of rent and low-supply of affordable housing has had noticeable impact on low-income families. THA and TPS saw the impact first hand when 80% of ESHAP households were unable to lease up in the McCarver catchment in 2017 and were forced to find housing throughout the greater Tacoma area. Therefore, we know it is not sustainable to require families to commit to a specific school, or even a specific cluster of schools, as the availability of affordable housing in any given area in Tacoma is unpredictable.
- Allow all schools to have equitable access to housing resources for all of their students in need. This will help to decentralize potential concentration of homeless students and families into one particular school or area, thus removing a potential resource burden that may be placed on one or a cluster of schools.
- Invest in an already existing system that is Coordinated Entry. THA & TPS will not seek to develop a new system to serve families experiencing homelessness. Instead, we will rely on an established system in the county, one that is evidence-based and uses assessment and data tracking tools that have been tested and broadly used by key homeless service providers throughout the city. Further, this will bridge the service gap between the homeless response system and the school district's McKinney-Vento office.

4.7.2. Increase investments to either 150 families or a dollar amount THA will invest into the Coordinated Entry homeless response system (that will be determined based on building assumptions with Rapid Rehousing service providers).

This recommendation is not based on science or data. We know this amount will not serve all TPS MV families but will rather initiate a starting point in which we can begin scaling up the program to serve more households. This took into account the housing services and resources currently available and an amount sizable enough to be meaningful in serving more households while keeping the size manageable to implement significant program changes.

4.7.3. Continue to serve all categories of McKinney-Vento

We know that no matter what level of investment we make in this program, not all 1,500 active⁸ TPS McKinney-Vento students will be served. Throughout the consultation process, we've heard some voices press us to focus on literally homeless families, yet we've also heard voices at the community level ask us to focus on near-homeless families. This request came from the belief that literally homeless families have an avenue to access resources through Coordinated Entry while near homeless families cannot access that system at all. In reviewing the Coordinated Entry data, we

⁸ TPS McKinney-Vento data as of May 31, 2018.

can see that not all homeless families can find housing through Coordinated Entry. In reviewing the literature, we can also see that families experiencing literal and near homelessness have similar academic and disciplinary outcomes in school, particularly around attendance, suspensions, English Language Arts and Math proficiency, and high school graduation.⁹ Likewise, additional literature have observed that doubled-up students experience similar levels of social-emotional distress as students who are living in shelters, motels, cars or outdoors.¹⁰ For these reasons, we recommend to continue serving all categories of McKinney-Vento households, like we have been doing since the inception of the program. Further, we recommend incorporating a Vulnerability Assessment through further research and community consultation, which would be utilized as a tool in which we prioritize the families most in need of available ESHAP resources.

Pivot from issuing longer-term voucher subsidies to applying Rapid Rehousing/Diversion methods.

At the local level, THA's federal funding for housing has remained stagnant for several years despite the region's rocketing cost of rent and the growing number of households in need. This discrepancy in resources has positioned THA to change the way it services households. This primarily includes implementing a new subsidy structure that reduces the amount of assistance it is able to provide households and places time-limits on assistance in order to serve more families in need.

Despite these large changes, households on the McCarver program have been able to receive a deep-subsidy offered by THA in order to address the high needs of families (households with income pay 30% of their income to rent, and THA pays the rest). Currently, there are 35 families enrolled in the ESHAP. THA spends \$355,176 on an annual basis in housing assistance payment for this cohort.

In comparison, THA's RRH investments totals \$358,423 on rental assistance through Q2 of 2018, serving 104 enrolled households.

In order to make a sizeable impact on McKinney-Vento families in TPS, the partners weighed the impact and sustainability of limited longer-term vouchers to RRH's shorter-term rental assistance with light casework support. The latter offers the opportunity to serve more TPS households with THA's limited funds while continuing to exit families out of homelessness.

On the national scale, the largest research study on interventions to address family homelessness was conducted in 2008. The Family Options Study assessed outcomes for RRH compared with housing vouchers, transitional housing and usual care (families who navigate their own path out of emergency shelter) across 12 different

⁹ Students Experiencing Homelessness in Washington's K-12 Public Schools. Schoolhouse Washington, Building Changes. 2018. Pages 21-49.

¹⁰ Stabilizing Homelessness to Address Education Outcomes. Hilton & Trella. 2015. Page 20.

communities throughout the nation (none of which was in Washington state). It is important to note that the study began in 2008 during the U.S. economic recession, thus there were significant variation in interventions and inconsistencies in availability of interventions for the entire duration of the study.¹¹ With caveats, the report found that long-term housing subsidy was comparably most effective in reducing the likelihood a household returns to shelter or homelessness after 12 and 30 months of receiving assistance, with less success found in RRH and transitional housing.

The report did find that beyond housing outcomes, children in families that received RRH and a long-term subsidy had less absenteeism and their families had less food insecurity and higher incomes 20 months later than families who navigated their own path out of emergency shelter. In terms of cost savings, the study found RRH to be the lowest-cost intervention to house homeless families, although evidence on the long-term cost-saving impacts of RRH is not yet established.¹²

Given the timeframe in which this study was conducted, it is hard to suggest the findings are completely conclusive of housing-assistance programs applied here to Pierce County in 2018. As the data in section 3 of this document pointed out, outcomes for households who utilize shorter-term programs within CE are strong and rates of returns to homelessness are low. In the context of this redesign, we have reason to find benefits to both long-term rental assistance, such as housing vouchers, as well as near-term interventions offered through methods like rapid rehousing. However, in order to meet the volume of need given the funding constraints, near-term methods like rapid-rehousing allow THA and TPS to invest in an already existing system to meaningfully and manageably pursue the redesign to scale.

4.7.4. Program metrics assigned between TPS and THA in Appendix A.

4.7.5. The continued THA rental assistance commitment is contingent upon TPS's continued \$125,000 commitment toward the partnership as well as the in-kind in-school commitments necessary to fulfill the metrics agreed upon in Appendix A.

Since the start of the McCarver Elementary School Housing Assistance program in 2011, THA and TPS agreed to commit significant investments to ensure the outcomes we wished to achieve through this partnership. As part of this agreement, TPS committed \$125,000 to THA on an annual basis to the end of the 2020-2021 school year. This payment helps to secure the staffing and operational resources needed to sustain the education project; additionally, TPS made enhancements to McCarver Elementary by implementing the International Baccalaureate program.

In the effort to serve more TPS families in the coming years, THA plans to significantly increase its overall investments into the program, however the housing

¹¹ https://www.huduser.gov/portal/hmlessrch_conv/Homeless_Families_Study.pdf Page 3.

¹² Ending Family Homelessness, Urban Institute, Brennan, Cunningham, Gastner. August 2017.

dollar alone will not be enough. Ongoing investments by TPS beyond the 2020-2021 school year will help ensure the program is adequately equipped with staff and resources to implement and maintain the redesign and expansion of this program.

4.7.6. THA and TPS will continue to jointly fundraise for funding for ESHAP and other components of the partnership. Both parties will agree to apply for all available funding.

Beyond the investments by THA and TPS, funding provided by external sources has helped to subsidize the cost of additional administrative and evaluative needs of this program. Appendix B outlines the cost of the ESHAP and current funding sources. We anticipate ongoing fundraising as a necessary means to sustain this program and acknowledge that there are opportunities at the national and local state, county and city levels to acquire funding for the purpose of serving families experiencing homelessness and to better link the housing and education sectors. In order to successfully do this, THA and TPS will need to commit the appropriate staff to communicate, coordinate and approach future external funding opportunities together.

4.8. Short Term Next Steps:

Below are the next steps that would be assigned to the THA and TPS liaisons for completion by January 31, 2019:

- 4.8.1. THA and TPS will identify additional parties who may play a role in the development and implementation of the redesigned ESHAP. This working group of partners will meet regularly to plan for the ways in which the program and all those involved will use common definitions, tools and strategies for operation. This group will also help create the service-coalition model of partners who will meet on a monthly basis to address client needs in addition to the CE services. This group will include TPS families.
- 4.8.2. Within a co-designing framework with community partners, pursue the following:
 - 4.8.2.1. Identify process for referring TPS households to the CE provider, this will most likely be done through the McKinney-Vento office and/or the schools;
 - 4.8.2.2. Determine the tools used in CE to assess household needs and make adjustments where necessary for the purpose of serving McKinney-Vento families. This will be likely be led by a third-party provider closely linked to Pierce County's Coordinated Entry and McKinney-Vento;
 - 4.8.2.3. THA and TPS Issue RFP for a CE service provider;
 - 4.8.2.4. Select the CE service provider and enter MOU.

4.8.2.5. Create the model for how additional service partners will support families toward stability and self-sufficiency in addition to CE services.

4.9. Mid Term Next Steps:

Below are the mid-term next steps to be assigned to the THA and TPS liaisons by April 30, 2019:

- 4.9.1. Operationalizing decisions;
- 4.9.2. Engaging McKinney-Vento and school staff in creating a standard referral process to CE;
- 4.9.3. Revise the THA-TPS data sharing agreement;
- 4.9.4. Memorialize baseline data for each of the metrics in Appendix A.
- 4.9.5. Data sharing operationalized and on a set schedule;
- 4.9.6. System for case staffing program families with provider network; and
- 4.9.7. Decide how the program will be evaluated, including who will conduct the evaluation and how will the partnership pay for those services.

4.10. Long Term Next Steps:

Below are the long-terms next steps to be assigned to the THA and TPS liaisons by August 31, 2019:

- 4.10.1. Develop the systems necessary to open up the program for enrollment by the beginning of the 2019-2020 school year.
- 4.10.2. Regular high-level performance review to allow for real time decision making
- 4.10.3. Determining key metrics that would inform us of when and how to scale-up the program beyond the 2019 investment.

The following page includes the original draft calendar of items and deadlines. Staff will continually update and populate once the executive staff approves the proposal and the above schedule.

Project Items & Deadline	New Deadline	Notes:
Based on feedback from the community advisory board, finalize and formalize recommendations to the THA and TPS Boards, their decisions, goals, outcomes, strategies and roles by May 31, 2018.	October 31, 2018.	Completed
Convene working group of service providers who will partner with the ESHAP and support the development of the referral, service support and data exchange process.	January 31, 2018	New item
Amend the TPS & THA data sharing agreement to reflect changes in the 2018-2019 school year. Establish a data sharing calendar and recurring meeting schedule for data-driven decision making and action planning; Create an outline of data sharing expectations for each party by July 31, 2018.	January 31, 2019	
Working group will help to develop the criteria for contract services with a CE provider. THA will issue out an RFP for service provider that will be released to the public.	March 31, 2019	New item
Decision is made on CE provider.	April 30, 2019	New item
Working group will develop operational plan & data collection plan for ESHAP roll-out and implementation.	June 30, 2019	New item
THA & TPS will develop strategies to accomplish their own specific goals in relation to participating families by June 30, 2018.	July 31, 2019	
Finalize any MOU and contracts with additional service partners.	July 31, 2019	New item
Create a template for schools to use for individual student reporting at intervals outside of the regular THA-TPS meeting schedule & a glossary of terms by August 31, 2018.	July 31, 2019	

Devise a program manual for McKinney-Vento Liaisons, TPS Principals and Counselors that outlines program implementation by August 31, 2018.	August 31, 2019	
Redraft data sharing agreement to incorporate changes of the redesign that includes the CE service provider, THA, TPS and any other service providers.	December 31, 2019	New item

APPENDIX A:

**Tacoma Public Schools and Tacoma Housing Authority's Outlined Goals and Strategies for
ESHAP**

Goal 1: P – 12 Student Success

Outcome 1.1: THA program students experience a reduced transient rate of 20% or less each school year, for reasons related to housing stability.

Strategy	Provide access to housing & wrap-around supports to stabilize homeless students and offer consistency of support throughout their P-12 career.	
	Original Proposal	Updated Proposal
TPS Role	<ol style="list-style-type: none"> 1. Identify families within TPS who are experiencing homelessness and meet the criteria defined in the final redesigned program manual, and provide them with a housing voucher to seek stabilization. 2. McKinney-Vento liaisons provide navigation and referral services to families to help meet their basic needs for stabilization. 	<ol style="list-style-type: none"> 1. <i>Instead of a housing voucher, THA will invest into a CE provider who will enroll families into the appropriate housing program based on their needs.</i> 2. <i>McKinney-Vento liaisons help to refer families to CE service provider.</i> 3. <i>A contracted CE provider will provide intake and enroll families into the appropriate housing program offered through CE.</i> 4. <i>TPS will designate staff (either family liaisons or counselors) to attend the monthly coalition meetings of service providers to be informed of, and help to inform, the service planning for program families.</i>

Outcome 1.2: THA program students are successful in meeting district formative and summative benchmarks throughout their P-12 career.

Strategy	Monthly or quarterly iReady and TWCI data review and action planning with TPS for learning interventions. Annual evaluations will be done with benchmarks. TPS will select key benchmarks related to English Language Arts (ELA), math and social emotional learning.	
	Original Proposal	Updated Proposal
TPS Role	<ol style="list-style-type: none"> 1. Connect Counselor or Family Liaison as a point of contact for each THA program family; 2. Provide THA and families with ongoing information regarding student progress and growth with social/emotional and academic outcomes (template to be developed as “next step” in the partnership); 3. TPS will share identifiable student information with THA on an established schedule. (data sharing schedule to be developed in “next steps.”) and will participate in action planning meetings and on assigned actions 	<ol style="list-style-type: none"> 1. No change. 2. No Change 3. No Change 4. <i>TPS will work with third party social-service provider to ensure students and families receive support outside of the classroom (e.g. partner with Comprehensive Life Resources or HopeSparks for family counseling).</i>

Outcome 1.3: THA program students' attendance are meeting and exceeding the district's goal for on-time school attendance.

Strategy	Monthly or quarterly attendance data review and action planning with TPS for interventions (review group will be defined in a yet-to-be developed Glossary of Terms included in "next steps" of partnership)	
	Original Proposal	Updated Proposal
TPS Role	<ol style="list-style-type: none"> 1. Building principals to provide monthly/quarterly student progress in meetings with THA and service providers. 2. TPS will provide information with all families to understand school schedules and the impact of attendance on academic performance; 3. Regular attendance Nudge Letters 	<ol style="list-style-type: none"> 1. No change. 2. No Change 3. No Change

Outcome 1.4: Over 50% of THA program families are participating in the annual school-climate-survey and 50% or more of THA families indicate positive survey responses to sense of welcome and belonging at the school annually.

Strategy	TPS engages with THA program families to participate in the school-climate survey and ensure that each family is connected to at least one staff representative at their child's school.	
	Original Proposal	Updated Proposal
TPS Role	<ol style="list-style-type: none"> 1. TPS will notify THA and collaborate on outreach efforts when school-climate surveys are released to families; 	<ol style="list-style-type: none"> 1. No change. 2. No Change 3. No Change

	<ol style="list-style-type: none"> TPS will coordinate THA family nights with other scheduled TPS events at the schools (concerts, PTA meetings, etc); TPS will ensure that every program family is connected to at least one school staff representative at each child's school; TPS will collaborate with THA to share climate survey data and all family night information to help connect THA families to school community. 	<ol style="list-style-type: none"> No change.
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Tacoma Housing Authority Outlined Goals and Strategies for Income Progression and Family Self-Sufficiency

Goal 2: Family Self-Sufficiency

Outcome 2.1: THA program families are able to obtain information about the schools in their community and access information about how to help their child be successful in school.

Strategy	Involve district school administrators, including counselors and family liaisons as part of the program's orientation, onboarding and on-going evaluation of progress.	
	Original Proposal	Updated Proposal
TPS Role	<ol style="list-style-type: none"> Develop a program manual that can be distributed and accessible to school administrators, counselors and family liaisons. Maintain regular communication and program updates with district and school staff 	<ol style="list-style-type: none"> No change. No Change No Change

	<p>3. Review program metrics and student data on a regular basis (monthly/quarterly) to monitor progress and plan for necessary household interventions.</p>	<p>4. <i>THA will include TPS in any training or professional development opportunity related to supporting family stability.</i></p>
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Outcome 2.2: Outcome 2.3: Families are progressing annually from the stages of crisis to vulnerable, stable and self-sufficiency in at least one of the following categories: health, financial, educational and/or employment status.¹³

Strategy	Enhance family support through services, including the Center for Strong Families, the Family Self-Sufficiency program and other support through THA’s community partners	
	Original Proposal	Updated Proposal
TPS Role	<p>1. THA and TPS will assess families at intake and intermittently throughout their time on the program using a common measuring tool and definition of household self-sufficiency</p> <p>2. Coordinate with the district’s McKinney-Vento office to support families who have managed to stabilize with a THA housing voucher and are ready to transition to THA’s Family Self-</p>	<p>1. <i>THA and TPS will identify a third party CE service provider to complete intake and assessment of families upon program enrollment and intermittently throughout their time on a program using a common tool and definition of household self-sufficiency.</i></p> <p>2. <i>Assign district McKinney-Vento liaisons with identifying and referring families to the intake and assessment process of the homeless response system.</i></p> <p>3. <i>THA will discontinue intensive casework services and rely on a contracted CE service provider to</i></p>

¹³ THA’s Client Service Department is looking to incorporate the United Way of Pierce County Self-Sufficiency and Well-Being Matrix into its household assessment practices. This matrix includes five scales on a continuum from “in-crisis” to “thriving” and 20 categories of both economic and well-being indicators. <https://uwpc.galaxydigital.com/files/dl/0c1eb4dd0b4b629c4cc86a1ba5632978/>

	<p>Sufficiency program or referred to services at the Center for Strong Families.</p> <p>3. A THA caseworker will work with families to establish short and long-term goals and develop written plans to meet these goals.</p> <p>4. THA will work with households to establish a minimum meeting requirement on an annual basis.</p>	<p><i>assess families at intake and help to establish goals to connect the family to the appropriate housing resource.</i></p> <p>4. <i>THA and TPS will develop a coalition with service providers, in addition to CE services, to coordinate and deliver additional supports and resources to families.</i></p>
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APPENDIX B:
Financial Modeling & Budget Overview

Based on the types of housing assistance models pulled from the recommendations of the community, in addition to the current rental assistance THA provides, a table below demonstrates the estimated cost of the program on an annual basis by individual household and specific cohort size.

Estimated Annual Rental Assistance Cost Based on Diversion Method & SFSI Model			
Type of Rental Assistance	Per Household	50 Household Cohort	150 Household Cohort
Diversion method sets an \$800.00 soft cap per household at the point of entry. Modeled after Pierce County Coordinated Entry Diversion Program.	\$800	\$40,000	\$120,000
Soft cap per household at \$7,000 cap per household within a one year timeframe. Modeled after KCHA's Student & Family Stability Initiative.	\$7,000	\$350,000	\$1,050,000

Pierce County Coordinated Entry System Annual Budget for Rental Assistance, Client Transportation & Flex Funds 2018			
Providers:	Combined Budget	Total People Served:	Note:
Greater Lakes Mental Health, Catholic Community Services, and Associated Ministries	\$412,361	5, 728	Pierce County Human Services do not determine the amount for client assistance or the amount per household, instead they provide a total contract amount and guidance on expectation for total numbers served and the agencies allocate the funds themselves.

The table below identifies other staffing or administrative costs that may incur with third party services:

Approximate Annual Cost for Other Staffing/Administrative Needs	
Type of Rental Assistance	Cost
Contract with third party to administer intake into the homeless response system.	\$50,000

Contract with third party to provide additional case management to coordinate care, with a caseload up to 40 (if casework is light-touch).	\$61,000 (Includes salary and benefits) per staff person.
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Below is the approximation of the ESHAP budget based on its current operational model.

