



TACOMA HOUSING AUTHORITY

BOARD OF COMMISSIONERS

BOARD PACKET

January 23, 2019



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, JANUARY 23, 2019

The Board of Commissioners of the Housing Authority of the City of Tacoma will hold its Regular Meeting on **Wednesday, January 23, 2019, at 4:45 pm.**

The meeting will take place at:

**3201 S. Fawcett Street
Tacoma, WA 98418**

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 January 23, 2019, I FAXED/EMAILED, the preceding 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

January 23, 2019, 4:45 PM

3201 S. Fawcett Street, Tacoma, WA 98418

1. **CALL TO ORDER**
2. **ROLL CALL**
3. **APPROVAL OF MINUTES**
 - 3.1 Minutes of December 12, 2018—Regular Meeting
4. **GUEST COMMENTS**
5. **COMMITTEE REPORTS**
6. **COMMENTS FROM THE EXECUTIVE DIRECTOR**
7. **ADMINISTRATION REPORTS**
 - 7.1 Finance
 - 7.2 Client Support & Empowerment
 - 7.3 Rental Assistance
 - 7.4 Property Management
 - 7.5 Real Estate Development
 - 7.6 Human Resources
8. **OLD BUSINESS**
9. **NEW BUSINESS**
 - 9.1 2019-01-23 (1) HUD Disposition Approval for the Sale of
Arlington Youth Campus Land
 - 9.2 2019-01-23 (2) Approval of Property Based Subsidy Contract—Crosspointe
Apartments **(WALK-ON)**
10. **COMMENTS FROM THE COMMISSIONERS**
11. **EXECUTIVE SESSION, if any**
12. **ADJOURNMENT**



TACOMA HOUSING AUTHORITY

MINUTES



TACOMA HOUSING AUTHORITY

BOARD OF COMMISSIONERS MEETING MINUTES REGULAR SESSION WEDNESDAY, DECEMBER 12, 2018

The Commissioners of the Housing Authority of the City of Tacoma met in Regular Session at 902 South L. Street, Tacoma, WA 98405 at 4:45 PM on Wednesday, December 12, 2018.

1. CALL TO ORDER

Commissioner Rumbaugh called the meeting of the Board of Commissioners of the Housing Authority of the City of Tacoma (THA) to order at 5:10 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
Commissioner Stanley Rumbaugh (arrived late at 5:04 pm)	
Commissioner Shennetta Smith	
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	

Commissioner Rumbaugh declared there was a quorum present @ 5:11 pm and proceeded.

3. APPROVAL OF MINUTES OF THE PREVIOUS MEETING

Commissioner Rumbaugh asked for any corrections to, or discussion of, the minutes for the Regular Session of the Board of Commissioners on Wednesday, November 14, 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

Motion approved.

Commissioner Rumbaugh asked for any corrections to, or discussion of, the minutes for the Study Session of the Board of Commissioners on Friday, November 30, 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

Motion approved.

4. GUEST COMMENTS

Deputy Superintendent Josh Garcia
K-12 Leadership Development Director Thu Ament
Tacoma School District (TPS)

Deputy Executive Director (DED) Black led the discussion regarding the redesign and expansion of the Elementary School Housing Assistance Program (ESHAP). The current program is available to 50 homeless families who attend McCarver Elementary School. The staff of THA and TPS propose to redesign the program and expand it to all TPS schools and all grades. This will increase the number of families served to 150 and will increase the cost to THA from \$500,000 to \$1.5 million a year. THA and TPS will assess how that expansion goes. Perhaps the results will warrant further expansion later. DED Black said a specific proposal for expansion will come to the Board in time for the launch in September 2019. For now, staff from THA and TPS need the Board's approval for the general approach which she and Deputy Superintendent Garcia described.

DED Black addressed questions from THA Board of Commissioners and THA Executive Director Michael Mirra. Commissioner Rumbaugh asked for more detail on how the expanded program will work. DED Black explained the preferred structure: that the program will become part of Pierce County's Rapid Rehousing program. THA already funds this program. THA would increase the level of its funding to pay for this expansion. The expansion will also require a collaboration of service providers to provide the supportive services. There are already service providers fulfilling the necessary needs of the families, but there is no single source of information or coordination.

Deputy Superintendent Josh Garcia said it is important for TPS that they are not starting from ground zero. Instead, this proposal uses what TPS and THA have learned from the McCarver experience. One size does not work for all because each situation is unique. The work is complex and comprehensive. Success is seen when families stay in their neighborhood – one school, one neighborhood.

Commissioner Rumbaugh asked what distinguishes this from normal housing assistance programs, whether through vouchers or other types of subsidy. How will it improve education outcomes and how will it help parents increase their earned income? DED Black and Deputy Superintendent Garcia noted that the McCarver model presumed upon the old Tacoma rental market. The redesign needs to account for the new market that does not allow the program to ask parents to commit to a particular school. Deputy Superintendent Garcia also said we are better at communicating with families and serving them. TPS is also getting better with data, taking the most critical elements to help reduce barriers for families.

DED Black stated that responsibilities will be divided between THA and TPS and will continue to be refined. "We are doing a good job at separating responsibilities and holding ourselves accountable to make this happen," said Garcia. Thu Ament added that TPS is looking at linear support as they move through K-12.

Commissioner Smith wanted to know how the needs for services will be tracked. Garcia responded that TPS has a better data system but there are numerous operations that will need to be done and implemented. THA and TPS will need to solidify and improve the plan. DED Black hopes the program will go live at the beginning of the next school year.

Deputy Superintendent Garcia confirmed that TPS will continue its contribution to the partnership of \$120,000 a year. He noted that TPS faces serious budget challenges. It nevertheless is committed to this partnership with THA.

Commissioner Rumbaugh requested an update every couple of months. Student success is part of THA's mission; he believes this program merits THA funding and internal staffing and partnership.

Commissioners Rumbaugh, Smith and Young stated their support for the plan.

Staff will provide the Board with updates every two months with an expectation of presenting a detailed proposal for the Board's review and approval before the school year starts in September. Garcia added that the school district's superintendent also supports this program.

DED Black thanked TPS for their time and partnership and Josh Garcia specifically for being always available and responsive. She also thanked THA staff for their work on the proposal and Client Support and Empowerment which runs the program. Finally, she thanked the board for considering the proposal.

Senator Patty Murray's Office
South Sound Director Christine Nhan

Commissioner Rumbaugh welcomed Christine Nhan of Senator Murray's Office to the board meeting. Nhan is the new director for South Sound for Senator Patty Murray's office. Commissioner Rumbaugh informed her, "As we have told the Senator and DC staff, we invite you to inquire of us and ask for any assistance we would be happy to provide."

5. COMMITTEE REPORTS

Real Estate Development Committee—Commissioner Rumbaugh

The committee did not have a meeting.

Finance Committee—Chair Hodge and Vice Chair Young

Nothing to report.

Education Committee—Chair Hodge

Chair Hodge was not in attendance.

Citizen Oversight Committee—Commissioner Banks

Commissioner Banks was not in attendance.

6. COMMENTS FROM THE EXECUTIVE DIRECTOR

Executive Director Mirra noted the resolution on the agenda to approve a contract with Koz Developments. He explained that this is a significant and exciting expansion of THA's College Housing Assistance Program to the University of Washington Tacoma. Staff are excited to expand this kind of subsidy.

He noted another resolution that would choose Walsh Construction for THA's Housing Hilltop project. This resolution is also very good news.