Approximate Annual Budget of the Current ESHAP				
Service	Approximate Cost	Description	Source	Funding End Date
Housing Assistance	\$500,000 - \$600,000	Dollars in housing assistance for 40 to 60 families	THA	Ongoing
1.00 Caseworker Salary & Benefits	\$50,000	Case management services	City of Tacoma	2019
.75 Education Specialist Salary & Benefits	\$47,000	School navigation support	TPS City of Tacoma	2022 2019
.50 Program Supervisor Salary & Benefits	\$50,000	Supervision of casework staff and coordination of program	Gates	2019
.10 Program Manager Salary & Benefits	\$10,000	Management of ESHAP staff	TPS	2022
1.0 Project Manager Salary & Benefits	\$65,000	Program development, research & analysis	Gates	2019
.125 THA/TPS Liaison	\$21,000	Coordination & partnership work with district and housing authority	TPS	2022
School programmatic enhancement (i.e. IB, AVID, PBIS, TWCI)	\$5,000 – \$100,000	Investments made by TPS to achieve strong student outcomes	TPS	Ongoing

Approximate Annual Budget of the Current ESHAP				
Service	Approximate Cost	Description	Source	Funding End Date
Administrative Costs	\$30,00	Internal costs to THA	THA & in-kind donation	Ongoing
Staff travel & training	\$10,000	Professional development for staff to better support students experiencing homelessness and improving upon family and community partnerships	THA TPS	Ongoing 2022
Food & event costs	\$2,000		In-kind donation	Varies
Direct client emergency support	\$20,000	Security deposit for clients	THA	Ongoing
Service Contract	\$30,000	Family behavioral health supports	City of Tacoma	2021
3 rd Party Program Evaluation	\$15,000 – 20,000	Investigating best practices on how to help families succeed	Gates	2019
Total THA	\$558,000 to \$658,000			
Total TPS	\$79,000 to \$174,000			
Total Other Funding Sources	\$219,000 to \$224,000			
Total Program Cost	\$856,600 to \$1,056,000			

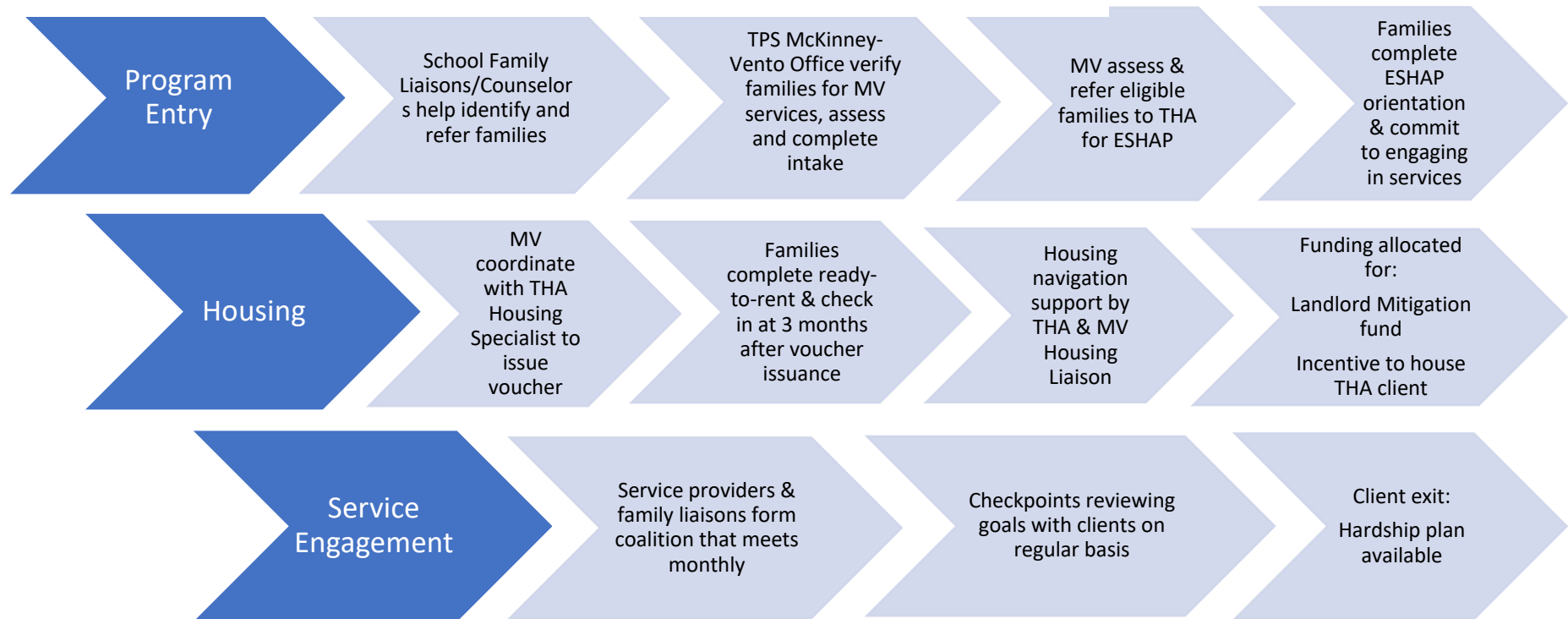
APPENDIX C:
ESHAP Consultation Meeting Notes

July 18, 2018

Elementary School Housing Assistance Program		
Topic	Community Recommendation	Notes
Eligibility	<ol style="list-style-type: none"> 1. MV Doubled Up 2. MV Near homeless 	<ul style="list-style-type: none"> • To have the highest impact on family stability, this program should focus on those who are at near homelessness and/or doubled-up as they have the most challenge accessing crisis support services. • There are currently little to no resources for populations at near-risk of homelessness. • McKinney-Vento has a system to identify and coordinate services. • This program is high-barrier by design as it expects participants to engage in wraparound services. THA & TPS must acknowledge that if it expects high level of participant engagement, it has to be very intentional with who it targets.
What schools and what grades?	<ol style="list-style-type: none"> 1. District wide 2. All grades (p-12) 	<ul style="list-style-type: none"> • Housing market makes it difficult for families to commit to specific schools. • Families should also not be punished for being unable to lease-up in specific catchments. • Allow families to choose where they live • Turn to non-school buildings (like the Boys and Girls Club) to create place-based supports.
Changes to rent structure	<ol style="list-style-type: none"> 1. Develop multi-tier level of rental assistance: <ol style="list-style-type: none"> A. Tier 1: Deep-subsidy for families 	<ul style="list-style-type: none"> • What are school principals/counselors/liaisons noticing about the needs of doubled-up population for services? • The deep-subsidy offered through the Housing Choice

Elementary School Housing Assistance Program		
Topic	Community Recommendation	Notes
	<p>needing more intensive assistance</p> <p>B. Tier 2: Shallow subsidy for families with steady income/workable</p> <p>2. Set aside housing dollars that can help families pay off previous debt to their landlords in lump sum so that they can have the opportunity to lease up again.</p> <p>3. Explore subsidy model that allows part of rent to go into escrow for families so that families can have savings upon exit. Align as much of the ESHAP to Family Self-Sufficiency program.</p>	<p>Voucher is more attractive to landlords because THA pays a larger part of the rent. Consider the HCV as the initial voucher for ESHAP households.</p>
Changes to program time limit	<p>1. Limit assistance to 1-2 years with a hardship plan in place that does either the following:</p> <p>A. Extends voucher use for x months; or</p> <p>B. Transitions the family to the Housing Opportunity Program if they are eligible.</p>	<ul style="list-style-type: none"> ESHAP must have a set timeline for families so that a plan is made and there is accountability by service providers and families to take the necessary steps toward self-sufficiency. What does the data tell us about length in which families continue to qualify for MV because they are doubled up? This will give us a better targeted # of years this program may be needed. THA may not need to pursue extended programming if the population only needs specific interventions within a specific timeframe.
Next Step for THA & TPS: <ul style="list-style-type: none"> Identify service coordinator & conduct work session with service providing partners 		

Brainstorm of Service Coordination Roadmap



- **Appendix D:**
King County Housing Authority, Highline School District and Neighborhood House Student & Family Stability Initiative Summary



HIGHLINE/TUKWILA SCHOOL DISTRICT STUDENT AND FAMILY STABILITY INITIATIVE

Issue:

In the 2011-2012 school-year, Highline School District (HSD) ¹ reported 860 homeless students in the district. Estimating two children per family, this could represent as many as 430 homeless families in the school district. The number of homeless students grew to 900 for the 2012-2013 school-year, 917 for the 2013-2014 school-year and is expected to increase even more during the current school-year.

Under McKinney-Vento, school districts are required to provide transportation to homeless students to their school of origin in order to promote school stability; however, the costs of transportation are extremely high². A report published from the National Law Center on Homelessness and Poverty showed that providing affordable housing is an additional cost-effective measure to help keep students experiencing homelessness in school.³

Discussions with HSD McKinney-Vento case managers revealed that many of their homeless families end up leaving the Highline area because of a lack of family shelters. Implementing a short-term rental assistance program makes sense because it keeps families in housing, rather than placing them in shelters in communities outside of Highline, and keeps their children at their school of origin, supporting school stability and consistency in student education.

Demonstration program:

The Student Family Stability Initiative (SFSI) traces its creation to King County Housing Authority's (KCHA) partnership with the Puget Sound Educational Service District to propose a rapid re-housing pilot as part of a 2012 Race to the Top ⁴ award. KCHA used the flexibility granted under its Moving To Work (MTW) status with Housing and Urban Development (HUD) to develop a source of short-term rental assistance funds that could quickly rehouse homeless families in Highline

School District. During the summer of 2013, KCHA entered into a contract with the Corporation for Supportive Housing (CSH), a national organization dedicated to innovative housing strategy. CSH was involved in the first rapid re-housing partnership between a school district and housing provider in Chicago that was a model for SFSI. Through a competitive Request for Qualifications (RFQ) process, KCHA and Highline School District selected Neighborhood House (NH), a Seattle-based non-profit organization, to be the sole administrator of the pilot.

The SFSI program, pairs short-term rental assistance with targeted case management and employment navigators to work with the adult household members. Neighborhood House, the contracted service provider and their team offers housing search and housing stabilization services, such as help with employment, connecting with mainstream resources like TANF and SSI/SSDI, and budget counseling.

The target population of SFSI is homeless families with children who attend elementary school in the HSD. The McKinney-Vento School Liaison and individual school counselors located in Highline's elementary schools identify eligible families through use of a screening tool and make referrals to the program. The families are screened in and linked to rental subsidy, client assistance funds, and supports, with the expectation that assistance would be

provided for a short period of time to help the family return to housing stability and ensure that their children can remain in their school of origin.

While a small portion of the homeless population requires sustained assistance and more intensive services, a large number of individuals and families experiencing homelessness may be assisted through the provision of short-term rental assistance and some housing stabilization services, on a time-limited basis. National evidence from the Homelessness Prevention and Rapid Rehousing Program has shown that the provision of short-term rental assistance to quickly rehouse homeless families has substantially reduced the length of stay in homelessness shelters with low incidences of returning to homelessness after receiving short-term assistance.⁵

Program Goals:

The program was designed to meet the following goals:

- Quickly house families who have experienced homelessness with the infusion of some client assistance funds, short term rental assistance subsidy and time-limited, light case management services;
- Reduce the number of moves during the school-year that disrupt learning by helping families achieve housing stability;
- Connect families with other services and employment that will enable them to maintain stable housing once the short term rent assistance has ended;
- Reduce transportation costs incurred by the School District by stabilizing families within their current community.

Implementation:

KCHA facilitated frequent partner meetings (at least monthly) that allowed free-flowing discussions of ideas and ongoing review of processes implementation. The culmination of programmatic developments took place in October 2013, when Highline school-based counselors and Neighborhood House staff participated in SFSI's preliminary implementation training.

Referrals to SFSI began in late October of 2013, with enrollments beginning in November, 2013. So far in this program there have been a total of 205 households (representing 472 children) that have leased up in market-rate housing.

KCHA has continued to fund the program for a fourth school-year building upon the success of the initial three years of the program, and to track the housing stability success rates after families transition off of rental assistance. In December of 2017, KCHA and Neighborhood House expanded the short-term rental assistance program to the Tukwila School District.

¹ HSD served 18,000 students during the 2012-2013 school-year in the cities of Burien, Des Moines, Normandy Park, Sea Tac, and White Center.

² HSD spent \$530,000 in transportation expenses during the 2012-2013 school year transporting McKinney Vento children.

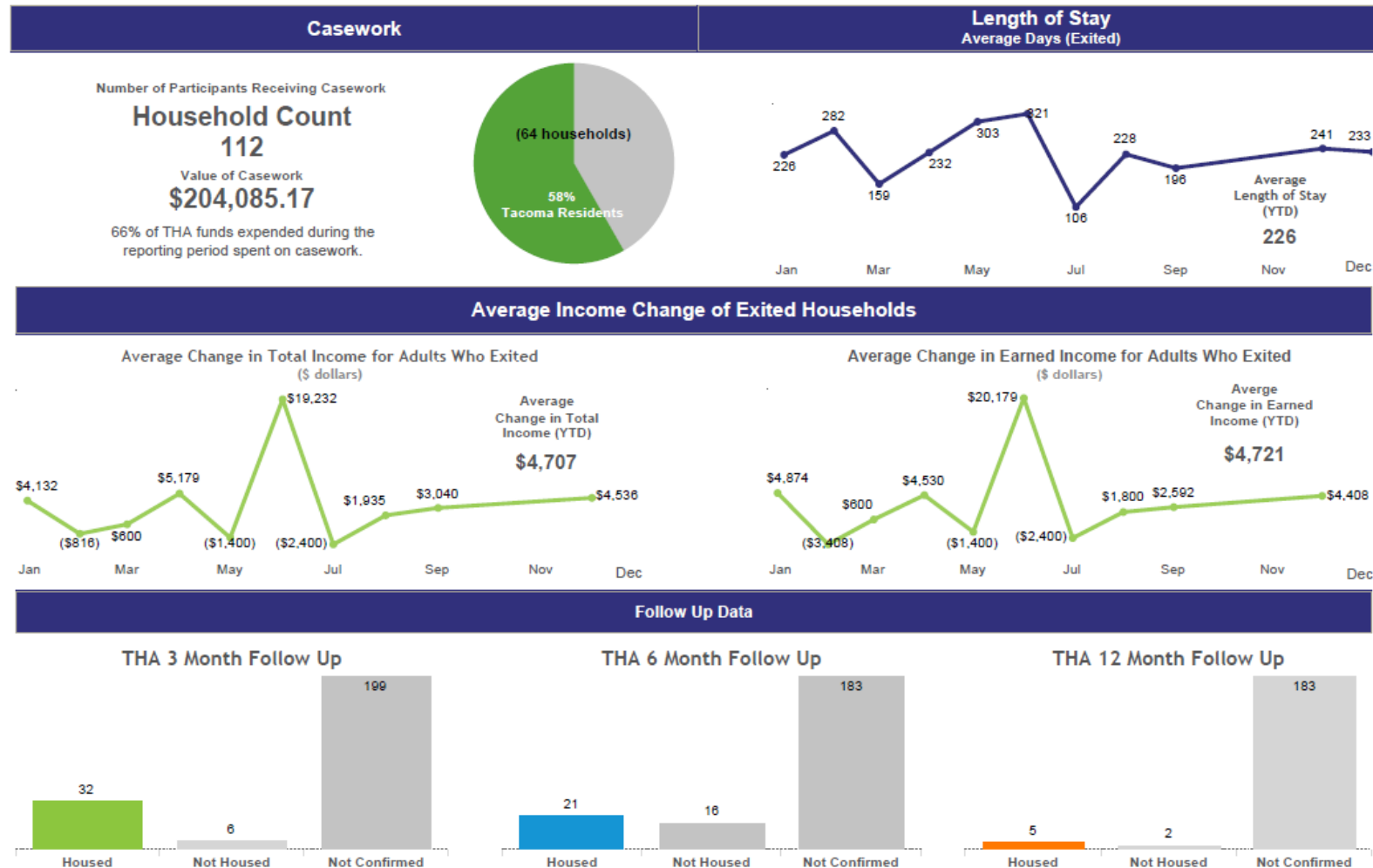
³ "Beds and Buses: How Affordable Housing Can Reduce School Transportation Costs", National Law Center for Homelessness and Poverty, September 2011. http://www.nlchp.org/view_report.cfm?id=363

⁴ Race to the Top is a federal education reform initiative funded as part of the American Recovery and Reinvestment Act of 2009; see <http://www2.ed.gov/programs/racetothetop/executive-summary.pdf> for more information.

APPENDIX E:

Pierce County Dashboards on THA Investment into Family Rapid Rehousing

Tacoma Housing Authority
Family - January - December 2017
Quarterly Performance Report



Housed is when a client confirmed that they are in a rental unit in their own name. Not Housed is when a client confirmed that they are not housed. Return is when a client re-entered the homeless system after exiting the rapid rehousing program. Not confirmed is when a client was not able to be reached for follow up, but has not re-entered the homeless system in Pierce County.

HMIS Data as of 1/1/2018

Tacoma Housing Authority Dashboard Families, 2018 YTD (Q2 Report)

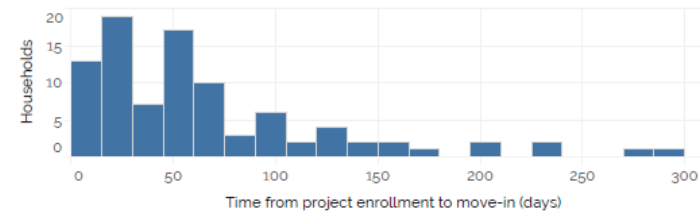
Households Enrolled:

104



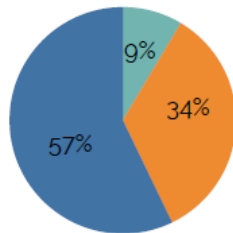
76% of THA expenses are rental assistance
Rental Assistance: \$358,423
Case Management: \$60,747
Other Operations: \$50,952
Total Expenses: \$470,122

This year, half of households were housed within **50** days

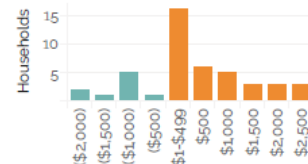


34% of households increased their income

Decreased Increased No change

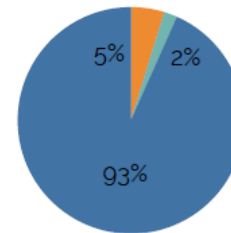


Of those who changed their incomes, the median change was **\$420**

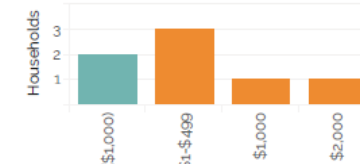


"Income" includes disability benefits, public assistance, money from employment, child support, and retirement.

5% of households increased their earned income



Of those who changed their earned incomes, the median change was **\$251**



"Earned income" only includes money from employment.

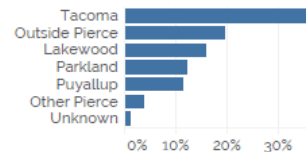
Of those households who exited projects to permanent housing over the past two years, **most remained housed:**

88% of households did not return to homelessness within 6 months

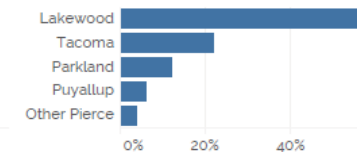
83% of households did not return to homelessness within 12 months

80% of households did not return to homelessness within 24 months

Most households come from **Tacoma**



Most households are housed in **Lakewood**



In this population, "Other Pierce" includes Spanaway, University Place, Bonney Lake, and Graham.



TACOMA HOUSING AUTHORITY

ADMINISTRATIVE SERVICES



TACOMA HOUSING AUTHORITY

DATE: December 12, 2018

TO: THA Board of Commissioners

FROM: Sandy Burgess
Director of Administrative Services

RE: Administrative Services Department Monthly Board Report

1. ASSET MANAGEMENT UPDATE

Chart 1 represents the budgeted cash flow as compared to the actual cash flow at the close of Q3.

- There are four properties that are experiencing cash shortfalls from projected cash flows, Bay Terrace I, Hillside Terrace II, Renew Tacoma, and Prairie Oaks.
- There are two properties that are running a negative cash flow, Hillside 1 and Salishan 5.