7. ADMINISTRATIVE REPORTS

Finance

Finance Department (FD) Director Ken Shalik directed the board to the cash and expense reports. THA received \$2.4M at the end of November and already received \$2M in Developer Fees for Renew Tacoma Housing Rental Assistance Demonstration (RAD). THA also received \$3.1M in capitalized interest, increasing THA's total cash balance by \$7.5M. If the government shuts down at the end of December, THA has the funds to continue operations on its own for a while.

Director Shalik noted that the Board will consider a resolution that would approve the 2019 budget. Once again the Board must adopt a budget without knowing what Congress will do to the HUD budget. He noted the exit conference with the state auditors at the end of November. It was another clean audit: no findings, no concerns. Vice Chair Young attended the exit conference on behalf of the board.

Commissioner Smith moved to ratify the payment of cash disbursements totaling \$4,468,337 for the month of November 2018. Vice Chair Young seconded.

Upon roll call, the vote was as follows:

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

Motion Approved.

Administrative Services

Administrative Services (AS) Director Sandy Burgess directed the board to her report. Chart 1 of her report shows cash flow as budgeted and actual. There are four properties experiencing problems. Renew Tacoma does not show up on the chart but cash flow was budgeted at \$1.2M for end of the third quarter and came in lower. Commissioner Rumbaugh asked how much of the shortfall will THA need to make up and how will it affect the budget. Director Burgess responded that it would be around \$700K. Director Shalik said it will not affect the budget; THA will receive \$2.6M when all is done. This just means that THA will get less money back. Commissioner Rumbaugh asked why THA is \$750K below projected. According to Director Shalik, THA anticipated to convert earlier but there were environmental issues that forced THA to go eight months longer during construction. A discussion ensued about the delay in environmental clearances from the Department of Ecology and how it is delaying THA's ability to pay off the construction loan, prolonging the interest payments it requires.

Chart 2 shows Per Unit Per Year (PUPY) operating expenses actual compared to budgeted. Seven properties are managing within their assigned PUPYs; seven are not. AS staff are working with Property Management (PM) to control the expenses. Commissioner Rumbaugh said THA can do better than 50 percent and wanted to know the plan to bring it to equilibrium. Director Burgess reminded the Board that the numbers are actually better than last year's, plus THA now has the tools to monitor the PUPY. Asset Management and PM went through the budget to ensure THA is budgeting at optional levels. Each property will provide cash flow and funds to THA once they transfer to Rental Assistance Demonstration (RAD). Director Burgess added that staff are discussing the budget regularly.

Client Support and Empowerment

Client Support and Empowerment (CSE) Director Cacey Hanauer directed the board to her report. She thanked the board for approving the Y contract; she is excited to have them on board. Director Hanauer is working on the legislative approach for Arlington and is working closely with Community Youth Services (CYS) and the Y. The kick off for Arlington is scheduled January 4, with the state's First Lady and several legislators attending. CSE Case Worker Kye Hillig recounted the recent Thanksgiving meal at Mercy Housing. Residents of THA's senior building participated. Before the meal, several residents stood up to thank THA for its services. It was very moving for THA staff to hear this. Director Hanauer noted that this is a testament to Kye's work.

Rental Assistance

Rental Assistance (RA) Director Julie LaRocque directed the board to her report. Utilization is up a little, but THA's voucher holders continue to encounter problems finding landlords in Tacoma's new rental market. THA's utilization rate will improve once THA signs a project based contract with the Hotel Olympus and the Rialto Apartments. She noted that THA had to await an inspection of the balconies on the Rialto. She also noted the units from the pending contract with Koz Developments. That will help too.

Property Management

Property Management (PM) Director Frankie Johnson directed the board to her report. At last month's meeting, Director Johnson informed the board that PM will exceed the target of 20 days to turn a unit. That turned out to be the case. Traditionally, November and December are challenging months, but last month PM lost a notable number of worker hours to vacation time for the holidays; this affected the turn numbers. In addition for the first time in a while, PM had challenges finding customers for vacant units. Of the one hundred packets sent out, THA only received 25 back. Of the 25, half were over income. Leasing has been maintaining at 1-5 days, but had to report 10 leasing days for the past month. There were two hard hits for Meth at Sals 5 and 6. Hillside Terrace is the oldest property needing to be rehabed.

Director Johnson did note that THA is closing in on its targets Per Unit Per Year (PUPY). In response to Commissioner Rumbaugh's question, Director Johnson said PM expects the trend to continue. There will be two sets of staff training at the end of March; Director Johnson expects to see the impact by the second quarter of 2019.

Real Estate Development

Real Estate Development (RED) Director Kathy McCormick was not in attendance. RED Department Manager Karen Peterson directed the board to the RED report. Over the last couple of months, RED has made progress on getting development partners for several projects. A \$3M funding gap may show in the budget for 1800 Hillside due to high construction cost. This is not unique to THA as several developers are facing similar issues. The RED team is having discussions with architects to see about reducing costs, as well as looking at other avenues. RED is also hoping for a good price for its tax credits. Commissioner Rumbaugh wanted to know how likely the return on tax credit will go on a full dollar. Ms. Peterson thought that at least \$.96 cents was likely. She agreed with Commissioner Rumbaugh that this is always an exercise on cost cutting and revenue generation.

James Center North signed a new nail salon tenant. James Center also had a mobility charrette in December which was well attended. Arlington received Housing and Urban Development (HUD) approval for the Crisis Residential Center (CRC) and had a kickoff meeting on November 29 for developers. Director McCormick and Peterson will meet with the Y for a pre-development discussion.

8. OLD BUSINESS

None.

9. NEW BUSINESS

9.1 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>

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

Upon roll call, the vote was as follows:

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

Motion Approved: December 12, 2018

Dr. Minh-Anh Hodge, Chair

9.2 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.

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

Upon roll call, the vote was as follows:

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

Motion Approved: December 12, 2018

Dr. Minh-Anh Hodge, Chair

9.3 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>\$ 9,899.25</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>\$ 9,150.16</u>
	Total THA to Collections:		<u>\$19,049.41</u>

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

Upon roll call, the vote was as follows:

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

Motion Approved: December 12, 2018

 Dr. Minh-Anh Hodge, Chair

9.4 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.

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

Upon roll call, the vote was as follows:

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

Motion Approved: December 12, 2018

Dr. Minh-Anh Hodge, Chair

**9.5 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.

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

Upon roll call, the vote was as follows:

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

Motion Approved: December 12, 2018

Dr. Minh-Anh Hodge, Chair

9.6 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.

COMMENTS: Commissioner Rumbaugh wanted to know if Koz was a local company. DED Black said she believed it is headquartered in Snohomish but does work locally. DED Black acknowledged Landlord Engagement Specialist Eric Lane's work in eliciting the interest of Koz Development.

Adan Espino, Jr. addressed the Board in support of this resolution. He is the Legislative Liaison for the Associated Students of UWT (ASUWT). He stated that ASUWT is excited to get this contract going because it has seen the success at THACC students. UWT students need the same assistance. ED Mirra thanked Adán for coming and shared his excitement with the partnership. Commissioner Rumbaugh expressed hope that this will be just one of several partnerships with UWT.

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

Upon roll call, the vote was as follows:

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

Motion Approved: December 12, 2018

Dr. Minh-Anh Hodge, Chair

9.7 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 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.

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

Upon roll call, the vote was as follows:

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

Motion Approved: December 12, 2018

Dr. Minh-Anh Hodge, Chair

9. COMMENTS FROM COMMISSIONERS

NONE.

10. EXECUTIVE SESSION

None.

11. ADJOURNMENT

There being no further business to conduct the meeting ended at 7:03 PM.