Chart 1

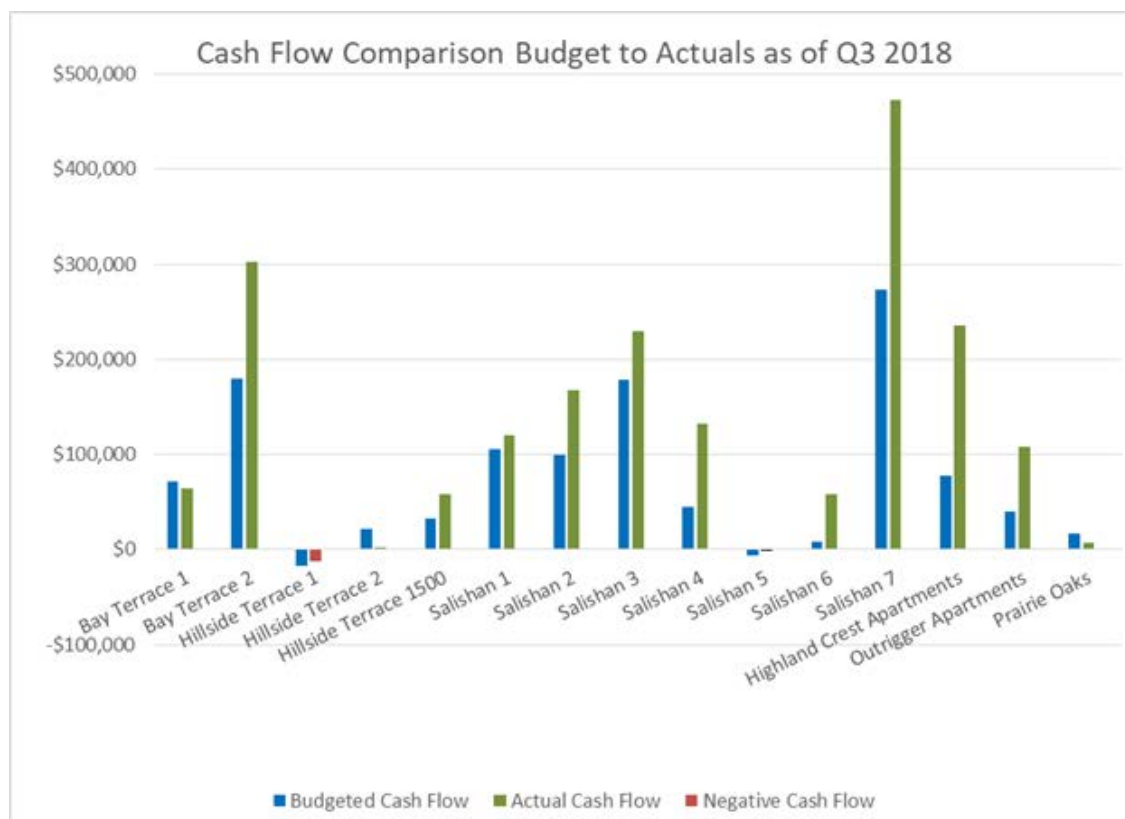
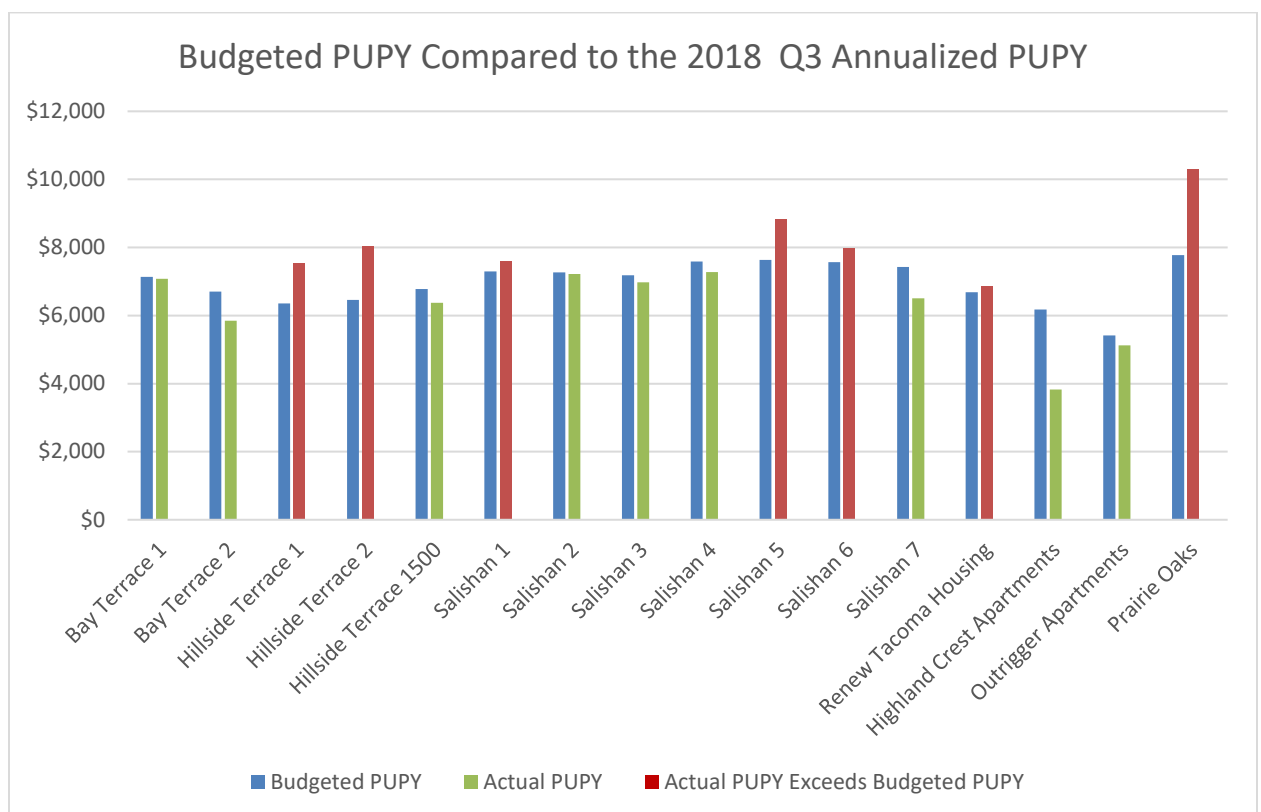


Chart 2 represents the budgeted expenses per unit compared to the actual annualized expenses per unit.

- Nine properties are managing expenses at or below budget. The actual PUPY is shown in green below. The seven properties not performing at budget projections are noted in red.
- Seven buildings are set to exceed their budgeted expenses by year end. The buildings are Hillside Terrace 1/2, Salishan 1/5/6, Renew Tacoma and Prairie Oaks. On the positive side, Salishan 1/6, Renew Tacoma and Prairie Oaks are producing positive cash flow.
- Outrigger and Highland Crest are consistently out performing budget, and keeping expenses down.
- Across the portfolio the **average** PUPY is \$7087. This compares to an average budgeted PUPY of \$6967.

Chart 2



2. RISK MANAGEMENT

2.1 2018 2019 Insurance Renewal Update

- Tacoma Housing Authority's (THA) policy portfolio insures 54 properties, 40 fleet vehicles, and 130 employees.
- The Total Insured Value (TIV) of the *building* portfolio is \$306,102,503.
- Premium increased 6% or \$39,946 to account for 4 new properties and 5 new vehicles, updated building values, and claims experience.
- Philadelphia Insurance awarded a 2% premium discount because of fire stops THA installed in all of its units, its volunteer driver training, and other agency efforts. Alliant, our brokers, commented that this is remarkable. The nation's natural disasters are straining the insurance industry and many other housing authorities are experiencing high losses and premium increases.

2.2 Select Risk Management Activities

- Developed quarterly staffings with Client Support and Empowerment (CSE) and Tacoma Fire Department to mitigate frequent 911 callers.
- Collaborated with Policy, Innovation and Evaluation (PIE) and Property Management (PM) on fire prevention project that included education, fire stops, and grant funds.
- Created strong relationships with both City and County emergency management departments.
- Conducted fire prevention and emergency preparedness workshops at senior buildings and Bergerson Terrace.
- Conducted evacuation drills at Senior Buildings and 902.
- Conducted active violence drills at 3 work sites.
- Initiated violence risk evaluation.
- Delivered workplace safety workshop to 75 staff.
- Acquired Online Safety Training Software for PM Safety Training.
- Conducted Life-Safety Assessments at 7 buildings (elevators, extinguishers, alarm panels, etc.).
- Drafted Accident Illness and Prevention Program.
- Developed and delivered volunteer driver orientation and guidelines book.

2.3 Historical and Current YTD Insurance Claim Activity

	FIRE		WATER		AUTO		BODILY INJURY		PROPERTY - MISC		Annual Total Claims	Annual Insurance Payout
	Number	Ins Payout	Number	Ins Payout	Number	Ins Payout	Number	Ins Payout	Number	Ins Payout	Number	Ins Payout
2014	2	\$ 145,930	3	\$ 37,171	2	\$ 865	0		0		7	\$ 183,966
2015	1	\$ 60,709	8	\$ 154,615	4	\$ 2,566	2	\$ 3,154	3	\$32,995	18	\$ 254,039
2016	4	\$ 434,500	2	\$ 12,368	4	\$32,051			4	\$45,550	14	\$ 524,469
2017	6	\$ 311,996	1	\$ 32,508	0	\$ -	1	\$ 6,284	1	\$26,297	9	\$ 377,085
2018 YTD	3	\$ 91,127	2	\$ 31,879	1	\$ 1,208	0		2	\$56,572	8	\$ 180,786
Totals	16	1,044,262	16	268,541	11	36,690		9,438	10	161,414	56	1,520,345



TACOMA HOUSING AUTHORITY

**CLIENT SUPPORT
& EMPOWERMENT**



TACOMA HOUSING AUTHORITY

DATE: December 12, 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

Client Support and Empowerment (CSE) has really started to come together as a department. This month we spent time talking about and aligning our approach to working with THA clients. With the isolating nature of social services, it has been a critical time for staff to lean into their team and to use each other as thought partners and support. There is a shared understanding that the folks we serve are the experts on themselves, and that the job of this department is to bring resources to the table so that residents and clients can make the best decisions for themselves and their families. It is also increasingly critical that Client Support and Empowerment staff work collaboratively with Property Management and Rental Assistance staff, ensuring that all THA staff are on the same page and working collectively to help our shared clients succeed.

Toward the end of November, CYS and the YMCA of Greater Seattle attended a meeting with Korsmo Construction, SMR Architects, and THA to begin the multifaceted talks about the Arlington Drive Campus. The Y has already begun to show their experience and expertise in working with young people who are homeless, offering great insight into design and programmatic needs. CYS and the Y have a long history working together and are coming together nicely to ensure that Arlington houses and provides a continuum of services that young people residing in both the CRC/HOPE facility and the apartments will all benefit from. Throughout December, THA, the Y and CYS will meet to develop a strong legislative advocacy agenda for the upcoming state legislative session. Both the Y and CYS have a strong foundation and plan to ask for service dollars, and THA is well

positioned with Executive Director Mirra's expertise and connections to assist both organizations.

Finally, the Arlington kick-off party is tentatively scheduled for Friday, January 4th at 11 AM to 1:00 pm. It will take place at the new Eastside Community Center. THA expects to attract a big crowd, including: legislators, government officials and staff, community service providers, eastside community members, and most importantly young people who are all excited to celebrate Arlington Drive and Pierce County's role as an Anchor Community, committed to ending youth and young adult homelessness by 2022.

3. CLIENT SUPPORT & EMPOWERMENT

3.1 Number Of People And Households Served

Program Entries, Exits, and Unduplicated Number of Households Served

November 2018	Program/ Caseload Entries this Month	Program/ Caseload Exits this Month	Number Served (Month)	Unduplicated Number Served (YTD)
Case Staffing (Eviction Prevention Services)	1	2	46	68
Family Self Sufficiency (FSS)	6	3	204	240
General Services	1	9	88	145
Hardship	0	0	0	0
Housing Opportunity Program (HOP) Case Management	4	3	50	102
Children's Savings Account (CSA) K-5th Grade	1	0	83	83
Children's Savings Account (CSA) 6th - 12th Grade	2	0	78	78
Elementary School Housing Assistance Program (ESHAP)	0	1	33	35

November 2018	Program/ Caseload Entries this Month	Program/ Caseload Exits this Month	Number Served (Month)	Unduplicated Number Served (YTD)
Senior & Disabled	6	18	63	173
DEPARTMENT TOTAL	21	36	645	924

3.2 Program Updates

The Child Savings Account program, in collaboration with Sound Credit Union, hosted our first “Bite of Reality” Financial Literacy workshop for our Middle and High School Students at the Family Investment Center. The students were given a tablet that assigned them a pretend grown-up profile. The profile gave them a job, their monthly income, their spouse’s income, number of children, and school loans. Their task was to stay within their monthly budget while they shopped at each station for food, clothing, housing costs, utilities, etc. When one youngster in fourth grade arrived at the furniture “store” he promptly stated “I’d like all of your finest goods!” Once he realized he would have no money at the end of the month, he quickly began to find free activities for himself and his family to attend, and returned all of the high end furnishings he originally asked for.

All in all, we had about 15 students participate and had multiple volunteers to help out from the bank, THA staff, and parents. The students were fully engaged throughout the event which led to a great discussion at the end. Sound Credit Union provided food and raffle prizes.

CSE staff member Kye Hillig assisted residents of the senior and disabled buildings attend a Thanksgiving event sponsored by Mercy Housing. Kye and THA received wonderful feedback at the event including this emphatic thank you note from a resident of the G street apartments.

“Kye, please thank THA staff who work on making the annual Lobster Shop dinner possible. This year was outstanding. The food was fabulous and we even had a seal showing off not too far from our window. It was a lovely day and I know if I didn’t have family this year to spend Thanksgiving Day with, it would have been quite sufficient and I’d need nothing more. The ladies at my table said the same thing. One of them had lost her only son to murder in Tacoma a year ago. I know she was grateful too. So for all the coordinating I say it was very special, and appreciated.”

Kye also chauffeured 19 residents to the Mercy Housing Thanksgiving event. At this event more than half of the THA residents in attendance stood up to say how grateful they are for THA and all we do for them. Kye and Mercy Housing are already planning next year's Thanksgiving event!

The ESHAP team has also been hard at work. One of our families in the ESHAP program is headed up by a mother who has not been a part of the workforce for over ten years. She believed that her mental health struggles would prevent her from being able to work. At the same time, she struggled with having no earned income. Her THA caseworker introduced her to Division of Vocational Rehabilitation (DVR) services and explained that DVR helped people with disabilities re-enter the workforce.

After her caseworker gave her the information for intake at DVR and encouraged her to contact them, this mom found out that she did, in fact, qualify for DVR. She was placed in an initial 20-day work evaluation that was coordinated with DVR, the ESHAP team, and the Disability Services Department at Goodwill of the Olympics and Rainier Region. She was placed in one of the local Goodwill stores and worked alongside their employees. Our client completed her work evaluation with flying colors. Her anxiety about her ability to work was minimized a great deal. She said she found purpose in the work and it made her happy to be out of the house and be more engaged in the world. She reported back to staff that with the money she made during her evaluation period she was able to buy a Christmas present for her daughter for the first time ever! She told her caseworker at THA that she was so proud that she was able to accomplish this and despite her being fearful; she pushed through it and came out the other end. Her next step is to work with DVR and the disability service team to be placed in a permanent job. She is very excited about this new direction in life.



TACOMA HOUSING AUTHORITY

RENTAL ASSISTANCE



TACOMA HOUSING AUTHORITY

DATE: December 12, 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 November included numerous meetings with landlords and a monthly Landlord Advisory Board meeting. The main topic of the Landlord Advisory Committee meeting, and one of the most important topics for landlords, was renters' readiness. We have begun including Sound Outreach in these meetings to discuss how a Renters' Readiness class or certification could be designed to take into account items that are important to our stakeholders such financial empowerment, landlord/tenant relationships and accessing community resources.

As stated last month in the board meeting, Koz Development has applied for our new Property Based Subsidy. We are currently discussing the best proposal for them and hope to have a resolution at the December board meeting.

Highland Flats has run into construction and City inspection delays but has 22 clients ready to go as soon as they receive their certificate of occupancy. They believe the required code work should be finished in December.

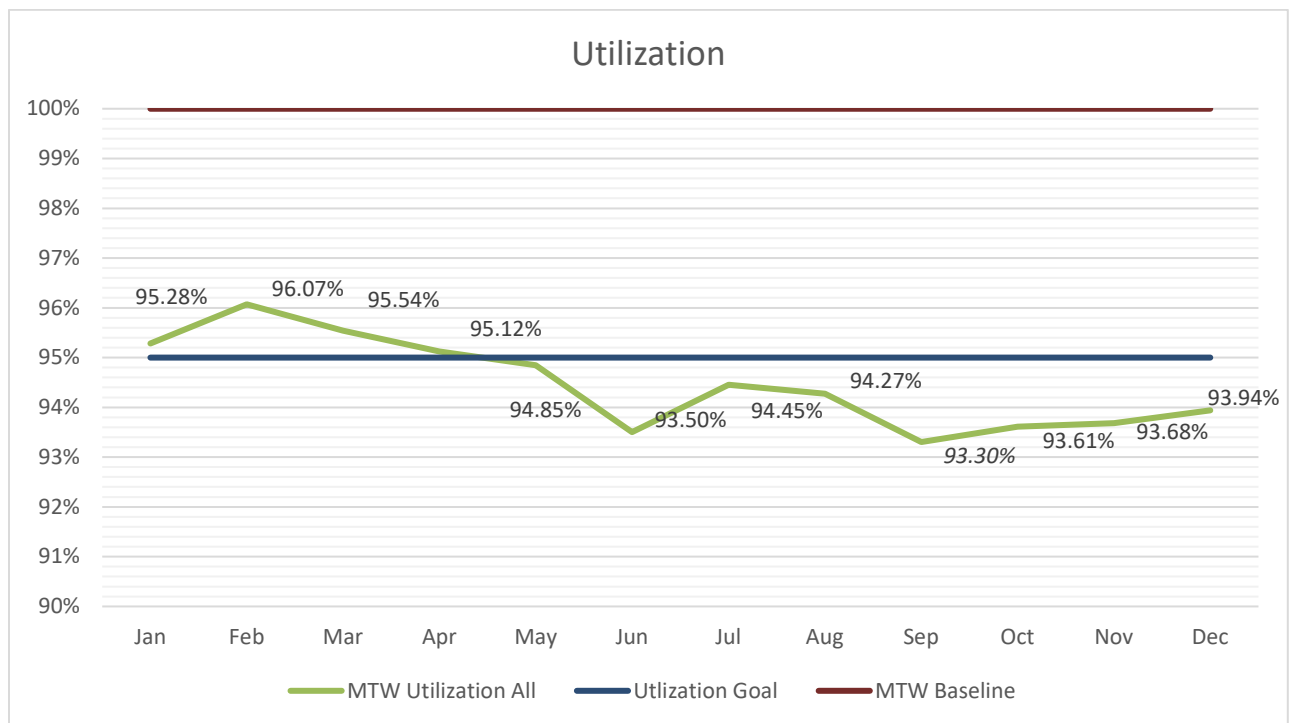
3. RENTAL ASSISTANCE AND LEASING

3.1 Utilization Report

Housing Choice Voucher utilization is reported at 93.94% for the month of December 2018. These numbers now include projected data for Rapid Rehousing funds based off the most

recent report from the County. Rapid Rehousing data from September through December are based off of the average of the previous seven months.

As units are leased for the new Project Based and Property Based contracts these numbers will improve the overall utilization. Unfortunately, this has been a very slow process due to inspection concerns and the eligibility of the current residents. 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).



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

The Veterans Administration Supportive Housing (VASH) program continues to be underutilized. We have met with the Veterans 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 rental and employment market. Recently Housing and Urban Development (HUD) contacted THA to ask about these problems and shared the problem is wide spread with the VA nationally.

Program Name	Units Allocated	Units Leased	Shoppers	Percentage Leased
VASH (Veterans Administration Supportive Housing)	177	139	38	79%
NED (Non Elderly Disabled) Vouchers	100	89	11	89%
FUP (Family Unification Program)	50	44	6	88%
CHOP (Child Welfare Housing Opportunity Program)	20	14	6	70%
McCarver Program	50	34	16	68%
CHAP (College Housing Assistance Program)	150	52	98	35%
TOTAL	547	372	175	68%

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

Project-Based Properties	Units Allocated	Units Leased	Percentage Leased	Vacancy Comments
Bay Terrace 1 & 2	72	71	99%	Property Management Department
Eliza McCabe Townhomes	10	9	90%	Vacancy One – Pending lease
Flett Meadows	13	13	100%	
Guadalupe Vista	38	35	92%	Vacancy One – Pending lease Vacancy Two – Pending lease Vacancy Three – Pending referral
Harborview Manor	147	147	100%	
Hillside Gardens	8	7	88%	Vacancy One – Pending inspection
Hillside Terrace 1500	12	11	92%	Property Management Department
Hillside 2	13	13	100%	
Nativity House	50	47	94%	Vacancy One – Pending referral Vacancy Two – Waiting on referral from Coordinated Entry Vacancy Three -
Pacific Courtyard	23	22	96%	Vacancy One – Waiting for response from property on one referral
New Tacoma Phase II	8	8	100%	
Salishan 1-7	340	335	99%	Property Management Department
Tyler Square	15	14	93%	Vacancy One – Pending referral
TOTAL	749	732	98%	



TACOMA HOUSING AUTHORITY

PROPERTY MANAGEMENT



TACOMA HOUSING AUTHORITY

Date: December 12, 2018

To: THA Board of Commissioners

From: Frankie Johnson
Director of Property Management

Re: Property Management Monthly Board Report

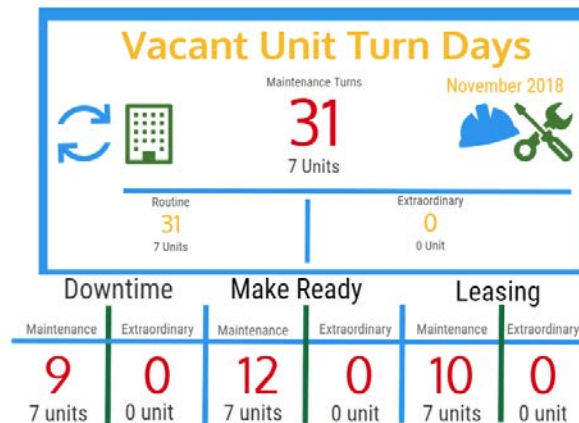
1. OCCUPANCY OVERVIEW

1.1 Occupancy

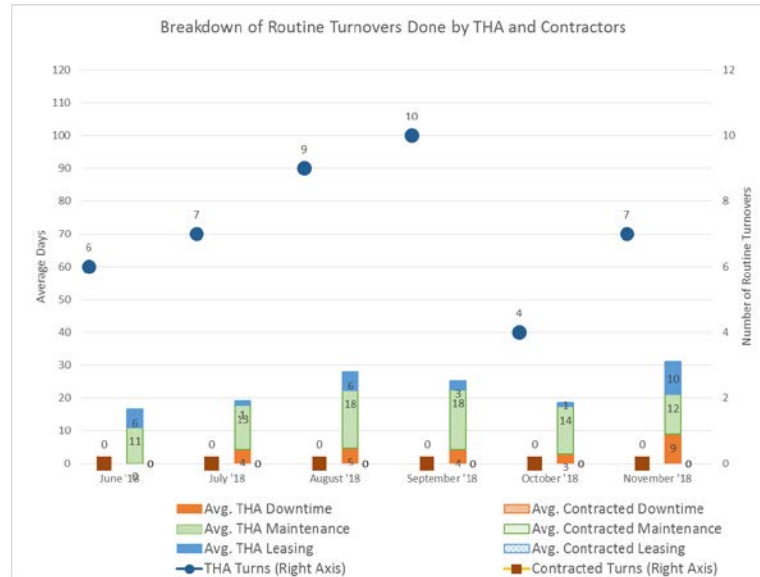
PROPERTY	UNITS AVAILABLE	UNITS VACANT	UNITS OFFLINE	UNITS OCCUPIED	% MONTH OCCUPIED	% YTD OCCUPIED
All Hillside/Bay Terrace	206	1	0	205	99%	99%
Family Properties	118	1	0	117	98%	99%
Salishan	631	5	0	626	99%	99%
Senior/Disabled	353	3		350	99%	99%
All Total	1,308	10	0	1,298	99%	99%

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

1.2 Vacant Unit Turn Status



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



All Turns - Performed by THA and Contractors
Today's Date 12/4/2018

Select End Month & Year	November	11	2018
	October	10	2018
	September	9	2018
	August	8	2018
	July	7	2018
Beginning Month	June	6	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	November	7	7	0	31.0	8.9	12.1	10.0
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

		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	November	7	0	0	0.0	0.0	0.0	0.0
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

The average unit turn time for the month of November was 31 days. This turn time included work on seven (7) 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:

2520 Court G #2: The leasing team mailed out a total of 90 packets to waitlist applicants; 25 responses were received. Of the 25, only 7 initially met the Large Household (LH) set-aside requirement on the unit (which is families with a minimum of 4 members or more). Three of 7, were not qualified due to changing household members and 3 either failed to respond or owed money to THA. This extended the leasing time to find a qualified candidate for the unit to 60 days.