APPROVED AS CORRECT

Adopted: January 23, 2019

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

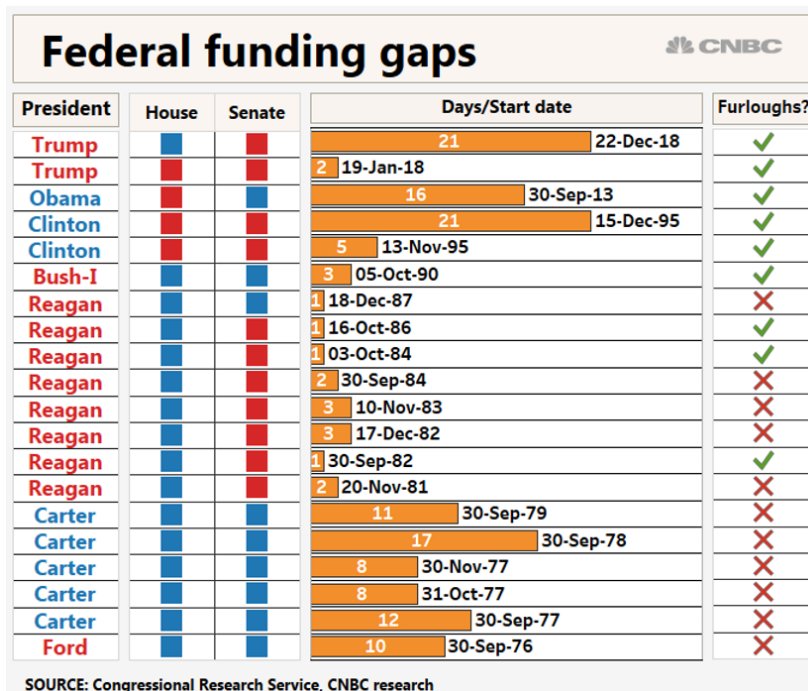
To: THA Board of Commissioners
From: Michael Mirra, Executive Director
Date: January 17, 2019
Re: Executive Director's Monthly Report

This is my monthly report for January 2019. It supplements the departments' reports.

1. GOVERNMENTAL SHUTDOWN CONTINUES: THA's RESPONSE

Last month the Board had to adopt a budget without knowing what THA's HUD allocation will be for 2019. We did not know our allocation because Congress had not yet passed a budget for 2019. The main uncertainty at the time was whether we would have the House version of a budget, the Senate version or a Continuing Resolution that would extend the 2018 budget. That was on December 12th.

We were disappointed on all counts. On December 22nd part of the government, including HUD, shut down for lack of any budget at all. As I write this, after 25 days, the government is still shut down. It is the longest shutdown in the nation's history.



Fortunately, HUD distributed the January and February allocation to housing authorities before it shut down. This means that, for the most part, THA and other housing authorities are funded through February 28th. That is very good news.

Yet, the media reports and our various sources from Congress do not offer any assurance

that the shutdown will end by March 1st. Accordingly, THA needs to start planning its response if indeed the government does not reopen by then.

For that purpose, we have created a project. I attach its description. That description outlines a planning proposal I would like to review at the Board meeting. I will ask the Board for its general approval of the plan. **The proposal requires only one specific operational decision from the Board at this time: authorization to use up to \$6.8 million from THA reserves of \$22 million to fund operations in March should the government remain shutdown at that time.** This authorization would give us ample time for an orderly planned curtailment of expenditures, with adequate notice to clients and partners, should the shutdown last until April 1st. Without this authorization, we have to begin that notice and curtailment now in time to be effective for March 1st.