5303 South Orchard Street #9: The initial applicant scheduled was over-income. The second applicant qualified and documents were submitted to compliance. The file was returned to PM and leased.

401 North G #115: Multiple applicants reviewed.

1705 East 46th Street: Delay in turning unit.

Proposed Changes for Improvement in Unit Turn Times:

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

Proposed

Downtime	Repair Make ready	Vacant	Total days
1	17	2	20

1.3 THA Meth Data Trends

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

1.4 Work Orders

Completed WO's by Priority For Month Ending November 30, 2018

Property Name	Priority			Grand Total
	Routine	Urgent	Emergency	
6th Ave Apartments	15	1		16
Bay Terrace Phase One	12		1	13
Bay Terrace Phase Two	14	1		15
Bergerson Terrace	7			7
Dixon Village	3	3		6
E.B. Wilson	23	8	2	33
Fawcett Apartments	16	1	2	19
Hillside Terrace 1500 Block	4			4
Hillside Terrace Ph 1	2			2
Hillside Terrace Ph II	2	1		3
Ludwig Apartments	2			2
North G St	6	3		9
North K St	30	2		32
Salishan Five	3	3		6
Salishan Four	22			22
Salishan One	11			11
Salishan Seven	7			7
Salishan Six	4	1		5
Salishan Three	7			7
Salishan Two	11	1		12
Wright Ave	14			14
Grand Total	215	25	5	245

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

Property Name	Priority			
	Routine	Urgent	Emergency	Grand Total
6th Ave Apartments	53	0	1	54
Bay Terrace Phase One	14	0	0	14
Bay Terrace Phase Two	29	1	0	30
Bergerson Terrace	23	0	0	23
Dixon Village	0	4	0	4
E.B. Wilson	2	0	0	2
Fawcett Apartments	3	0	0	3
Hillside Terrace 1500 Block	26	0	0	26
Hillside Terrace Ph 1	3	0	0	3
Hillside Terrace Ph II	10	1	0	11
Ludwig Apartments	2	0	0	2
North G St	26	1	0	27
Salishan Five	90	0	0	90
Salishan Four	67	0	0	67
Salishan One	25	0	0	25
Salishan Seven	33	1	0	34
Salishan Six	96	1	0	97
Salishan Three	38	0	0	38
Salishan Two	28	0	1	29
THA-Bergerson Terrace	2	0	0	2
THA-Fawcett	1	0	0	1
Wright Ave	10	1	0	11
Grand Total	581	10	2	593

In the month of November, 100% of emergency work orders were completed within 24 hours; maintenance staff completed 581 non-emergency work orders with a total of 4,619 for the calendar year. The year-to-date average number of days to complete a non-emergency work order is 14 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

New Security Contract:

THA met with Pacific Security regarding their services and recent issues with theft. After an all staff meeting, it was determined that Pacific's services were insufficient for THA's security needs. Pacific was released and a new interim contract for security services began with Pierce County Security.



TACOMA HOUSING AUTHORITY

REAL ESTATE DEVELOPMENT



TACOMA HOUSING AUTHORITY

DATE: December 12, 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 Master of Built Environment (MBE) firm. THA and TAC Build have signed a Purchase and Sale Agreement. Closing is anticipated by the end of Q1 2019 pending disposition approval from Housing and Urban Development (HUD). Disposition request has been submitted to HUD. Staff has received preliminary comments and are working through the issues raised by HUD.

2. NEW DEVELOPMENT

2.1 1800 Hillside Terrace Redevelopment

Scope

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

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 General Contractor/Construction Manager (GC/CM) services for this project.

Architecture

SMR Architects has completed schematic design and has begun design development. Marpac Construction completed their first cost estimate. The site and building cost estimate was \$14.6M which was over the projected budget. SMR Architects is looking at various options to reduce building square footage and other options to reduce cost closer to the original budget.

3. OTHER PROJECTS

3.1 James Center North

Background

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

Capital Improvements

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

Leasing

CB Danforth continues to market the available property and provide tours to prospective tenants. 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. A lease has been executed with a nail salon tenant in building 1610.

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 continuing to meet and survey potential redevelopment partners. Initial estimates and phasing options have been drafted. Budget assumptions are being reviewed by THA staff and additional development information is being gathered by consultants.

The Advisory Committee Meeting was held November 13th. Attendance was good and feedback was positive. Three site design options were discussed. A community open house occurred the same day. Responses varied but were positive overall. A mobility charrette was held December 5th. Numerous relevant organizations were represented along with THA staff, consultants and neighborhood representatives. Results of the charrette will be integrated into the master plan and site designs.

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. Grant compliance documentation was submitted by the deadline.

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 5 months and will conclude with development phasing recommendations, financial analysis, a summary of community input and design options.

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
28	\$5,966,848	\$5966,,848	\$778,321	\$1,152,301	\$4,003,949.38
Units Listed	Market Value	List Price	Rehab Costs	Sales Costs Estimated	Projected Proceeds
5	\$1,291,000	\$1,291,000	\$212,546.41	\$223,000	\$855453.59
Units in Construction	Scope Preparation	Occupied			
0	0	1			



5814 Swan Creek – Sold



3.2.3 Rehabilitation Work on Scattered Site Units and Sold:

- All available houses have been listed and are on the market. Twenty-eight houses sold, 5 houses remain. 1420 S Madison and 3413 S 12th Street have sold and are now occupied. The offer on 6438 S Puget Sound was rescinded and the house is back on the market. We have received and accepted an offer on 3417 S 12th St. this house should close by December 21st.
- 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, construction is currently 93% complete. The exterior cladding and ADA units are complete. The contractor is concentrating on wrapping up the community room, Suite 105 and main lobby and exterior ADA ramps to alley. This project is behind schedule. All interior work is projected to be

done by the end of December 2018 with the remaining ADA ramps and related work completing in January 2019.

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 and another \$800,000 was recently approved as part of the City's 2019-2020 budget. These funds are dedicated for the development of the Crisis Residential Center (CRC). Pierce County is contributing \$250,000 from 2163 funds and another \$435,945 in CDBG funds is coming from Pierce County for the CRC.

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 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).

Korsmo Construction is the General Contractor for this project. On November 29th, a kick-off meeting was held with the Contractor, Architect, YMCA, CYS and THA staff. The purpose of the meeting was to make introductions and review timelines and critical path decisions. It was a productive meeting and there is a sense of excitement and commitment from all involved to build this project.

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. CWC has decided to talk with other groups about a potential partnership and development consulting. THA will provide advice during this time.

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. The contract with Mithun was signed in November. 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.

THA issues a Request for Qualifications (RFQ) for preconstruction and GC/CM services for the Hilltop parcels on October 15, 2018. Four proposals were received by the November 14, 2018, deadline. Staff will be bringing a resolution to the December board meeting seeking approval for the executive director to enter into contract with the selected firm.

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. Staff has been informed that this project will be funded next year.

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. ED 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. 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 final pay equity contribution so the second equity installment will be received this month.

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.

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 2018-12-12 (1)

Date: December 12, 2018
To: THA Board of Commissioners
From: Michael Mirra
Executive Director
Re: Fiscal Year 2019 Agency Budget

This resolution would adopt Tacoma Housing Authority's (THA) budget for 2019. The details are set forth in the attachments.

SOME BACKGROUND

By this resolution, the Board would adopt a THA budget for FY 2019. Each year THA budgets for the upcoming fiscal year. The annual budget reflects the estimated amount and purpose of revenues and expenditures for each of its departments and major programs. The budget denotes strategic choices. It shows individual department expenses. For management purposes each department director will manage and control their department budget in accordance with Federal, State and Local regulations.

The Board provided direction for writing this budget through discussions with the liaisons from the Finance Committee, the current chair, and other board members. I have provided additional direction to staff based on these discussions. The Finance Director facilitated multiple meetings with the other Directors to come up with a budget to present to both me, and now the Board. At its November 30th budget study session, the Board indicated approval of the budget that staff now submits. As was the case last year, one of the biggest topics of discussion has been the expenditure of THA's Housing Assistance Payment (HAP) funds and how to account for Tacoma's rising rental market. HAP funds is the largest allocation of federal funding THA receives, approximately \$40.1 million per year.

Here are some of the notable features of the proposed budget:

- The proposed budget assumes flat federal funding from 2018.
- It accounts for our strategic objectives.
- Recurring and non-projected oriented expenses fits inside within recurring income.

- The budget anticipates THA receiving approximately \$7.6 million from our Renew Tacoma Housing (RTH) Rental Assistance Demonstration (RAD) conversion in the form of final Developer Fees (\$4.985 million), and cash flow payments from the time of conversion (\$1.9 million non-recurring, \$700K recurring).
- It funds ongoing client support of our clients. It focuses on properties we manage; assisting families to succeed as tenants and as “parents, students, wage earners and builders of assets” who can live without our assistance. To do this, the budget charges each property that THA manages a minimum of \$250 per year for these services. Continued funding from the Gates foundation has provided us with the ability to continue and grow our education program, along with administering our youth asset activities.
- We have community partners that will provide funding for youth asset building activities for the foreseeable future.
- The budget invests in THA’s financial future, and promotes redevelopment of additional affordable housing in the community by providing due diligence funds for existing and future opportunities.
- It takes into account the RAD conversion, including transitioning the remaining Public Housing units in Salishan and Hillside to RAD in 2019. The conversion of our Renew Tacoma Housing properties anticipates a return of ongoing cash flow of approximately \$700K annually. Additional recurring cash flow from our other Tax Credit properties should occur starting 2020.
- Like past budgets, this one is based on conservative estimates. The Board’s past prudence in this way has allowed us to weather the continuing budget challenges.
- The 2019 Budget proposal leaves THA with adequate reserves of both Moving to work (MTW) funds and non-MTW funds. It contemplates other reserves from the sale of ACC property (Salishan lots and AMP 6 Single Family homes).

I am pleased to present this budget proposal to the Board. It reflects discussions throughout the year by both the Board and staff. The proposed budget leaves THA in relatively good shape considering continuing Congressional budget uncertainties. It allows THA to continue core programs. It funds THA’s special programs that have distinguished THA nationally for its innovation, such as the Education Project, Children’s match savings accounts, client support to help families prosper, rapid rehousing, and assistance to Tacoma Community College (TCC) students who are homeless.

PRINCIPLES GUIDING THE BUDGET CHOICES

For the past 15 years, the Board has directed staff to propose budgets that conform generally to the following principles. The proposed budget does that. These Board's principles have served us very well over the years.

- **THA's strategic directives**

The Board's statements of THA's vision, mission and values, and its strategic objectives, remain our primary principles that guide our work, including budget choices. Each department considered the priority of programs and projects serving each strategic objective when proposing its own budget. The budget proposal allows us to proceed with our most important initiatives.

As in the past, this budget seeks to retain what is distinctive about THA: we do not confine our mission to being a landlord and disbursing monthly rental assistance checks. We seek ways to spend our housing dollars not only to house people, but also to get two other things done. **First**, we want people to succeed, not just as tenants but also, as THA's mission statement contemplates, as "parents, students, wage earners and builders of assets". **Second** we want our communities to succeed, and when they do, to do so equitably with a shared prosperity. We want to help our communities to become places that all residents experience that are "safe, vibrant, prosperous, attractive, and just." Our efforts to do this have become signature attributes of THA.

- **Assumption about Congressional appropriations**

Congress is supposed to adopt a federal budget by October 1st. If it did that, the Board would know our federal allocation for the next year in time to adopt our own budget by January 1st. Unfortunately, Congress is usually late with its own budget. That is true this year. As a result, the Board must adopt a budget for 2019 without knowing our federal allocation. This means we will do this year what we usually have to do: we must place our bets on the federal budget. An important budget principle has us write a budget that presumes upon the most conservative of the plausible versions of the federal budget pending in Congress. This year that means we will presume upon flat funding.

- **Recurring income and expenses**

We seek a budget where our recurring income pays for our recurring, and non-project oriented, expenses. We try not to spend reserves on recurring expenses because it is not sustainable. The proposed budget conforms to this budget principle.

The effort to designate expenses and income as either recurring or nonrecurring can be a challenge of characterization. This requires judgment that our finance director makes. ED Mirra noted that the main characterization challenge arises with real estate development income. This income has been substantial over the

past years. We expect it will continue in substantial levels. But whether we get it or not is a deal-by-deal uncertainty. For budget purposes, we account for that uncertainty by discounting by discounting the anticipated amount and regard only 20% as recurring.

- **Reserves and reserve spending**

Reserves are important. We want to keep enough for important purposes: to operate safely, to make THA credit worthy to lenders, investors and partners, and to accumulate funding necessary for real estate development. Yet we do not wish to have too much in reserve. For these reasons purposes The Board identifies the minimum and optimum reserve levels for each of THA's type of reserves. Those levels show on the attached documents. This budget comes in somewhat above those levels.

This budget also spends reserves as the Board's principles direct: the best use of reserves is to fund activities that have a plausible prospect of: (i) saving us money; (ii) making us money; (iii) making us more effective. For all these purposes, most of the spending of non-MTW reserves is on development projects that we expect could earn us a developer fee, have an increasing investment value, increase the number of affordable housing units for the community, and provide ongoing cash flow for the agency. This budget spends reserves on our new IT platform and additional repairs and a modest improvement of our 902 remodel.

NOTABLE BUDGET ASSUMPTIONS

All budgets rely on assumptions. These are the notable ones for this budget:

- **Budgeting at 2018 Funding Levels**

As noted above, we are budgeting at the FY 2018 federal funding levels. It is important to note that even at those levels the appropriation would preserve the increase we received in 2018 for voucher funding (\$1.3 million). This was the first notable increase since 2013.

- **Public Housing Operating Subsidy**

Flat funding means we presume Congress will fund public housing operations at 88% of what HUD calculates to be necessary to run our portfolio. This continuing underfunding of public housing is one reason we undertake the RAD refinancing that will move THA to a Section 8 financing, which we judge to be more stable. That transition should be complete in 2019.

- **HAP Savings**

Over the years, as a MTW agency, THA has saved money in its rental assistance programs by changing what we provide to clients. We do this so we can serve more people in better ways. We reduced our occupancy standards to 2 individuals per bedroom; we discontinued utility allowance payments and we increased the minimum rents to \$75 per unit. We also transitioned new households to the

Housing Opportunity Program (HOP) that in most cases provides a lower subsidy. All these changes saved THA approximately \$6.5 million over the past 5 years. This has allowed us to serve substantially the same number of families despite Tacoma's greatly increasing rental market with flat HUD funding. Despite these savings we had trouble serving 100% of the HUD baseline number of households. In 2018, the Board and HUD approved a target of 95% of that baseline. This proposed budget presumes upon that target.

The proposed budget also includes \$500K in additional HAP expenses above the calculated amount. This will pay for ways to reduce the rent burden of HOP families.

- **Section 8 Admin Fee**

At flat funding from Congress, HUD will pay us 80% of what HUD calculates to be necessary to administer our rental assistance programs. The proposed budget backfills that underfunding with MTW dollars. This allows us to so manage the program so it (i) provides good customer service to clients; (ii) provides good customer service to landlord to increase their interest in taking our vouchers; (iii) help clients finds landlords; (iv) meet audit expectations and comply with the many detailed rules that govern the program; and (v) attract and keep a talented staff that gets all that done.

- **Wages and Salaries**

For 2019, we are budgeting a 3% increase in salaries for staff, union and non-union, along with an extra 2.0% for Variable pay based on performance. Scheduled increases are budgeted for July 1.

- **Employee Benefits**

Benefits, on average, are 41.6% of salary dollars. We calculated the costs of employee benefits on the following assumptions:

Health Care

We plan for a 5% increase in the Laborers trust for our maintenance staff, effective July 1st. For our OPEIU and Non- represented staff, we presume on a 1.8% increase in rates from 2018 for PEBB.

Dental

We presume no increase in dental coverage over 2018's costs.

Retirement

We budget 12.83% for the Washington State employer portion of retirement plan. This is the same percentage we incurred in 2018. This rate has been increasing the last couple of years.

Short and Long Term Disability/Life Insurance

The costs for these benefits remain at 2018 levels.

Unemployment Insurance

THA pays out all unemployment claims and remains self-insured for 2018. We are maintaining the accrual at 1.5% in 2018. THA pays for all of the claims from this accrual. This has been adequate based upon our experience.

- **Property Reserves**

We will maintain a six month operating reserve based on expenses, as well as a replacement reserve for all properties that we own. This accounts for the \$2.1 million reserve level for this category.

SOME BUDGET DETAIL

- **HAP Utilization**

We intend to serve as many families as possible under THA's rental assistance programs, while retaining a capacity to do that well. As I mentioned above, the budget assumes housing tenants at 95% of our HUD assigned baseline. The Board, and HUD, approved this target in 2018. We intend to maintain this level through 2019.

- **Special Program Initiatives**

The budget provides approximately \$1.3 million for special program initiatives that the Board will recognize from past discussions:

- DSHS-PHA child welfare collaboration
- Rapid rehousing for homeless families
- Housing for unaccompanied youth

This funding for special programs represents housing an equivalent of approximately 96 families per year.

- **HAP Expenditures**

Due to increasing upward pressure in the area's housing market, our HAP average has been increasing by approximately \$2 per month since 2016. We are budgeting for our 2019 HAP anticipating this trend will continue, but at a little bit slower rate, or approximately \$1.50 per year. Thus, we expect that to serve the same number of families in 2019 with rental assistance will cost THA an additional \$475K over 2018. In addition, as stated earlier, the budget proposes to provide an additional \$500K to alleviate rent burden for our HOP families.

- **Tax Property Cash Flows**

For 2019, there will be approximately \$700K in recurring cash flow from Renew Tacoma Housing, and \$300K projected from Salishan's 1-3. As we transition to RAD for Hillside 1 & 2, along with Salishan's 4-6 in 2019, the amount of recurring cash flow to THA should increase starting in 2020.

- **IT Improvements**
We transitioned to our new IT platform (OpenDoor and Intacct) in 2017. After some notable but probably normal pain and suffering with the launch of the new system, we are coming to appreciate it as a solid and well designed, and innovative, tool. Let us remember we designed this ourselves. We did that to make it flexible so it can change with our needs. This means we need to continue investing in its performance, so it can improve and change with our own growth and evaluation. The 2019 budget has us continuing to do that. Under this budget we will hire an Open Door Manager, continued Contract services from EightCloud and retain our existing Salesforce Architect on a contracted basis.
- **Education Project and Client Support and Empowerment**
The proposed budget continues THA's signature investment in its innovative Education Project. This investment supplements funding from a variety of grantees.

This budget also funds Client Support staffing. It does that in part by charging each apartment THA's owns and manages \$250 to support the residents of those properties. The budget also pays for staff to support our Voucher tenants and to purchase 3rd party services.
- **Security**
The Board is aware of the worrisome safety and security concerns THA staff and visitors have experienced this last year. The budget sets aside \$125K for enhanced security services. We thank the Board for understanding this request and supporting staff in this important way.
- **Hillside 1800**
We received 9% tax credits to build Hillside 1800 Block: 64 units; 12 of them are reserved for persons coming from homelessness; another 12 are reserved for persons with disabilities. This budget provides contributes approximately \$2M of THA's money to build this.
- **Arlington Drive Campus for Homeless Youth and Young Adults**
To build Arlington Drive, THA has received 9% tax credits, and funds from the State, City, County and other local resources. We presently hope the project will not need THA funds.
- **James Center North**
THA bought this mall in 2017, with commercial leases in place. THA and its partners are devising a master plan for the property. We hope development will begin in 2020.
- **Hilltop**
The redevelopment of the Hilltop area will remain a priority in 2019. THA re-syndicated the Alberta Canada Building with 4% tax credits. That paid for its

current substantial fix-up that should finish in February. THA also bought the Key Bank building and other parcels within a two block walk. This collection of parcels allows for master planning. That planning is underway with substantial community engagement. We are also shopping for still more Hilltop parcels along the route of the street car extension.

- **902 South L Additional Needs**

In the budget discussion, some additional needs surfaced for the Administration building. They center on roof repair, security, and still further improvements to the recently “improved” HVAC system. The proposed budget provides \$1M dollars for these purposes.

- **Reserve Appropriations/Operating Transfers**

In the budget, we specify certain areas where we will either make transfers from certain areas, or pull from reserves rather than operations. For the FY-2019 we made the following choices:

- \$79K from Salishan 7 Replacement Reserves to start exterior painting (phased over 4 years) in the property.
- \$2 million from the Restricted ACC lots sales proceeds for funding the gap for the Hillside 1800 development.
- \$250K in 2019 out of the \$1.44 million of restricted ACC lots sales proceeds for the Hilltop redevelopment.
- \$175K Operating Surplus from James Center North will be transferred to Real Estate Development to conduct predevelopment activities in anticipation of its future redevelopment.

- **Use of MTW Flexibility**

Our MTW flexibilities combines our Public Housing Operating subsidies, Public Housing Capital Funds and Section 8 Housing Choice Voucher Program assistance into a single authority-wide funding source. We use this single funding source to fund Public Housing operations, the Public Housing Capital Fund and the Housing Choice Voucher programs to carry out the mission of the MTW Demonstration program through activities that would otherwise be eligible under sections 8 and 9 of the 1937 act.

- **Reserves**

The budget leaves us with the following reserves as indicated in Attachment A:

○ MTW Reserves	\$ 750,000
○ Business Activities (Non-MTW) reserves	\$ 6,733,600
○ PH Owned Property reserves	\$ 2,100,000
○ Reserves with Restrictions	\$ 7,125,000
○ Heritage Line of Credit – BFIM buyout	\$ 2,500,000

○	Section 8 Reserves held at HUD	<u>\$ 150,000</u>
		\$ 19,358,600

Recommendation

I recommend that the Board adopt Resolution 2018-12-12 (1) to formally approve THA's Fiscal Year 2019 Annual Budget.



TACOMA HOUSING AUTHORITY

RESOLUTION 2018-12-12 (1) (FISCAL YEAR 2018 ANNUAL BUDGET)

WHEREAS, The Housing Authority of the City of Tacoma (“Authority”) intends to incur expenses and other cash outflows for Fiscal Year 2019; and

WHEREAS, Authority staff has prepared and the Board of Commissioners of the Housing Authority of the City of Tacoma as reviewed and provided input to the proposed Fiscal Year 2019 annual budget; now, therefore, be it

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

1. The Board of Commissioners of the Housing Authority of the City of Tacoma adopts the attached FY 2019 Agency wide budget. Expenses and other cash outflows are projected as follows:

<u>Expenses</u>	
Executive	\$ 1,056,254
Administration	2,849,067
Finance	1,402,985
Human Resources	594,251
Policy, Innovation and Evaluation	1,081,794
Real Estate Development	2,697,487
Rental Assistance	41,791,392
Client Support & Empowerment	2,130,903
Property Management Overhead	863,572
Property Budgets	<u>3,930,585</u>
Subtotal	58,398,290
 <u>Additional Cash Outflows</u>	
Debt Service	73,128
Capital Expenditures	15,310,000
Replacement Reserves	<u>172,650</u>
Subtotal	15,555,778
 TOTAL APPROVED BUDGET	 <u>\$73,954,068</u>

Approved: December 12, 2018

Dr. Minh-Anh Hodge, Chair

PHA Board Resolution
Approving Operating Budget

U.S. Department of Housing
and Urban Development
Office of Public and Indian Housing -
Real Estate Assessment Center (PIH-REAC)

OMB No. 2577-0026
(exp. 07/31/2019)

Public reporting burden for this collection of information is estimated to average **10 minutes per response**, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. This agency may not collect this information, and you are not required to complete this form, unless it displays a currently valid OMB control number.

This information is required by Section 6(c)(4) of the U.S. Housing Act of 1937. The information is the operating budget for the low-income public housing program and provides a summary of the proposed/budgeted receipts and expenditures, approval of budgeted receipts and expenditures, and justification of certain specified amounts. HUD reviews the information to determine if the operating plan adopted by the public housing agency (PHA) and the amounts are reasonable, and that the PHA is in compliance with procedures prescribed by HUD. Responses are required to obtain benefits. This information does not lend itself to confidentiality.

PHA Name: *****PHA Code:

PHA Fiscal Year Beginning: *****Board Resolution Number:

Acting on behalf of the Board of Commissioners of the above-named PHA as its Chairperson, I make the following certifications and agreement to the Department of Housing and Urban Development (HUD) regarding the Board's approval of (check one or more as applicable):

DATE

- ☐ Operating Budget approved by Board resolution on:
- ☐ Operating Budget submitted to HUD, if applicable, on:
- ☐ Operating Budget revision approved by Board resolution on:
- ☐ Operating Budget revision submitted to HUD, if applicable, on:

I certify on behalf of the above-named PHA that:

1. All statutory and regulatory requirements have been met;
2. The PHA has sufficient operating reserves to meet the working capital needs of its developments;
3. Proposed budget expenditure are necessary in the efficient and economical operation of the housing for the purpose of serving low-income residents;
4. The budget indicates a source of funds adequate to cover all proposed expenditures;
5. The PHA will comply with the wage rate requirement under 24 CFR 968.110(c) and (f); and
6. The PHA will comply with the requirements for access to records and audits under 24 CFR 968.110(i).

I hereby certify that all the information stated within, as well as any information provided in the accompaniment herewith, if applicable, is true and accurate.

Warning: HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties. (18 U.S.C. 1001, 1010, 1012.31, U.S.C. 3729 and 3802)

Print Board Chairperson's Name:	Signature:	Date:
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TACOMA HOUSING AUTHORITY

To: THA Board of Commissioners
From: Michael Mirra
Date: November 30, 2018
Re: Draft Proposed Budget FY 2019

At its meeting on December 12th, the Board is scheduled to adopt THA's budget for FY 2019, which begins on January 1st. The Board has a study session on November 30th at Noon to review the proposed budget. I have had discussions with various board members regarding the draft, and what is in store for 2019. I write to describe this proposal.

1. BUDGET PRINCIPLES

The draft budget resolution conforms to the following four budget principles that have served us well for the past 15 years.

- *presume upon the worst of the plausible budgets pending in Congress*
Congress is supposed to pass its budget for a year by the previous October 1st. That rarely happens. It is happening again this year. As I write, and perhaps as the Board votes on the 2019 budget, we will not know the level of Congressional appropriation to expect. As a result, THA's Board must place its bets. Amid such uncertainty, our budget principle directs that we budget to the worse of the plausible budget proposals pending in Congress. This year that means we will budget to flat funding for 2019, expecting the same as we received in 2018.

Flat funding is what will happen if Congress extends the present Continuing Resolution throughout 2019. The HUD budget proposals in both the House and the Senate would provide us with modest increases (\$250,000 –\$800,000). If Congress adopts some version of either of them, we will count that as a bonus.

- *recurring income covers recurring expenses.*
This budget proposes a recurring operating surplus of about \$56,000. In an operating budget of \$54 million, this is essentially a flat budget.

This budget principles requires us to characterize an income or an expenditure as either recurring or nonrecurring. The main characterization challenge is how to regard the substantial amounts of income THA receives from its real estate development activities. This income varies a lot from year to year, and its amount is always hard to anticipate. In that respect it is not recurring. Yet, it has been reliable enough within some ranges to invite us to rely on it. This budget finds a middle ground. It regards this income as recurring but, for purposes of budgeting, discounts its amount to account for the inherent uncertainty.

- *we use reserves for nonrecurring expenditures that make us money, save us money or make us more efficient or stronger.*
The main use of reserves continues to be real estate development. We propose to spend about \$15 million on real estate development. This activity makes us money and makes us stronger.
- *we have reserves that are within the designated ranges for each type of monies: not too much and not too little.*
THA needs adequate reserves for three main reasons. **First**, reserves help us operate safely with some measure of assurance and stability, especially considering the uncertainties of federal funding. For this purpose, we like to have at least 2 months of operating expenses, or about \$ 8 million. **Second**, we need a healthy balance sheet to make THA credit worthy when it seeks financing and partners. **Third**, we often must amass reserves in anticipation of a real estate purchase or development. Yet, THA does not want too much in reserve. We have too many needs to address in our community to be leaving money idle. Also, HUD has taught us that it is capable of sweeping our reserves. For this reason, for example, we like to keep our MTW reserves low.

For all these purposes we like to have between \$9.2 million and \$15.7 million. This budget proposal would leave THA with \$19.358 million in reserves for all purposes.

2. SUMMARY

I attach the draft budget documents, with a draft of the accompanying resolution that would have the board approve the draft. As always, the budget comes in Attachments A, B, C and D. The broad budget outlines are in the first three pages of Attachment A, sections 1 through 5. The other parts of Attachment A and the other attachments provide details. In summary:

- It is an operational budget of about \$58.4 million. In its operational aspect, there is a surplus of approximately \$4.4 million. The surplus is due to approximately \$6.7 million in Renew Tacoma RAD proceeds consisting of the final Developer Fee payment and deferred cash flow. As the Board directed in 2018, the budget presumes a voucher utilization rate at 95% level of the HUD assigned baseline.
- The capital budget has the agency expending a little more than \$15 million in 2019. The primary focus is the development of Arlington Drive Campus for Homeless Youth and Young Adults, and Hillside 1800, with \$3 million set aside for Property Purchases and \$1 million for additional rehab needs at the Administrative Office Building at 902 South L. Of this amount, \$2.25 million comes from reserves associated with our restricted ACC sales proceeds. The remainder comes from outside sources or other agency funds. The budget anticipates \$450K of income from the sale of 3 remaining Single Family homes. Factoring this in, along with funds we will use from Reserves for capital purposes, we are projecting to end the year with an approximate \$1.6 million surplus.

- The budget anticipates that we will start FY 2019 with reserves of approximately \$20.1 million and end with \$19.36 million. \$2.1M are property reserves, \$2.5 million are restricted until mid-2012 as requested by BFIM upon its buyout in 2018. This amount covers potential Tax Credit losses. The budget restricts \$8.35 million of funds coming from proceeds sale of property that formerly was Public Housing. The 2019 budget anticipates that we will have utilized all but \$150k of our HAP funding, which will carry over to 2019. For 2019, we should fully utilize our MTW funds, along with transferring unrestricted property funds to cover a deficit budget in that area. After a balancing transfer, it is projected we will end 2019 with approximately \$750K in MTW funds, \$6.7 million in unrestricted funds; \$2.1 million in property reserves; and \$7.125 million in funds with restrictions, which will be primarily used for building and rehab of affordable housing.
- Over the last few years, the entire Tacoma area has felt the effects of a tightened housing market, and upward pressure in rents. Since 2015, we have seen an increase in our HAP payments of an average of \$2 per month per tenant. As the housing market is loosening up a bit, we are budgeting an average increase of \$1.50 per month for 2019. Additionally, we have seen our clients having difficulty renting in this housing market, and are concerned about the portion of income they are having to pay. We are evaluating alternatives for 2019. The budget sets aside an additional \$500K in HAP for 2019 above what we project for rent to allow us to make any needed adjustments in rent for 2019.
- 2018 will be the first full year of RAD post rehab at Renew Tacoma Housing. Upon conversion to RAD, THA supplemented the HUD RAD rents by approximately \$1.5 million using MTW funds. Starting in 2018, THA should start receiving approximately \$900K in cash flow on a recurring basis. Additionally, in 2018, THA is looking at converting the PH units in Salishan and Hillside to RAD. The budget contemplates the need to transfer \$750K to these properties for Capital needs identified under HUD's required Physical Condition Assessment. It does not take into account any MTW supplement to rents, which will be calculated, as we progress further towards conversion.
- The proposed budget funds THA's mainline programs and allows THA to continue the following notable initiatives:

Rapid rehousing for homeless families/youth	Savings Account for the Children of Salishan –
Transition Salishan/Hillside PH to RAD	
Hilltop redevelopment	Continued IT support-new system
Hillside 1800 development	902 South L improvements
James Center North predevelopment	Education Program Expansion
Arlington development	Section 8 lease up support
Property purchases	Enhanced client support

3. A LOOK AHEAD TO FY 2019

We can look ahead to 2019 to see some challenges as well as opportunities. Here are some notable examples of each.

3.1 Tacoma's Rental Market and Federal Funding

If HAP payments continue to increase to keep up with Tacoma's rising rental market, and if HAP funding from Congress continues to lag behind that market, it will be difficult to maintain our 95% utilization rate without cuts in other recurring expenses.

3.2 Moving to Work (MTW) Changes

With the current MTW contract ending in 2028, we do not have to worry about any contract changes unless they come through federal appropriations. In 2019, we will receive over \$900K in public housing capital dollars. That should be the last of the public housing money once we finish the RAD conversion of our portfolio to Section 8 in 2019. With the conversion, our Federal funding will consist solely of Section 8 HAP and Administrative expense starting in 2020. Our HAP funding is tied to HUD's inflation factor and pro-ration. Depending on the year, even though there have been minor inflation factor increases, there have been corresponding pro-ration factor, leaving funding at a flatline level. In 2018, HUD actually provided a 3.6% inflation increase, with no real pro-ration, which led to the additional HAP funding. With our HAP increases, and HOP exits, , we will continuing to review our programs in 2019, and determine what, if any additional changes may be needed over time.

3.3 Property Purchases

We will continue to hunt for properties to buy. Let us remember that there are three reasons why we would consider such a purchase:

- the property will make us money either in its rental stream or its investment value
- the purchase will make or keep a property affordable to low-income households
- the property is poorly managed or maintained and THA's purchase can help a neighborhood and the tenants by improving the property's management or maintenance.

3.4 Property Sales

We had anticipated selling our remaining Single Family homes in 2018. We have 3 homes remaining that to be sold in 2019. These three sales should net approximately \$450K. We also have a purchase and sale agreement to sell the remaining lots in Salishan, which should also close in 2019, for approximately \$575K. These funds will fall within the restricted pot associated with ACC sales, and will be used for either purchase or development of Affordable Housing.

Writing a budget for an organization as complex as THA takes a lot of work. I thank the entire staff for their effort, diligence and good humor. I especially thank our Finance Director, Ken Shalik. He led the many discussions. He also applied his customary excellent judgement. He brings a necessary caution to the question, nicely spiced with a full appreciation for THA's mission and ambition. THA is very fortunate in its staff all year long. That good fortune shows particularly at budget time.

Thank you.



Attachment A

BOARD OF COMMISSIONER DECISION POINTS: 2019 Budget
December, 2019

The green boxes below denote the main decisions for the THA Board. The contents of the green boxes are staff proposals.

The yellow boxes below and other text contain information and staff proposals that will help the Board decide.

1. AVAILABLE RESERVES

Minimum necessary and Optimal Reserves

Type/Purpose of Reserves	Projected Reserves 01/01/19	-	Minimum	Optimal or Maximum	Amount to Reserve	=	Amount of reserves available to use in FY019
a. MTW Reserves	\$750,000		\$ 600,000	\$ 4,600,000	\$750,000		\$0
b. Business Activities (Non-MTW) reserves	\$6,250,000		\$4,000,000	\$6,500,000	\$6,500,000		(\$250,000)
c. THA Owned Property Reserves	\$2,100,000		\$400,000	\$750,000	\$2,100,000		\$0
d. Reserves with Restrictions (ACC sale proceeds)	\$8,350,000		\$0	\$0	\$0		\$8,350,000
e. Heritage Line Of Credit - BFIM investor buyout Reserve	\$2,500,000		\$2,500,000	\$2,500,000	\$2,500,000		\$0
f. Section 8 Reserves held at HUD.	\$150,000		\$0	\$0	\$0		\$150,000
Totals	\$20,100,000		\$7,500,000	\$14,350,000	\$11,850,000		\$8,250,000

MTW Reserves

MTW Expenses Non-HAP

Annual Amount	Minimum		Maximum	
	Period	Amount	Period	Amount
\$13,680,700	1/2 month	\$ 600,000	4 months	\$ 4,600,000
	Total	\$ 600,000	Total	\$ 4,600,000

2. RECURRING OPERATIONAL INCOME AND EXPENSES FY-2019

	Recurring Income	-	Cost of Recurring operations (with proposed savings)	=	Surplus or (Shortfall) in recurring operations ¹
MTW	\$43,798,500		\$45,225,400		(\$1,426,900)
Non-MTW	\$4,408,900		\$5,581,000		(\$1,172,100)
Properties	\$6,658,700		\$4,003,700		\$2,655,000
Total	\$54,866,100		\$54,810,100		\$56,000

3. BUDGET IMPACT - RESERVES - FY-2019

	MTW	Non - MTW					Total
		Business Activities	THA Owned Property Reserves	Reserves with Restrictions (ACC sale proceeds)	Heritage Line Of Credit - BFIM investor buyout Reserve	Section 8 Reserves held at HUD.	
Estimated Reserves - 01/01/19	\$750,000	\$6,250,000	\$2,100,000	\$8,350,000	\$2,500,000	\$150,000	\$20,100,000
a. Recurring Surplus/(Shortfall) ¹	(\$1,426,900)	(\$1,172,100)	\$2,655,000				\$56,000
Non-Recurring Income/(Expense)							Amount
b. Non Recurring Income - Operational ²	\$0	\$1,072,000	\$6,885,000				\$7,957,000
c. Non Recurring Income - Capital ³	\$0	\$9,365,000		\$1,025,000			\$10,390,000
d. Operations & Support Department Expenses - Operational ⁴	(\$1,667,800)	(\$311,500)					(\$1,979,300)
e. Operations & Support Departments Expenses- Capital ⁵	(\$1,150,000)	\$0	(\$218,000)				(\$1,368,000)
f. Development Department - Operational ⁶	(\$148,000)	(\$1,534,100)					(\$1,682,100)
g. Development Department - Capital ⁷	\$0	(\$11,865,000)		(\$2,250,000)			(\$14,115,000)
h. Operating Transfers		\$175,000	(\$175,000)				\$0
i. Balancing Transfer	\$4,392,700	\$4,754,300	(\$9,147,000)				\$0
j. <i>Projected Reserves - 12/31/19</i>	\$750,000	\$6,733,600	\$2,100,000	\$7,125,000	\$2,500,000	\$150,000	\$19,358,600

4. **FY-2019 PROJECTED END OF YEAR RESERVE LEVELS**

Type/Purpose of Reserves *	Projected Reserves 12/31/19	Minimum	Optimal	Excess/(Deficit) Reserves Over Optimal
a. MTW Reserves	\$750,000	\$600,000	\$4,600,000	(\$3,850,000)
b. Business Activities (Non-MTW) reserves	\$6,733,600	\$4,000,000	\$6,500,000	\$233,600
c. THA Owned Property Reserves	\$2,100,000	\$2,100,000	\$2,100,000	\$0
d. Reserves with Restrictions (ACC sale proceeds)	\$7,125,000	\$0	\$0	\$7,125,000
e. Heritage Line Of Credit - BFIM investor buyout Reserve	\$2,500,000	\$2,500,000	\$2,500,000	\$0
f. Section 8 Reserves held at HUD.	\$150,000	\$0	\$0	\$150,000
g. Totals	\$19,358,600	\$9,200,000	\$15,700,000	\$3,658,600

Amount to Reserve	Excess/(Deficit) Reserves Over Amount to Reserve
\$750,000	\$0
\$6,250,000	\$483,600
\$2,100,000	\$0
\$0	\$7,125,000
\$2,500,000	\$0
\$0	\$150,000
\$11,600,000	\$7,758,600

5. **A LOOK AHEAD TO FY-2019 and beyond (ADDITIONAL INCOME, SAVINGS OR EXPENSES TO EXPECT)**

5.1	Recurring FY019 Income	Recurring FY019 Expense	Amount
a.	Cash Flow - RTH Tax Credit Properties		\$700,000
b.	Cash Flow -Salishan 1 - 3		\$300,000
c.	Bay Terrace 1 - Deferred Developer Fee		\$56,000
d.	Bay Terrace 2 - Deferred Developer Fee (\$650K Based upon property cash flow)		\$150,000
e.	Alberta Canada - Deferred Developer Fee (\$450K based on Cash Flow)		\$75,000
f.		HAP expenditures due to increasing rents	(\$475,000)
g.		HAP changes to HOP % for increased occupancy	(\$500,000)
5.2	Recurring FY020 Income	Recurring FY019 Expense	Amount
a.	Cash Flow - Tax Credit Properties (Salishan & Hillside RAD)		TBD
b.	Section 8 Admin Fee- Salishan & Hillside RAD units		\$200,000
c.		HAP MTW Supplement - Salishan/Hillside RAD conversion	(\$200,000)
d.		HAP expenditures due to increasing rents	(\$600,000)
5.3	Non-Recurring FY020 Income	Non-Recurring FY020 Expense	Amount
a.	Developer Fee - Bay Terrace - Phase 3		TBD
b.	Developer Fee - Alberta Canada		\$500,000
c.			
5.4	Non-Recurring FY021 Income	Non-Recurring FY020 Expense	Amount
a.	Developer Fee - ?		
b.			