First some facts:

- THA requires between \$4.6 million and \$5 million a month for routine operations.
- \$2.8 million of that monthly amount pays rent on behalf of clients to landlords and to project based properties, including THA's properties.
- As I noted above, HUD has funded THA through February 28th. The real problem begins if the government is still shut down on March 1st.
- THA some important advantages in the situations. **First**, it is an MTW agency. That flexibility will serve us well. **Second**, THA has about \$22 million in reserves. \$15.2 million is restricted; these restrictions vary in whether they would allow or preclude their use for normal operations; \$6.8 million of the reserves are unrestricted. THA also has a \$2 million line of credit.
- THA's largest monthly expense is the \$2.8 million it pays to landlords in rent for clients.
- Under THA's contracts with those landlords, THA's failure to pay its share of the rent do not permit them to terminate a client's fixed-term tenancy. A landlord will have a greater ability on those grounds to terminate a month to month tenancy. State and city laws do not allow a landlord to discriminate in leasing against a voucher holder.
- Yet, despite these contracts and laws, THA's landlords rely on THA's regular payment of rent. Many of them are smaller landlords who cannot easily withstand a suspension of rent payments. In turn, THA's successful administration of its rental assistance programs requires it to earn the confidence of its landlord partners.

Here is the staff proposal. Details show in the attachment:

January 23, 2019	The THA Board authorizes the use of up to \$6.8 million in unrestricted reserves for operations in March 2019 should the governmental shutdown last until then.
February 1, 2019	<p>If the government is still shutdown on February 1st and if on that date we cannot judge that the shutdown will end by February 28th, staff will do the following:</p> <p>1. Staff will send a communication to all clients, staff, our unions, landlord partners, contractors, community partners, and the media. The communication will explain:</p> <ul style="list-style-type: none">● THA is funded through February and is prepared to use reserves if necessary to maintain operations in March;● THA will begin now planning for a prolonged shutdown into April that will require it to curtail expenditures;● in devising this plan, THA will consult widely with clients, landlords and others;● THA values the confidence it tries hard to earn from its clients, partners and the community; THA will try hard to retain that confidence through the shutdown. <p>2. Staff will devise a plan to present to the Board at its meeting on February 27th. The plan will propose how THA can curtail expenditures in anticipation that the shutdown will last into April. Examples of how to do this may include:</p> <ul style="list-style-type: none">● identify a hierarchy of spending priorities to protect from suspension, <i>e.g.</i>, THA's portfolio; rent payments to smaller landlords.● begin spending curtailments in March so we can last longer on reserves into April. <p>In devising the plan, staff will consult with clients, staff, our unions, landlord partners and other persons with a stake in THA and its work.</p>

February 27 th	If the government is still shut down when the Board convenes on February 27 th , staff will present its plan to the Board on how to curtail expenditures in anticipation of a shutdown that lasts into April. The staff will take its further direction from the Board.
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In the meantime, we are communicating with THA staff and with stakeholders. I have been emailing to All THA Staff since the shutdown began. I attach my email of January 12th. I am also discussing the shutdown in staff meetings. We have posted the following message prominently on the front page of our web site.

Despite the government's shutdown, THA is funded through February. We will make all payments until at least then. We value the confidence we have tried hard to earn from our clients, landlords, and partners. We will try hard to retain that confidence through this shutdown. Thank you.

We are also communicating with our Landlord Advisory Board. In all these communications, we mean to convey five messages:

- (1) We seek to reassure people that THA is in relatively good shape to honor our obligations, at least through February and probably through March.
- (2) We acknowledge that a governmental shutdown is always a serious matter and we are taking it seriously with planning as best we can.
- (3) We will invite people to help us plan and to share the burden of choosing among the hard choices we may face.
- (4) We will inform people about our choices so they can prepare.
- (5) We will recognize that people depend on THA for vital services and payments. We will express how we value the confidence we have tried hard to earn from our clients, landlords, and partners. We will promise to try hard to retain that confidence through this shutdown.

We remain hopeful that the government will re-open for business shortly. The national community of housing advocates are writing to Congress. I attach a sample of these letter. If the government does not re-open by February 28th, THA will prepare as well as possible for ourselves, our staff, our clients, our landlord partners and our other stakeholders.