6. MTW Commitments passed by Board - 2018	Current Commitment	Projected Balance at end of 2018	Included in 2019 Budget	Revised Commitment Amount - 2019
a. Renovation/Remodel of Family Investment Center Building	\$1,241,650	\$0	\$0	\$0
b. Software Conversion of Yardi/VisualHOME Platform (Open Door/Intacct)	\$300,000	\$0	\$0	\$0
c. Open Door Future Enhancements	\$0		\$100,000	\$500,000
c. Education Projects - McCarver and Others	\$310,000	\$310,000	\$0	\$310,000
d. Childrens Savings Account Cohort payments	\$270,000		\$0	\$270,000
e. Development Projects (Hilltop)	\$2,500,000	\$2,500,000	\$250,000	\$2,500,000
f. Bay Terrace 3 Funding Gap	\$2,500,000	\$2,500,000	\$2,000,000	\$500,000
g. Arlington Heights	\$0		\$0	\$500,000
h.	\$7,121,650	\$5,310,000	\$2,350,000	\$4,580,000

Back-up Detail

7. Non-Recurring Income: FY-2019

Sources of Non-Recurring Income	Original			Mid-Year Revision		Change	
	MTW-CFP	Non-MTW	Properties	MTW-CFP	Non-MTW	MTW-CFP	Non-MTW
Operational²							
a. 2018 HAP income carryover to 2019	\$0						
b. <i>Developer Fee Income</i>							
1. RAD - Properties (PM)			\$4,985,000				
2. Alberta J Canada Renovation (RD)		\$272,000					
3. Hillside 1800 - Initial (RD)		\$200,000					
4. Arlington Drive - Initial (RD)		\$200,000					
c. <i>Other Revenue</i>							
1. KWA Development Consulting Fee		\$150,000					
2. CRC Development Project Admin Fee		\$125,000					
3. Chase Grant - Hilltop Redvelopment		\$125,000					
d. Renew Tacoma RAD Waterfall Payout (PM)			\$1,900,000				
e. Bay Terrace 2 Lease Up Reserve Refund Payment (PM)			\$0				
f. Operations Subtotal ²	\$0	\$1,072,000	\$6,885,000	\$0	\$0	\$0	\$0
Capital³	MTW-CFP	Non-MTW	Properties	MTW -CFP	Non-MTW	MTW -CFP	Non-MTW
g. Hillside 1800							
1. State - HTF		\$1,800,000					
2. City -TCRA loan		\$300,000					
h. Arlington - CRC							
1. COT CBDG 2163 Funds		\$1,000,000					
2. City of Tacoma		\$800,000					
3 Pierce County CBDG 2163 Funds		\$675,000					
i. Arlington - Rental Unit Development							
1. State Set Aside		\$4,290,000					
j. Salishan- Market Rate Lots sale (ACC sales proceeds)		\$575,000					
k. Scattered Sites ACC property Sales			\$450,000				
l. KWA purchase - Hillsdale Heights		\$500,000					
m. <i>Capital Subtotal³</i>	\$0	\$9,940,000	\$450,000	\$0	\$0	\$0	\$0

8. Non-recurring Operational/Support Department Costs Reserve Requests/Budget Changes (Non-grant funded)

Operations & Support Departments

8.1 Operations & Support Department Non-Recurring - Operational⁴

	Original			Mid-Year Revision		Change	
	MTW-CFP	Non-MTW	Properties	MTW -CFP	Non-MTW	MTW -CFP	Non-MTW
a. <i>Salaries</i>							
1. Sunset positions	\$0	\$0					
2. New project oriented positions	\$0	\$0					
3. Existing project oriented Positions	\$0	\$0					
4. Overtime/Interns	\$221,000	\$45,000					
b. <i>Information Technology Expenses (Line 20)</i>							
1. Intacct Operational Review (AD)	\$14,000	\$3,500					
2. Eight Cloud Support (AD)	\$48,000						
3. Open Door Consulting Support (AD)	\$50,000						
c. <i>Office Equipment Expensed (Line 26)</i>							
1. Open Door Training Laptops (AD)	\$22,200						
2. Computer Replacements for 902 Overhead staff (AD)	\$20,000						
3. New Failover cluster server (AD)	\$10,000						
4. Phones for Icloud migration (AD)	\$35,000						
5. Stand up Desks (FD)	\$16,500						
6. 902 Interview phones (RA)	\$10,000						
d. <i>Legal (Line 27)</i>							
1. RAD Conversion - Salishan & Hillside (AD)	\$100,000						
2. Miscellaneous Legal (HR)	\$20,000						
e. <i>Administrative Contracts (Line 30)</i>							
1. RAD Conversion - Salishan & Hillside (AD)	\$100,000						
2.. Leadership Team Development (HR)	\$20,000						
3. New Performance Evaluation System (HR)	\$20,000						
5. HOP Analysis (PIE)	\$50,000						
6. Comm Health Advocate Focus Groups (PIE)	\$15,000						
7. Wait List Algorithm (PIE)	\$5,000						
8. PIE Miscellaneous	\$25,000						
9. Rental Assistance Miscellaneous	\$17,500						
10. RFP Consultants - Fire Alarms (PM)	\$15,000						
11. Elevator Support Consulting (PM)	\$2,000						
f. <i>Tenant Services - Other (Line 37)</i>							
1. Security Deposit Assistance (RA)	\$50,000						
2. Security Deposit Assistance (PM)	\$20,000						
g. <i>Protective Services (Line 46)</i>							
1. Placeholder for Agency Security Needs (PM)	\$62,500						
h. <i>General Expenses (Line 48)</i>							
1. Buyout incentives/ separation agreements (HR)		\$25,000					
i. <i>Extraordinary Maintenance (line 53)</i>							
1. Salishan 7 Exterior Painting (Prop)	\$79,000						
2. Salishan 7 Parking Lot sealing (Prop)	\$14,000						
j. <i>Section 8 HAP Payments (line 54)</i>							
1. Rapid Rehousing/Homeless Youth (Amount above Average HAP) (RA)	\$589,100						

k. Contingency (Line 33)	\$17,000	\$238,000					
l. Operational Subtotal ⁴	\$1,667,800	\$311,500	\$0	\$0	\$9	\$0	\$0

8.2 Operations & Support Departments - Capital⁵

	Original			Mid-Year Revision		Change	
	MTW-CFP	Non-MTW	Properties	MTW -CFP	Non-MTW	MTW -CFP	Non-MTW
a. IT - Additional Program Needs - Open Door/Intacct	\$50,000						
b. Additional 902 Remodel/Repair Needs	\$1,000,000						
c. Maintenance Vehicle Replacement	\$50,000						
d. Security Servers for Sites	\$50,000						
e. Highland Crest Roof Replacements			\$45,000				
f. Reserve for Replacement Deposits			\$173,000				
g. Capital Subtotal ⁵	\$1,150,000	\$0	\$218,000	\$0	\$0	\$0	\$0

Real Estate Development Department Activity
8.3 Development Department Nonrecurring - Operational⁶

	Original			Mid-Year Revision		Change	
	MTW-CFP	Non-MTW	Properties	MTW -CFP	Non-MTW	MTW -CFP	Non-MTW
a. Salaries							
1. Sunset positions identified in 10.2 a.	\$0	\$79,500					
2. Existing project oriented Positions - 10.3 a. - f.	\$148,000	\$835,600					
b. Legal (Line 27)							
1. Other Acquisitions		\$20,000					
2. Miscellaneous		\$20,000					
c. Administrative Contracts (Line 30)							
1. Moving and Storage during FIC renovation		\$9,000					
2. Miscellaneous		\$20,000					
d. Due Diligence - Development Opportunities (Line 32)							
1. Hilltop Master Plan		\$50,000					
2. Potential land/building acquisition		\$100,000					
3. New Tax Credit Project		\$50,000					
4. James Center North		\$75,000					
5. Other Opportunities		\$25,000					
6. Hillside Resyndications		\$250,000					
e. Contingency (Line 33)		\$0					
f. Development Activity - Operational - Subtotal ⁶	\$148,000	\$1,534,100	\$0	\$0	\$0	\$0	\$0

8.4 Development Department - Capital ⁷	Original			Mid-Year Revision		Change	
	MTW-CFP	Non-MTW	Properties	MTW -CFP	Non-MTW	MTW -CFP	Non-MTW
a. Hillside 1800							
1. State - HTF		\$1,800,000					
2. City - TCRA loan		\$300,000					
3. THA ACC Sale Proceeds		\$2,000,000					
b. Arlington - CRC							
1. COT CBDG 2163 Funds		\$1,000,000					
2. City of Tacoma		\$800,000					
3 Pierce County CBDG 2163 Funds		\$675,000					
c. Arlington - Rental Unit Development							
1. State Set Aside		\$4,290,000					
d. New Acquisitions		\$3,000,000					
e. MLK - Hilltop Lofts							
1. THA ACC Sales Proceeds		\$250,000					
f. Development Activity - Capital - Subtotal ⁷	\$0	\$14,115,000	\$0	\$0	\$0	\$0	\$0

9. Operating Transfers/Reserve Appropriations Requested

9.1 Operations	Original			Mid-Year Revision		Change	
	MTW-CFP	Non-MTW	Properties	MTW -CFP	Non-MTW	MTW -CFP	Non-MTW
a. Salishan 7 Painiting - Replacement Reserve		\$79,000					
b. Operations Subtotal	\$0	\$79,000	\$0	\$0	\$0	\$0	\$0

9.2 Capital	Original			Mid-Year Revision		Change	
	MTW-CFP	Non-MTW	Properties	MTW -CFP	Non-MTW	MTW -CFP	Non-MTW
a. IT - Additional Program Needs - Open Door/Intacct	\$0	\$0					
b. Additional 902 Remodel/Repair Needs	\$0	\$0					
c. Maintenance Vehicle Replacement	\$0	\$0					
d. Hillside 1800 - ACC Sales Proceeds	\$0	\$2,000,000					
f. New Acquisitions	\$0	\$0					
g. MLK - Hilltop Lofts - THA ACC Sales Proceeds		\$250,000					
h. Capital Subtotal	\$0	\$2,250,000	\$0	\$0	\$0	\$0	\$0

10. Notable Operational/Support Department Information

	Staff Positions			Change	Comments
	Increase/ Decrease fm previous year budget	Original	Mid-Year Revision		
10.1 Position Changes - FY-2019 -Recurring					
<i>Currently Occupied Position Upgrades</i>					
a. Operations Coordinator Upgrade (RA)					
b. Project Manager 1 to Project Manager 2 (PIE)					
c. Program Supervisor (CS) - Position Upgrade					
d. Construction Mgr (RED) Sunset to Regular - 2018					
<i>New Positions - Recurring</i>					
e. Open Door Manager (AD)	1.0	\$138,600			
f. Community Builder (CS)	1.0	\$88,700			
g. <i>Subtotal</i>	2.00	\$227,300			
10.2 Sunset Positons - Non-recurring					
<i>Sunset Positons</i>					
a. Community Builder (Bay Terrace) (RD) - Ongoing		\$79,500			Hilltop Redevelopment
b. <i>Subtotal</i>	0.00	\$79,500			
10.3 Project Oriented Positions (Non Grant funded) classified as non-recurring					
<i>New Positions - Project Oriented (Regular Employee)</i>					
a. Development Analyst (RD)	1.0	\$113,000			
<i>Existing Positions - Project Oriented (Regular Employee)</i>					
c. Sr. Project/Construction Manager (RD)		\$459,000			BA
d. Project Manager 1 (RD)		\$215,000			BA
e. Construction Site Manager (RD)		\$119,100			
f. Office Assistant Senior (RD)		\$77,500			
g. <i>Subtotal</i>	1.00	\$983,600			
10.4 Total Position Changes	3.00				

11. Positions hired after MTW conversion to strengthen operations or support new initiatives resulting from MTW conversion (rounded salaries & benefits) - Included in recurring

	# positions	Salary & Benefits			
a. Risk Manager (AD)	1.0	\$124,000			
b. Compliance Auditor (AD)	1.0	\$103,000			
c. Project Manager 1 (AD)	1.0	\$105,000			
d. Business Process Improvement Specialist (AD)	1.0	\$112,000			
e. IT Support Specialist (AD)	1.0	\$81,000			
f. Salesforce Administrator (AD)	1.0	\$149,000			
g. Department Manager (PIE)	1.0	\$147,000			
h. Policy & Planning Analyst (PIE)	1.0	\$104,000			
i. Communications Manager (PIE)	1.0	\$115,000			
j. Project Manager 2 (PIE)	1.0	\$112,000			
k. Project Manager 1 (PIE)	2.0	\$196,000			
l. Operations Coordinator (RA)	1.0	\$97,000			
m. Client Support Staff (Non RAD, non Grant)	1.0	\$406,000			
n. Landlord Liasion (RA)	1.0	\$100,000			
o. Additional Director Positions	2.0	\$330,000			
p. Subtotal	17.00	\$2,281,000			

**FY 2019 Tacoma Housing Authority Budget
Agency Total by Departmental Areas**

	Executive	Administration	Finance	Human Resources	PIE	Real Estate Development	Rental Assistance	Client Support & Empowerment	PM Overhead	Property Budgets	Agency Total
INCOME											
1 Revenue - Dwelling rent	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$2,670,100	\$2,670,100
2 Tenant Revenue - Other	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$134,960	\$134,960
3 HUD grant - Section 8 HAP reimbursement	\$0	\$0	\$0	\$0	\$0	\$0	\$40,106,403	\$0	\$0	\$0	\$40,106,403
4 HUD grant - Section 8 Admin fee earned	\$0	\$0	\$0	\$0	\$0	\$0	\$3,472,454	\$0	\$0	\$0	\$3,472,454
5 HUD grant - Public Housing subsidy	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,170,697	\$1,170,697
6 HUD grant - Community Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$273,794	\$0	\$0	\$273,794
7 HUD grant - Capital Fund Operating Revenue	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$866,669	\$866,669
8 Management Fee Income	\$329,521	\$929,136	\$833,378	\$216,330	\$0	\$0	\$174,112	\$501,889	\$288,060	\$0	\$3,272,426
9 Other Government grants	\$0	\$0	\$0	\$0	\$0	\$10,000	\$0	\$161,118	\$0	\$0	\$171,118
10 Investment income	\$0	\$0	\$40,000	\$0	\$0	\$0	\$0	\$0	\$0	\$7,180	\$47,180
11 Fraud Recovery Income - Sec 8	\$0	\$0	\$0	\$0	\$0	\$0	\$7,500	\$0	\$0	\$0	\$7,500
12 Other Revenue- Developer Fee Income	\$0	\$0	\$0	\$0	\$0	\$952,730	\$0	\$0	\$0	\$4,985,000	\$5,937,730
13 Other Revenue	\$0	\$0	\$12,000	\$0	\$178,000	\$447,600	\$10,000	\$335,325	\$0	\$3,709,132	\$4,692,057
TOTAL OPERATING RECEIPTS	\$329,521	\$929,136	\$885,378	\$216,330	\$178,000	\$1,410,330	\$43,770,469	\$1,272,125	\$288,060	\$13,543,738	\$62,823,088
OPERATING EXPENDITURES											
Administrative											
14 Administrative Salaries	\$475,265	\$1,196,085	\$835,163	\$296,103	\$531,336	\$1,065,097	\$1,868,545	\$0	\$195,618	\$103,660	\$6,566,873
15 Administrative Personnel - Benefits	\$154,647	\$484,464	\$374,475	\$110,390	\$207,185	\$425,912	\$826,867	\$0	\$83,856	\$40,420	\$2,708,216
16 Audit Fees	\$0	\$0	\$17,500	\$0	\$0	\$12,500	\$35,000	\$0	\$0	\$13,830	\$78,830
17 Management Fees	\$0	\$0	\$0	\$0	\$0	\$501,773	\$1,258,144	\$370,310	\$0	\$177,238	\$2,307,465
18 Rent	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$14,400	\$0	\$0	\$14,400
19 Advertising	\$0	\$0	\$0	\$0	\$7,500	\$2,000	\$2,500	\$800	\$2,500	\$2,300	\$17,600
20 Information Technology Expenses	\$0	\$649,563	\$0	\$0	\$5,862	\$0	\$0	\$12,500	\$5,600	\$2,200	\$675,725
21 Office Supplies	\$8,000	\$7,500	\$3,250	\$1,500	\$3,000	\$5,500	\$23,000	\$15,500	\$4,000	\$3,950	\$75,200
22 Publications & Memberships	\$34,883	\$400	\$1,335	\$1,408	\$4,910	\$2,200	\$5,500	\$2,000	\$985	\$0	\$53,621
23 Telephone	\$3,500	\$31,490	\$0	\$1,500	\$660	\$6,000	\$7,000	\$15,000	\$11,000	\$9,670	\$85,820
24 Postage	\$1,500	\$1,000	\$4,250	\$100	\$1,300	\$500	\$15,000	\$4,720	\$250	\$920	\$29,540
25 Leased Equipment & Repairs	\$0	\$80,900	\$0	\$0	\$0	\$0	\$39,000	\$18,440	\$500	\$2,480	\$141,320
26 Office Equipment Expensed	\$6,000	\$117,200	\$16,500	\$500	\$2,000	\$1,100	\$15,000	\$5,000	\$2,000	\$1,520	\$166,820
27 Legal	\$45,000	\$100,000	\$0	\$35,000	\$2,500	\$40,000	\$3,000	\$0	\$7,500	\$10,930	\$243,930
28 Local Mileage	\$1,000	\$500	\$250	\$50	\$1,500	\$2,500	\$1,500	\$2,000	\$250	\$130	\$9,680
29 Staff Training/ Out of Town Travel	\$48,000	\$38,060	\$32,200	\$31,700	\$52,400	\$14,800	\$35,950	\$39,300	\$28,575	\$1,550	\$322,535
30 Administrative Contracts	\$25,000	\$102,500	\$73,025	\$71,016	\$245,000	\$3,000	\$55,000	\$5,000	\$27,000	\$30,890	\$637,431
31 Other Administrative Expenses	\$15,030	\$13,541	\$38,750	\$15,350	\$10,000	\$8,000	\$32,000	\$10,800	\$8,850	\$4,833	\$157,154
32 Due Diligence - Perspective Development	\$0	\$0	\$0	\$0	\$0	\$550,000	\$0	\$0	\$0	\$0	\$550,000
33 Contingency	\$235,000	\$0	\$0	\$3,000	\$2,500	\$0	\$5,000	\$0	\$10,000	\$0	\$255,500
Total Administrative Expenses	\$1,052,825	\$2,823,203	\$1,396,698	\$567,617	\$1,077,653	\$2,640,882	\$4,228,006	\$515,770	\$388,484	\$406,521	\$15,097,660
Tenant Services											
34 Tenant Services - Salaries	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,015,139	\$0	\$0	\$1,015,139
35 Tenant Service Personnel - Benefits	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$449,392	\$0	\$0	\$449,392
36 Relocation Costs	\$0	\$0	\$0	\$0	\$0	\$3,000	\$0	\$0	\$0	\$2,583	\$5,583
37 Tenant Service - other	\$0	\$0	\$0	\$0	\$0	\$0	\$60,000	\$134,650	\$20,000	\$69,600	\$284,250
Total Tenant Services	\$0	\$0	\$0	\$0	\$0	\$3,000	\$60,000	\$1,599,181	\$20,000	\$72,183	\$1,754,364

**FY 2019 Tacoma Housing Authority Budget
Agency Total by Departmental Areas**

Utilities

	Executive	Administration	Finance	Human Resources	PIE	Real Estate Development	Rental Assistance	Client Support & Empowerment	PM Overhead	Property Budgets	Agency Total
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38	Water	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$8,500	\$106,000	\$114,500
39	Electric	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$31,500	\$47,946	\$79,446
40	Gas	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$500	\$7,427	\$7,927
41	Sewer	\$0	\$0	\$0	\$0	\$0	\$14,400	\$0	\$0	\$17,000	\$144,549	\$175,949
Total Project Utilities		\$0	\$0	\$0	\$0	\$0	\$14,400	\$0	\$0	\$57,500	\$305,922	\$377,822
Ordinary Maintenance & Operations												
42	Maintenance Salaries	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$87,500	\$84,911	\$172,411
43	Maintenance Personnel - Benefits	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$37,513	\$30,400	\$67,913
44	Maintenance Materials	\$0	\$0	\$0	\$0	\$0	\$2,500	\$30,000	\$500	\$23,000	\$79,400	\$135,400
45	Contract Maintenance	\$0	\$0	\$0	\$0	\$0	\$6,100	\$3,500	\$2,500	\$85,200	\$478,003	\$575,303
Total Routine Maintenance		\$0	\$0	\$0	\$0	\$0	\$8,600	\$33,500	\$3,000	\$233,213	\$672,714	\$951,027
General Expenses												
46	Protective Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$133,000	\$7,800	\$140,800
47	Insurance	\$3,429	\$25,864	\$6,287	\$1,634	\$4,141	\$25,605	\$33,464	\$12,952	\$23,275	\$84,364	\$221,016
48	Other General Expense	\$0	\$0	\$0	\$25,000	\$0	\$5,000	\$100,492	\$0	\$8,100	\$1,695,203	\$1,833,795
49	Payment in Lieu of Taxes	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$12,384	\$12,384
50	Collection Loss	\$0	\$0	\$0	\$0	\$0	\$0	\$20,000	\$0	\$0	\$31,067	\$51,067
51	Interest Expense	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$529,328	\$529,328
Total General Expenses		\$3,429	\$25,864	\$6,287	\$26,634	\$4,141	\$30,605	\$153,956	\$12,952	\$164,375	\$2,360,145	\$2,788,390
TOTAL OPERATING EXPENSES		\$1,056,254	\$2,849,067	\$1,402,985	\$594,251	\$1,081,794	\$2,697,487	\$4,475,462	\$2,130,903	\$863,572	\$3,817,485	\$20,969,260
Nonroutine Expenses and Capital Expenditures												
52	Ext Maint/Fac Imp/Gain/Loss prop sale	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$108,100	\$108,100
53	Casualty Loss	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$5,000	\$5,000
54	Section 8 HAP Payments	\$0	\$0	\$0	\$0	\$0	\$0	\$37,315,930	\$0	\$0	\$0	\$37,315,930
Total Nonroutine Expenditures		\$0	\$0	\$0	\$0	\$0	\$0	\$37,315,930	\$0	\$0	\$113,100	\$37,429,030
TOTAL EXPENSES		\$1,056,254	\$2,849,067	\$1,402,985	\$594,251	\$1,081,794	\$2,697,487	\$41,791,392	\$2,130,903	\$863,572	\$3,930,585	\$58,398,290
OPERATING SURPLUS/(DEFICIT)		(\$726,733)	(\$1,919,931)	(\$517,607)	(\$377,921)	(\$903,794)	(\$1,287,157)	\$1,979,077	(\$858,778)	(\$575,513)	\$9,613,153	\$4,424,798
55	Debt Service Principal Payments	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$73,128)	(\$73,128)
Surplus/Deficit Before Reserve Appropriations		(\$726,733)	(\$1,919,931)	(\$517,607)	(\$377,921)	(\$903,794)	(\$1,287,157)	\$1,979,077	(\$858,778)	(\$575,513)	\$9,540,025	\$4,351,670
56	Reserve Appropriations	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$79,000	\$79,000
57	Operations/Transfers In/(Out)	\$0	\$0	\$0	\$0	\$0	\$175,000	\$0	\$0	\$0	(\$175,000)	\$0
Surplus/Deficit Before Capital Expenditures		(\$726,733)	(\$1,919,931)	(\$517,607)	(\$377,921)	(\$903,794)	(\$1,112,157)	\$1,979,077	(\$858,778)	(\$575,513)	\$9,444,025	\$4,430,670
58	Capitalized Items/Development Projects	\$0	(\$50,000)	\$0	\$0	\$0	(\$15,115,000)	\$0	\$0	(\$100,000)	(\$45,000)	(\$15,310,000)
59	Reserve for Replacement Contributions	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$172,650)	(\$172,650)
60	Revenue - Capital Grants/Sale of property	\$0	\$0	\$0	\$0	\$0	\$9,940,000	\$0	\$0	\$0	\$450,000	\$10,390,000
61	Reserve Appropriations - Capital	\$0	\$0	\$0	\$0	\$0	\$2,250,000	\$0	\$0	\$0	\$0	\$2,250,000
AGENCY WIDE BUDGET SURPLUS/(DEFICIT)		(\$726,733)	(\$1,969,931)	(\$517,607)	(\$377,921)	(\$903,794)	(\$4,037,157)	\$1,979,077	(\$858,778)	(\$675,513)	\$9,676,375	\$1,588,020

FY19 Budget - Supporting Schedule for Housing Development Capital Expenditures
January 1, 2019 through December 31, 2019

Project	Funding Source	Total	THA MTW/CFP	THA BA/Demo-dispo funds	THA Reserves & Program Income	State & Local Grants
Hillside 1800 redevelopment						
	State - HTF	1,800,000				1,800,000
	City - TCRA	300,000				300,000
	THA ACC Sales Proceeds	2,000,000			2,000,000	
	SUBTOTAL	4,100,000	-	-	2,000,000	2,100,000
MLK - Hilltop Lofts						
	THA ACC Sales Proceeds	250,000			250,000	
	SUBTOTAL	250,000	-	-	250,000	-
Renovations - THA						
	Additional 902 Remodel/Repair needs	1,000,000	1,000,000			
	Highland Crest Roof Replacement				45,000	
	SUBTOTAL	1,045,000	1,000,000	-	45,000	-
Arlington Drive-Crisis Residential Center						
	COT CBDG 2163 Funds	1,000,000				1,000,000
	City of Tacoma	800,000				800,000
	Pierce County CBDG 2163 Funds	675,000				675,000
	SUBTOTAL	2,475,000	-	-	-	2,475,000
Arlington Drive-Rental Units						
	State Set Aside	4,290,000				4,290,000
	SUBTOTAL	4,290,000	-	-	-	4,290,000
Property Purchases						
	New Acquisitions	3,000,000		3,000,000		
	SUBTOTAL	3,000,000	-	3,000,000	-	-
Total Capital Expenditures:						
		15,160,000	1,000,000	3,000,000	2,295,000	8,865,000

Attachment C

12/10/18

2019 Tacoma Housing Authority Budget
THA Properties

	AMP 6	Tax Credit AMP's	Highland Crest	James Center North	Key Bank	Outrigger	Prairie Oaks	Salishan 7	Totals	
	Single Family Homes Family	AMP's 7-15 601	73			49	15	91		
INCOME										
1	Revenue - Dwelling rent	\$0	\$0	\$873,548	\$0	\$0	\$488,584	\$152,500	\$1,154,480	\$2,670,100
2	Tenant Revenue - Other	\$0	\$0	\$70,000	\$0	\$0	\$45,960	\$1,500	\$17,500	\$134,960
3	HUD grant - Section 8 HAP reimbursement	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
4	HUD grant - Section 8 Admin fee earned	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
5	HUD grant - Public Housing subsidy	\$0	\$1,170,697	\$0	\$0	\$0	\$0	\$0	\$0	\$1,170,697
6	HUD grant - Community Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
7	HUD grant - Capital Fund Operating Revenue	\$0	\$866,869	\$0	\$0	\$0	\$0	\$0	\$0	\$866,869
8	Management Fee Income	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
9	Other Government grants	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
10	Investment Income	\$0	\$0	\$1,200	\$0	\$0	\$1,080	\$400	\$4,500	\$7,180
11	Fraud Recovery Income - Sec 8	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
12	Other Revenue- Developer Fee Income	\$0	\$4,985,000	\$0	\$0	\$0	\$0	\$0	\$0	\$4,985,000
13	Other Revenue	\$0	\$2,945,000	\$0	\$711,848	\$35,500	\$12,284	\$2,000	\$2,500	\$3,709,132
TOTAL OPERATING RECEIPTS		\$0	\$9,967,366	\$944,748	\$711,848	\$35,500	\$548,918	\$156,400	\$1,178,980	\$13,543,738
OPERATING EXPENDITURES										
Administrative										
14	Administrative Salaries	\$0	\$0	\$20,400	\$0	\$0	\$22,800	\$0	\$60,480	\$103,680
15	Administrative Personnel - Benefits	\$0	\$0	\$7,140	\$0	\$0	\$7,120	\$0	\$26,160	\$40,420
16	Audit Fees	\$0	\$4,280	\$1,000	\$0	\$0	\$0	\$0	\$8,560	\$13,830
17	Management/Service Fees	\$0	\$0	\$58,967	\$28,500	\$0	\$27,446	\$13,000	\$51,325	\$177,238
18	Rent	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
19	Advertising	\$0	\$0	\$900	\$500	\$0	\$900	\$0	\$0	\$2,300
20	Information Technology Expenses	\$0	\$0	\$300	\$0	\$0	\$1,200	\$600	\$100	\$2,200
21	Office Supplies	\$0	\$0	\$1,500	\$0	\$0	\$900	\$0	\$1,550	\$3,950
22	Publications & Memberships	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
23	Telephone	\$0	\$0	\$2,690	\$0	\$0	\$1,750	\$2,750	\$2,480	\$9,670
24	Postage	\$0	\$0	\$300	\$0	\$0	\$0	\$0	\$820	\$920
25	Leased Equipment & Repairs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$2,480	\$2,480
26	Office Equipment Expensed	\$0	\$0	\$0	\$0	\$0	\$1,000	\$0	\$520	\$1,520
27	Legal	\$0	\$0	\$900	\$2,500	\$0	\$900	\$2,500	\$4,130	\$10,930
28	Local Mileage	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$130	\$130
29	Staff Training/ Out of Town Travel	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,550	\$1,550
30	Administrative Contracts	\$0	\$0	\$0	\$25,000	\$500	\$1,000	\$0	\$4,390	\$30,890
31	Other Administrative Expenses	\$0	\$0	\$2,500	\$300	\$0	\$1,000	\$0	\$1,033	\$4,833
32	Due Diligence - Perspective Development	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
33	Contingency	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Administrative Expenses		\$0	\$4,280	\$94,597	\$56,800	\$500	\$66,016	\$18,850	\$166,478	\$406,521
Tenant Services										
34	Tenant Services - Salaries	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
35	Tenant Service Personnel - Benefits	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
36	Relocation Costs	\$0	\$0	\$0	\$0	\$0	\$0	\$2,583	\$0	\$2,583
37	Tenant Service - other	\$0	\$0	\$19,750	\$0	\$0	\$14,350	\$12,750	\$22,750	\$69,600
Total Tenant Services		\$0	\$0	\$19,750	\$0	\$0	\$14,350	\$12,750	\$25,333	\$72,183

	AMP 6	Tax Credit AMP's	Highland Crest	James Center North	Key Bank	Outrigger	Prairie Oaks	Salisban 7	Totals
Utilities									
38 Water	\$0	\$0	\$11,850	\$44,100	\$0	\$9,112	\$2,200	\$38,738	\$108,000
39 Electric	\$0	\$0	\$5,250	\$12,800	\$0	\$8,480	\$20,000	\$3,616	\$47,946
40 Gas	\$0	\$0	\$0	\$5,985	\$0	\$1,080	\$0	\$362	\$7,427
41 Sewer	\$0	\$0	\$39,880	\$0	\$500	\$28,044	\$9,000	\$87,145	\$144,549
Total Project Utilities	\$0	\$0	\$56,980	\$62,885	\$500	\$44,716	\$31,200	\$109,861	\$305,922
Ordinary Maintenance & Operations									
42 Maintenance Salaries	\$0	\$0	\$0	\$0	\$0	\$0	\$12,000	\$72,910	\$84,910
43 Maintenance Personnel - Benefits	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$30,400	\$30,400
44 Maintenance Materials	\$0	\$0	\$13,200	\$8,000	\$0	\$14,700	\$4,500	\$39,000	\$79,400
45 Contract Maintenance	\$0	\$0	\$121,560	\$152,450	\$10,000	\$87,015	\$15,000	\$111,978	\$478,003
Total Routine Maintenance	\$0	\$0	\$134,760	\$160,450	\$10,000	\$81,715	\$31,500	\$264,288	\$672,713
General Expenses									
46 Protective Services	\$0	\$0	\$0	\$8,800	\$500	\$0	\$500	\$0	\$7,800
47 Insurance	\$0	\$0	\$22,000	\$15,945	\$3,375	\$0	\$8,750	\$34,284	\$84,384
48 Other General Expense	\$0	\$1,545,497	\$100	\$2,800	\$1,000	\$0	\$40,000	\$105,806	\$1,895,203
49 Payment in Lieu of Taxes	\$0	\$11,808	\$0	\$0	\$0	\$0	\$0	\$775	\$12,384
50 Collection Loss	\$0	\$0	\$17,471	\$0	\$0	\$1,200	\$0	\$12,396	\$31,067
51 Interest Expense	\$0	\$0	\$282,800	\$152,000	\$0	\$74,300	\$10,228	\$0	\$529,328
Total General Expenses	\$0	\$1,557,106	\$332,371	\$177,545	\$4,875	\$75,500	\$59,478	\$153,271	\$2,386,145
TOTAL OPERATING EXPENSES	\$0	\$1,561,388	\$638,438	\$457,480	\$15,875	\$282,297	\$153,778	\$708,231	\$3,817,484
Nonroutine Expenses and Capital Expenditures									
52 Ext Maint/Fac Imp/Gain/Loss prop sale	\$0	\$0	\$0	\$0	\$0	\$15,100	\$0	\$93,000	\$108,100
53 Casualty Loss	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$5,000	\$5,000
54 Section 8 HAP Payments	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Nonroutine Expenditures	\$0	\$0	\$0	\$0	\$0	\$15,100	\$0	\$98,000	\$113,100
TOTAL EXPENSES	\$0	\$1,561,388	\$638,438	\$457,480	\$15,875	\$297,397	\$153,778	\$806,231	\$3,930,584
OPERATING SURPLUS/(DEFICIT)	\$0	\$8,405,980	\$306,308	\$254,368	\$19,825	\$251,521	\$2,622	\$372,729	\$9,613,154
55 Debt Service Principal Payments	\$0	\$0	\$0	\$0	\$0	(\$80,828)	\$0	(\$12,500)	(\$73,128)
Surplus/Deficit Before Reserve Appropriations	\$0	\$8,405,980	\$306,308	\$254,368	\$19,825	\$190,893	\$2,622	\$360,229	\$9,540,026
56 Reserve Appropriations	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$79,000	\$79,000
57 Operations/Transfers In/(Out)	\$0	\$0	\$0	(\$175,000)	\$0	\$0	\$0	\$0	(\$175,000)
Surplus/Deficit Before Capital Expenditures	\$0	\$8,405,980	\$306,308	\$79,368	\$19,825	\$190,893	\$2,622	\$439,229	\$9,444,026
58 Capitalized Items/Development Projects	\$0	\$0	(\$45,000)	\$0	\$0	\$0	\$0	\$0	(\$45,000)
59 Reserve for Replacement Contributions	\$0	\$0	(\$32,850)	(\$50,000)	\$0	(\$12,550)	(\$5,250)	(\$72,000)	(\$172,850)
60 Revenue - Capital Grants/Sale of property	\$450,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$450,000
61 Reserve Appropriations - Capital	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Surplus/Deficit	\$450,000	\$8,405,980	\$228,458	\$29,368	\$19,825	\$178,343	(\$2,628)	\$367,229	\$8,676,376

Resolution 2



TACOMA HOUSING AUTHORITY

RESOLUTION 2018-12-12 (2)

Date: December 12, 2018
To: THA Board of Commissioners
From: Michael Mirra
Executive Director
Re: MTW Reserve Commitment

This resolution would update the Board's commitment of Tacoma Housing Authority's (THA) Moving to Work (MTW) reserves. These reserves are essential for purposes vital to THA's mission and to cover important obligations.

Background

THA is an MTW agency, and therefore subject to Housing and Urban Development (HUD) Cash Management rules. At the moment, any eligible Housing Assistance Payment funds (HAP) not reported on the agency's month report as HAP expenditures remain at HUD until the agency submits a request based on expenditures to draw it down.

Furthermore, HUD is not requiring MTW agencies to report on the status of their commitments on their Voucher Management System (VMS) report annually.

Over the years, THA has built up reserves in both its MTW and Business Activity areas. In doing so, the agency plans for the future in both capital and operational areas, and identifies areas where the Reserve funds will allow THA to move forward on accomplishing its goals.

Formally committing these funds with Board approval is a useful planning tool. It also helps HUD understand their purposes.

This Resolution updates the list of commitments.

Recommendation

Approve Resolution 2018-12-12 (2) committing THA MTW reserves as identified in the attached Schedule of MTW Reserve Commitments.



TACOMA HOUSING AUTHORITY

RESOLUTION 2018-12-12 (2) (COMMITMENT OF MOVING TO WORK RESERVES)

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

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

WHEREAS, The attached Schedule of MTW Reserve Commitments updates Resolution 2017-12-12 (2), and reflects the Authority's current plans for such capital and operational expenditures of MTW reserve's; and

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

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

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

Approved: December 12, 2018

Dr. Minh-Anh Hodge, Chair

Resolution 2018-12-12 (2) Backup

Schedule of MTW Reserve Commitments

Planned Expenditure	Current Commitment	Revised Commitment	Planned Expenditure Date
Renovation/Remodel of Salishan Family Investment Center	\$ 1,241,650	\$ -	12/31/2018
Software Conversion (Open Door/Intacct)	\$ 300,000	\$ -	
Open Door Future Enhancements	\$ -	\$ 500,000	12/31/2020
Education Projects - McCarver & Others	\$ 310,000	\$ 310,000	12/31/2021
Children Savings Account Cohort	\$ 270,000	\$ 270,000	12/31/2022
Development projects (Hilltop)	\$ 2,500,000	\$ 2,500,000	12/31/2022
Hillside 1800 Funding Gap	\$ 2,500,000	\$ 500,000	12/31/2020
Arlington Heights Development for Homeless Youth	\$ -	\$ 500,000	12/31/2021
Total Committed Funds	\$ 7,121,650	\$ 4,580,000	

Resolution 3



TACOMA HOUSING AUTHORITY

RESOLUTION 2018-12-12 (3)

Date: December 12, 2018

To: THA Board of Commissioners

From: Michael Mirra
Executive Director

Re: Approval of Account Receivable Write Offs

This resolution will authorize Tacoma Housing Authority (THA) to write off bad debts associated with tenant or landlord accounts in the amount of \$19,049.41.

Background

THA has established a process of writing off tenant accounts receivable bad debt. THA incurs this bad debt when a program participant leaves the public housing or Housing Choice Voucher program owing a balance. The debt may arise from excessive damage to a unit, unpaid rent, or tenant fraud/unreported income. There are also instances where THA overpays rental assistance to a property owner and the owner has not repaid it to THA.

Until we write off these receivable balances as a bad debt, these balances stay on the active ledger in our accounting system and General Ledger (GL). The receivable balance also remains as part of our tenant receivables that we report to HUD in our year-end financials. Once we write off the debt, we can remove it from THA's receivable balance and assign it to the collection agency for collection purposes. THA receives 50% of any proceeds that the collection agency recovers.

THA has notified each individual of his or her debt included in this write off. THA mailed two notices to the last known address of the individual. These notices provide the opportunity for the individual to pay the debt or enter into a repayment agreement with THA. Sending these debts to collections is the last resort.

THA will not send some of these accounts to collections because the tenants have passed away. Those accounts show below with an asterisk (*).

Recommendation

Approve Resolution 2018-12-12 (3) authorizing THA to write off tenant accounts totaling \$19,049.41.



TACOMA HOUSING AUTHORITY

RESOLUTION 2018-12-12 (3) (Approval of Account Receivable Write Offs)

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

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

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

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

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

THA Projects Write offs to Collections

THA - S Wright

D.Y.	LD-2017-035933	\$ 9,899.25
		<u><u>\$ 9,899.25</u></u>

THA - Salishan VII

M.H.	LD-2017-029965	\$ 4,023.52
A.P.	LD-2017-029988	\$ 941.90
J.K.	LD-2017-029993	\$ 4,184.74
		<u><u>\$ 9,150.16</u></u>

Total THA to Collections:		<u><u>\$19,049.41</u></u>
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Approved: December 12, 2018

Dr. Minh-Anh Hodge, Chair

Resolution 4



TACOMA HOUSING AUTHORITY

RESOLUTION 2018-12-12 (4)

Date: December 12, 2018

To: THA Board of Commissioners

From: Michael Mirra
Executive Director

Re: Heritage Line of Credit—Increase to Maximum Interest Rate

This resolution would increase the not to exceed interest rate from 5% per annum to 10% per annum for the existing \$2 million line of credit with Heritage Bank.

Background

On December 17, 2014, the Board approved Resolution 2014-12-17 (4) authorizing the Executive Director to set up to a \$2 million Line of Credit with Heritage Bank for short-term needs (under one year), without directing any particular use of the line of Credit.

The initial maturity date of the Line of Credit was October 31, 2015.

The resolution authorized Tacoma Housing Authority's (THA) Executive Director to extend the maturity date of the Note up to October 31, 2024, as well as modify the interest rate for the note based on the LIBOR note rate (LIBOR plus 2.50% per annum), as long as the modification does not cause the Note to bear interest at a rate in excess of 5% per annum.

LIBOR rates have been increasing, and are in danger of exceeding the 5% per annum by the next time we might want to draw on the Line of Credit, thus not allowing us to utilize it, if needed. An increase to the "not to exceed" LIBOR note rate has been recommended by Heritage Bank.

Recommendation

Approve Resolution 2018-12-12- (4) authorizing THA's Executive Director to execute documents increasing the "not to exceed" LIBOR note rate for the existing \$2 million Line of credit from 5% per annum (Resolution 2014-12(7)) to 10% per annum.



TACOMA HOUSING AUTHORITY

RESOLUTION 2018-12-12 (4)

(Amendment to maximum LIBOR note rate for \$2 million Heritage Line of Credit)

A RESOLUTION of the Board of Commissioners of the Housing Authority of the City of Tacoma authorizing the Executive Director to increase Heritage Bank's Line of Credit maximum interest rate

WHEREAS, The Housing Authority of the City of Tacoma (the "Authority" seeks to encourage the provision of housing for low-income persons residing in the City of Tacoma, Washington; and

WHEREAS, On December 17, 2014, the Board approved Resolution 2014-12-17(4) approving an unsecured line of credit of \$2 million with Heritage Bank; and

WHEREAS, Resolution 2014-12-17 (4) has a cap of 5% per annum on the LIBOR note rate, and needs to be increased based on market conditions; 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 execute documents allowing Heritage Bank to increase interest rates for the LIBOR note rate to where any modification does not cause the Note to bear interest at a rate in excess of 10% per annum as of the effective date of such modification.

Approved: December 12, 2018

Dr. Minh-Anh Hodge, Chair

Resolution 5



TACOMA HOUSING AUTHORITY

RESOLUTION 2018-12-12 (5)

Date: December 12, 2018

To: THA Board of Commissioners

From: Michael Mirra
Executive Director

Re: Update to Payment Standards

This resolution will authorize Tacoma Housing Authority (THA) to adopt new 2019 payment standards for use in THA's rental assistance programs.

Background

Each year Housing and Urban Development (HUD) releases rent data for the Tacoma-Pierce County metropolitan rental market. These data set HUD's "fair market rents" (FMR) for our area for the following year, in this case 2019. Housing authorities must set their payment standards within 90-110% of the HUD FMR. We then use these payment standards to determine the maximum amount of subsidy THA will pay to landlords. We also use them in the calculation of THA tenant and participant rents.