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2. Arlington Drive Campus for Homeless Youth and Young Adults: Launch Celebration

On January 4th, at the Eastside Community Center, THA helped to host a very public celebration of the launch of THA's Arlington Drive Campus for Homeless Youth and Young Adults and Pierce County's Anchor Community Initiative to end youth homelessness.

It was a success in three ways. **First**, it was a logistical success of a very complicated planning challenge. For this we have THA's wonderful staff to thank, led by Adam Ydstie and Brandon Wirth. They managed an array of speakers each of whom had a very busy schedules. Adam and Brandon found a date that fit into those schedules, coordinated with A Way Home Washington to make it a joint celebration, found the right forum, and arranged the food, displays, publicity, staging, video and audio equipment and thousands of other details. If it went smoothly, as it did, it is because of all their hard work in advance and behind the scenes. Moreover, Adam and Brandon did all this with their customary calm, poise and good humor. We are very grateful to them.

Second, the event was a successful public display of the broad support THA has for Arlington Drive. Commissioner Rumbaugh was one of the speakers. In his eloquent remarks, Stan combined the insights of a THA Commissioner and of a member of the judiciary. He also told the audience that Arlington Drive is not a usual undertaking for a public housing authority. He noted that we do not know of another housing authority that has tried this. Stan explained why THA nevertheless regards this work as well inside how we understand our mission. Yet he also observed that Arlington Drive poses risks for THA and that we cannot consider doing it without strong support from others. The event on January 4th reassured us that we had this support. This was evident in the other speakers:

- State Senator Jeannie Darneille
- State Senator Hans Zeiger
- State Representative Laurie Jenkins
- City Councilmember Catherine Ushka
- Speaker of the Washington State House of Representatives Frank Chopp
- Derek Harris, CEO of Community Youth Services
- Aaron Fox, Director of Youth Services, YMCA of Greater Seattle

- Mayor Victoria Woodards and County Executive Bruce Dammeier served as Mistress and Master of Ceremonies.

Perhaps most impressive of all the speakers were our three young people. They were all nervous to speak, and brave. Each spoke with the authority that can only come from having been homeless while young. With that authority, more than anyone else in the room, they explained the lives at stake and the importance of the work.

Third, the occasion showed THA and its partnerships to very good advantage in an important public moment before an important audience. Commissioner Young (with his

young son Owen), Commissioner Smith and many staff were in the audience to represent THA so well.

It was a good day for Arlington Drive, for the Eastside, for Tacoma and for THA.

3. THA EXPANDS ITS COLLEGE HOUSING ASSISTANCE PROGRAM TO HOSUE HOMELESS UWT STUDENTS

Last month, the Board approved a contract with Koz Developments to expand THA's College Housing Assistance Program (CHAP) to house homeless students at the University of Washington Tacoma. Koz Development is completing the construction of an apartment building with 104 units, Koz on Market. These apartments are right across the street from the University of Washington Tacoma campus in downtown Tacoma. By contract with THA, Koz Developments will reserve 26 of the units for homeless University of Washington Tacoma students. Another 26 units are for other persons in the following order of priority:

- University of Washington Tacoma students experiencing housing insecurity;
- University of Washington Tacoma students transferring from Tacoma Community College and who participated there in THA's College Housing Assistance Program (CHAP) for homeless TCC students;
- other very low-income University of Washington Tacoma students;
- other very low-income households.

THA provides Koz Development with a property-based subsidy that pays down the rent to levels affordable to these students. The University of Washington Tacoma provides funds to help these students pay the security deposit and other move-in expenses. The Associated Students of UW Tacoma – a student led organization – helps to advertise the program to students.

Since the Board approval, I am pleased to report that the arrangements are in place and students are moving in. I attach our press release. The program has attracted considerable local and national media coverage.

With this expansion of the CHAP to the University of Washington Tacoma, THA now will house or pay to house up to 252 homeless or near homeless college students in Tacoma.

This contract also helps to boast THA's utilization rate.