HUD requires THA to assess its tenant data and adjust its payment standards based on this assessment. In addition to tenant data, THA uses a compilation of 3rd party reports and data to assess the regions rental market. THA last changed its payment standards in October 2018.

The following table compares the HUD 2019 FMR to the existing payment standards and 2018 FMR's:

	FY2019 FMR	Current THA Payment Standard	FY2018 FMR	FMR % of Increase From 2018 - 2019
Studio	\$860	\$812	\$773	11.2%
1 bedroom	\$966	\$925	\$881	9.6%
2 bedroom	\$1265	\$1202	\$1145	10.5%
3 bedroom	\$1829	\$1666	\$1666	9.8%
4 bedroom	\$2222	\$2017	\$2017	10.2%
5 bedroom	\$2555	\$2320	\$2320	10.2%
6 bedroom	\$2889	\$2622	\$2622	10.2%
7 bedroom	\$3222	\$2925	\$2925	10.2%
8 bedroom	\$3555	\$3227	\$3227	10.2%

Analysis

THA staff considers the following factors during the payment standard review:

- (1) shelter burden (% of household income paid for rent and utilities)
- (2) vacancy rate and rent by Tacoma neighborhood
- (3) comparison with average Tacoma rents
- (4) inspection pass or fail rate
- (5) how long it takes clients to find a unit under current payment standard
- (6) extent to which clients cannot use a voucher
- (7) extent to which clients seek to take their voucher to other jurisdictions
- (8) requests for rent increases
- (9) financial impact on THA

1. Shelter Burden (% of households paying more than 30% of income towards rent)

HUD has established a standard that households should pay no more than 30% of its income toward rent. When a household selects a unit where the gross rent (rent & utilities) exceeds the payment standard the household pays the difference. This results in a larger out of pocket expense for the client. Increasing the payment standards helps offset some of that expense.

- 1.1. **November 2018** – 30% for our traditional HCVs and 30% for our HOP clients are paying more than 30% of their income toward rent.
- 1.2. **April 2018** – 29% for our traditional HCVs and 29% for our HOP clients were paying more than 30% of their income toward rent.

2. Vacancy Rate and Rent by Tacoma Neighborhood

A lower vacancy rate and higher rents makes it difficult for clients to compete for units. Increasing the payment standards helps them compete for those units with less out of pocket expenses.

In the past, THA has relied heavily on the vacancy report provided by Dupre & Scott. That company went out of business January 2018. THA has been using a various compilations of on-line resources and a rental property survey that McCament and Rogers conducts twice a year. McCament and Rogers is a real estate consulting firm that also does market studies for the City of Tacoma and Lakewood.

March 2018 (McCament and Rogers Survey along with other data)

	Low Income	Affordable Market	Market Rate	Out of Downtown
Vacancy Rate (%)	7.0%	3.0%	2.0%	4%
Average Rent (\$) 2 Bdrm (low end)	\$932	\$758	\$1201	\$1345

September 2018 (McCament and Rogers Survey along with other data)

	Low Income	Affordable Market	Market Rate	Out of Downtown
Vacancy Rate (%)	2.0%	2.0%	3.0%	5%
Average Rent (\$) 2 Bdrm (low end)	\$812	\$750	\$1395	\$1,670

3. Comparison of Current Payment Standard and Rents

Comparing the current payment standards to actual rents THA is paying for units provides a metric that can help determine affordability of an increase. This is important in our dynamic market to allow increases that keep pace with real-time asking rents.

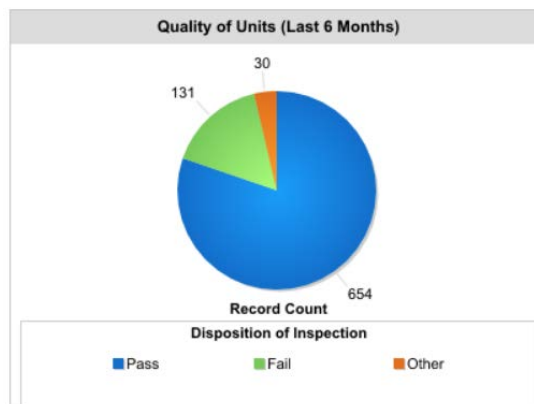
The following table compares the **current** payment standards and THA actual average contract rent amount.

	Current THA Payment Standard 2018	Actual Average Rent Amount
Studio	\$812	\$680
1 bedroom	\$925	\$819
2 bedroom	\$1,202	\$988
3 bedroom	\$1,666	\$1,325

4. HQS pass/fail rates

Tracking the pass/fail rates of initial unit inspections provides a measurement that is used to determine if the payment standard amounts are allowing clients to select higher quality units.

During our May 2018 analysis, the HQS pass rate was 81%. Currently, 80% of all units selected by clients eventually pass inspections. This is based on comparing the number of initial inspections in relation to the number of failures and turn-backs.



5. Shopping Days

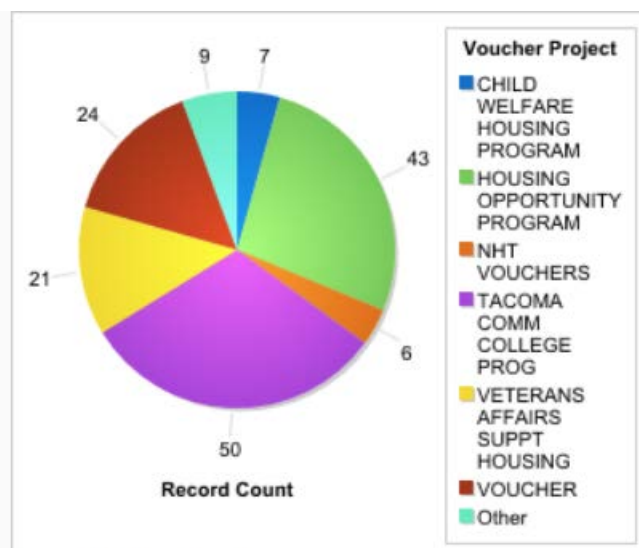
Tracking the amount of time it takes for our clients to find and secure a unit helps determine if the payment standards give them sufficient buying power in the market. A longer shopping time could mean that the payment standard is not competitive with the market rate rents.

We are starting to see a drop in the average shopping times. This is the time tenants take to find housing once they've received our subsidy. Notably, last review had 89 days for traditional vouchers and 116 days for Housing Opportunity Program (HOP) clients. Currently we are at approximately 74 days for both programs.

6. Expired and Unused Vouchers

Returned subsidies can be a barometer for client shopping success as well. An increase in returned subsidies could indicate an inability to compete for units in the market. Increasing payment standards could help with that competitiveness.

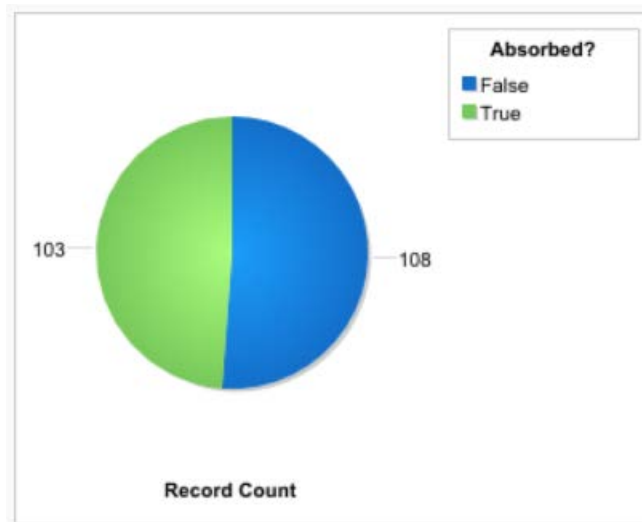
Since January 2018, 160 applicants have returned their subsidies to THA without leasing up. This represents 18% of the total issued. We have added additional data fields to Open Door so that we can better understand the reasons for these returning subsidies. The chart below shows the breakdown for the major programs.



7. Port Outs

Tracking the amount of clients leaving our jurisdiction provides an indicator that could mean they are searching for an affordable unit elsewhere. Increasing payment standards could help retain some of those clients by providing more buying power within our area of responsibility.

As of November 26, 2018, we have 211 clients that have ported out. This is a 37% increase since our last analysis in April/May 2018. We have had 65 clients port to Pierce County Housing Authority (PCHA). Approximately 10 are new and 55 have been absorbed. Pierce County Housing Authority (PCHA) has adopted 100% of the 2019 HUD FMR's as their new payment standard and since we share leasing boundaries, matching that payment standard could help retain clients.



8. Rent Increases Processed

The number and amount of rent increases requested by current landlords provides feedback on how they are viewing the market and how they want to take advantage of it. It also lets us know if it is just a few landlords or across the board. Payment standard increases allow us to keep pace and reduce client expenses.

From January 1, 2018, to date THA Rental Assistance staff has processed approximately 1,800 rent increase requests. The average increase has been approximately \$95.

9. Estimated Financial Impact to THA

We review the budget to determine the impact projected subsidy adjustments will have on funding available.

Raising THA's payment standards will have a financial impact on the THA budget but Finance has expressed its support for this increase.

Recommendation

We are starting to see a slight rise in the vacancy rate, reduced number of shopping days for clients, and rent averages for THA clients are still below the current payment standards. We

continue to experience rent increase requests at a rate of about 165 per month for THA subsidized units, twice what would be considered normal. We still have well over 350 active clients trying to lease up. After review of our current payment standards and the other factors listed in this analysis, we recommend that THA increase its payment standards to 100% of the HUD 2019 proposed FMRs. The current payment standards are set at 105% of the 2018 FMRs for the 0, 1, and 2 bedroom units and 100% of the 2018 FMRs for remaining bedroom sizes. We hope this increase will help with the quantity and quality of units available to our clients.

	FY2019 FMR	Current THA payment standard	Proposed THA Payment Standard (PS)	% Increase from current PS	Old HOP subsidy amount (50% of Payment Standard)	New HOP subsidy amount (50% of Payment Standard)
Studio	\$860	\$812	\$860	5.9%	\$406	\$430
1 bedroom	\$966	\$925	\$966	4.4%	\$463	\$483
2 bedroom	\$1265	\$1202	\$1265	5.2%	\$601	\$633
3 bedroom	\$1829	\$1666	\$1829	9.8%	\$833	\$915
4 bedroom	\$2222	\$2017	\$2222	10.2%	\$1009	\$1111
5 bedroom	\$2555	\$2320	\$2555	10.2%	\$1160	\$1278
6 bedroom	\$2889	\$2622	\$2889	10.2%	\$1311	\$1445
7 bedroom	\$3222	\$2925	\$3222	10.2%	\$1463	\$1611
8 bedroom	\$3555	\$3227	\$3555	10.2%	\$1614	\$1778

Staff recommends approving Resolution 2018-12-12 (5) authorizing THA to adopt new payment standards effective March 1, 2019.



TACOMA HOUSING AUTHORITY

RESOLUTION 2018-12-12 (5) (Update to Payment Standards)

A **RESOLUTION** of the Board of Commissioners of the Housing Authority of the City of Tacoma authorizing the THA Executive Director to increase THA's payment standards.

WHEREAS, HUD sets fair market rents annually; and

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

WHEREAS, Rent increase requests for THA subsidized units are still twice the average; and

WHEREAS, Average market rate rents are still above current payment standards; and

WHEREAS, There are still over 350 active shoppers searching for units; and

WHEREAS, New payment standards will go into effect March 01, 2019; now, therefore, be it

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

The Board authorizes THA's Executive Director to increase THA's payment standards to 100% of the 2019 HUD fair market rents for all bedroom sizes.

Approved: December 12, 2018

Dr. Minh-Anh Hodge, Chair

Resolution 6



TACOMA HOUSING AUTHORITY

RESOLUTION 2018-12-12 (6)

Date: December 12, 2018

To: THA Board of Commissioners

From: Michael Mirra
Executive Director

Re: Approval of Property Based Subsidy Contract—Koz on Market Street Apartments

Tacoma Housing Authority (THA) issued a Request for Proposals for Property Based Subsidies. This resolution will award Property Based Subsidies to Koz 1554 Market Street LLC's Koz on Market Street Apartments.

Background

On August 7, 2018, THA issued a Request for Proposals (RFP) for up to 200 property-based subsidies. In September THA awarded 62 of these vouchers to Highland Flats (former Tiki Apartments). The RFP has remained open and THA has committed to reviewing all new proposals every 30 days. In November, THA received another response Koz 1554 Market Street LLC. THA scores all proposals were scored based on:

- owner experience;
- units set aside for households below 30% area median income (AMI) receive 3 points each;
- units set aside for households below 40% AMI receive 2 points each;
- units set aside for households below 50% AMI receive 1 points each;
- units set aside for households with a student attending Tacoma Community College receive additional points; and
- units set aside for households with a student attending Tacoma Public Schools receive additional points.

At this time, the RFP review committee recommends awarding property-based subsidies to Koz 1554 Market Street for its Koz on Market Street Apartments. This award is for 52 units. This is a market rate property that is nearing the completion of its construction. The property has a total of

104 units, all studio “micro” apartments. The property was planned to be rented to market rate University of Washington Tacoma (UWT) students. When THA approached the property owner to see if they were interested in making any units available to low-income students they immediately expressed interest in the opportunity and have been working with THA and University of Washington-Tacoma (UWT) to craft a proposal to serve homeless and low-income UWT students that could benefit from this housing. Though THA is not awarding extra points for the owner’s partnership with UWT, nor its proximity to UWT, the proposal still scores adequate points to be recommended for this award and we are excited to support this partnership.

The basic components of this award include:

1. 52 units will be set aside for households with the following incomes:
 - 1.1. 26 units will be for households below 30% area median income (AMI);
 - 1.2. 10 units below 40% AMI;
 - 1.3. 10 units below 50% AMI; and
 - 1.4. 6 units below 60%.
2. Koz will attempt to fill the 26 units for households below 30% AMI with homeless UWT students. All other assisted units will be filled in the following priority order:
 - 2.1. UWT students that are near homeless;
 - 2.2. TCC students currently receiving a THA subsidy under the College Housing Assistance Program (CHAP) that would end upon transferring to UWT;
 - 2.3. Households that include at least one UWT student;
 - 2.4. If a unit cannot be filled by a qualified UWT student within 14 days of a unit vacancy/availability then the owner will advertise to the general public and lease to a qualified tenant earning at or below the established area median income limit for the particular unit; and
 - 2.5. If, at any time during this contract, UWT is unable to provide sufficient referrals to fill vacancies at this property, THA and the owner may work with other post-secondary institutions, including Tacoma Community College and Bates, to establish a referral system to the property.
3. Tenant rents are fixed regardless of the tenant’s actual income. During the first full year of this contract, rents and THA subsidies will approximate to the amounts in the table below:

AMI %	Maximum Allowable monthly income: 1 person HH	Maximum Allowable monthly income: 2 person HH	Bedroom size	Contract Rent*	Maximum Tenant Rent	# of Units	Annual THA Contribution
30%	\$1,308	\$1,493	0	\$905	\$392	26	\$ 160,056
40%	\$1,743	\$1,990	0	\$905	\$523	10	\$ 45,840
50%	\$2,179	\$2,488	0	\$905	\$653	10	\$ 30,240
60%	\$2,615	\$2,985	0	\$905	\$784	6	\$ 8,712
						52	\$ 244,848

*This is an average contract rent and will vary as units for this program are identified.

This provides predictable rent amounts for tenants rather than having tenant rents vary as tenant incomes go up and down. This makes the program easier to explain, understand and manage for both tenants and landlords. The fixed subsidy also removes a disincentive for tenants to increase their earned income because the tenant's share of the rent will not increase if they earn more. On the other hand, it also means that a tenant's rent share will not decrease if their income goes down. In this way, it is similar to THA's Housing Opportunity Program (HOP) but tied to a property rather than assigned to a tenant.

4. The subsidies to the owner will be set on an annual basis rather than varying month-to-month based on tenant rent calculations. The subsidy will be based on the difference between the market value of the unit and the tenant rent. This provides a stable and predictable and easy to administer income stream for the owners and predictable expenses for the housing authority. The value of this subsidy contract will be approximately \$245,000 per year.
5. The owner will be responsible for advertising its vacancies, screening its tenants and verifying the income of the tenants. Tenants will not have a relationship with THA. They will just realize affordable rents at the property level based on the subsidy that THA provides to the owner. The arrangement will offer tenants the tenant protections of THA's other programs.

With the approval of this resolution, THA will begin negotiating the contract with Koz 1554 Market Street LLC. The contract term will be four (4) years. The basic components of the contract will include:

- tenant protections for the occupants of the property
 - Leases cannot be terminated without good cause
 - Tenants are eligible for a HOP subsidy if the contract with the owner terminates;
- leases at the property cannot be renewed more than three consecutive lease terms. This builds in time for an occupant to attend UWT and complete a degree or certificate program without having a requirement that they maintain student status. If an occupant does not attend UWT, this contract term will ensure adequate unit turnover to serve more UWT students in need of housing;
- the terms of the annual subsidy payment;
- a requirement that the property maintain 95% occupancy;
- monthly reporting to ensure THA meets its Moving to Work reporting requirements that are required as a condition of providing this type of subsidy;

- units must pass Housing Quality Standards (HQS) inspections; and
- tenant screening criteria.

With the approval of this resolution, THA will negotiate the contract with the owner.

Recommendation

Approve Resolution 2018-12-12 (6) authorizing THA's Executive Director to negotiate, and if those negotiations are successful, execute a Property Based Subsidy contract with Koz 1554 Market Street LLC.



TACOMA HOUSING AUTHORITY

RESOLUTION 2018-12-12 (6)

(Approval of Property Based Subsidy Contract)

WHEREAS, Tacoma Housing Authority (THA) has held a competitive process for property-based subsidies; and

WHEREAS, Koz 1554 Market Street LLC was the highest scoring respondent and will be awarded subsidies for fifty-two (52) units; and

WHEREAS, the effective date of the contract will be up to the discretion of the Executive Director; and

WHEREAS, the contract term will be up to four (4) years; 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, execute a Property Based Subsidy payment contract with Koz 1554 Market Street LLC.

Approved: December 12, 2018

Dr. Minh-Anh Hodge, Chair

Resolution 7



TACOMA HOUSING AUTHORITY

RESOLUTION 2018-12-12 (7)

Date: December 12, 2018
To: THA Board of Commissioners
From: Michael Mirra
Executive Director
Re: Hilltop Parcels GC/CM Contractor

This resolution would authorize Tacoma Housing Authority's (THA) Executive Director to negotiate and execute a contract for preconstruction and construction services with Walsh Construction for THA's Hilltop Parcels.

Background

On October 15, 2018, staff solicited proposals for a GC/CM contractor to provide pre-construction and construction services for the redevelopment of THA's Hilltop Parcels. THA posted the advertisements for the Request for Proposals (RFP) and related Addenda to Washington Electronic Business Solutions (WEBS) and THA's website. Proposals were due November 14, 2018.

On November 14, 2018, staff received four (4) 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 the committee would interview all four firms. 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. GCCM Project Team (15 Points)
4. project Approach (20 Points)
5. fee Proposal (15 Points)
6. utilization plans for Targeted Business, Section 3 and Incorporation of Apprenticeship/Training Programs (20 Points)

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

Project: Hilltop Parcels GCCM Proposals Scoring																												
GCCM																												
Firm	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
Charter	12	12	14	19	18	10	85	11	12	10	14	16	9	72	10	12	12	15	18	9	76	11	12	12	16	17	9	78
Marpac	12	15	15	20	18	13	93	13	14	15	17	17	14	90	13	13	13	18	19	13	89	13	14	14	18	18	13	91
Pavillion	15	7	15	20	20	15	92	12	11	10	14	16	13	76	12	9	12	15	18	10	76	13	9	12	16	18	13	81
Walsh	15	14	15	20	14	15	93	14	14	15	18	16	15	92	15	14	14	18	16	13	90	15	14	15	19	15	14	92

Staff recommends Walsh Construction to provide pre-construction and construction services for the development of up to 250 new affordable housing units on the Hilltop Parcels. Walsh Construction has presented a qualified team of professionals that are dedicated to achieve the project budget and timeline and has demonstrated success on previous project similar to the one proposed in this RFP process.

Recommendation

Approve Resolution 2018-12-12 (7) authorizing THA's Executive Director to negotiate and, if those negotiations are successful, to execute an agreement with Walsh Construction not-to-exceed \$115,000 for pre-construction services and negotiate a Guaranteed Maximum Price (GMP) for Phase I construction at the conclusion of the bidding phase in the summer of 2019.



TACOMA HOUSING AUTHORITY

RESOLUTION 2018-12-12 (7) (Hilltop Parcels 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 redevelop the sites known as THA's Hilltop Parcels with up to 250 new affordable housing units; and

WHEREAS, On October 15, 2018, THA solicited proposals for a GC/CM contractor to provide pre-construction and construction services; and

WHEREAS, On November 14, 2018, THA received four (4) 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 Walsh Construction to provide preconstruction and construction services with a negotiated Guaranteed Maximum Price (GMP) for Phase I construction; now, therefore, be it

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

The Executive Director is authorized to negotiate and, if those negotiations are successful, to executive an agreement with Walsh Construction not-to-exceed \$115,000 for pre-construction services and negotiate a Guaranteed Maximum Price (GMP) for Phase I construction at the conclusion of the bidding phase in the summer of 2019.

Approved: December 12, 2018

Dr. Minh-Anh Hodge, Chair