Tacoma Housing Authority Project Database

Date: January 12, 2019

PROJECT: Governmental Shutdown: THA's Plan to Manage a Prolonged Shutdown **PROJECT #:** EX-2019-001

Assigning Person: Michael Mirra **Start Date:** January 12, 2019 **Close Date:**

Project Manager: April Black **Due Date:** May 31, 2019

Ongoing: No

Full Project Description

On December 22, 2018, HUD and other parts of the federal government shut down for lack of a Congressional budget. As of January 12th, the shutdown continues with no end in sight. This project will assess and plan for the effect that the shutdown will have on THA and its clients, staff and partners. The project has the following purposes:

- understand the shutdown's effect on THA, its staff, clients, landlord partners and other partners and stakeholders;
- plan to manage those effects in a way that as far as THA can responsibly do so protect THA's stakeholders without unduly impairing THA's financial and programmatic integrity;
- communicate as time allows with stakeholders to elicit their advice, to share with them the burden of the hard choices THA may face, to assure them that THA takes their interests seriously, and to tell them what THA will do and how it will affect them.

This project will have the following elements:

1. ASSESS THE EFFECTS THE SHUTDOWN WILL HAVE AND THE SCHEDULE OF EFFECTS ON THA, AND ITS CLIENTS, STAFF, LANDLORD PARTNERS AND OTHER STAKEHOLDERS

This project will assess the shutdown's potential effects and the schedule for those effects on THA, and its clients, staff, landlord partners and other partners. The shutdown can affect THA and its stakeholders in two main ways. **First**, it may interpret the flow of funding. **Second**, it may prevent HUD from granting approvals that THA needs for its real estate development projects and other operations.

The following people or activities may feel one or both of these effects:

- the portfolio and its residents
- tenant based rental assistance clients
- tenant based rental assistance landlord partners
- project-based voucher and property based subsidy landlords and their residents
- tenants and properties with direct HUD Project Based Rental Assistance. *E.g.*, Alberta Canada Building
- THA real estate development projects that need HUD approvals, and the contractors on those projects

2. PLAN TO MANAGE THOSE A SHUTDOWN THAT LASTS INTO MARCH

The project plan will have at least the following elements:

2.1 Determine THA Assets and Other Assets That May be Available

THA has some notable advantages and assets that will help THA manage a long governmental shutdown. Here is a general picture of THA's financial assets:

- HUD has funded THA through the end of February.
- If the shutdown continues into March, THA can tap its reserves. THA needs \$4.5 million a month to continue normal operations. It has \$22 million in reserve. Most of that is restricted that we should not consider available. We have \$6.8 million of unrestricted reserves. That is enough to get us through March.
- THA also has a \$2 million line of credit. THA should not consider using it unless in most serious circumstances.
- In 2004, during the voucher funding crisis, the City of Tacoma gave THA a line of credit of \$250,000. THA did not use it but it was a valuable cushion. Perhaps the City would do that again.
- A prolonged shutdown will be a crisis for the entire state. Perhaps the State of Washington would assist the state's public housing authorities. Exploring that possibility will require the united effort of the Association of Washington Housing Authorities. Its next meeting is on February 9th.

The prudence of using any of these resources to fund operations depends on the assurance that the federal government will reimburse THA for the expense. This project will answer that question.

2.2 Expenditures and Priority of Expenditures

THA needs \$4.5 million a month to continue its present operations. Our largest expense is rent payments to landlords on behalf of rental assistance clients and residents of project-based and property based subsidy partners. These rent payments total \$2.8 million a month. In addition, specific real estate development projects, and other projects, have their

own budgets. The plan will rank THA's expenditures by priority. This ranking will help us judge which expenditures to cut first or the most, or how to cut. Here are some likely factors that will help rank the expenditures.

- *THA's Portfolio*

Continued funding of the portfolio is the most important expenditure. The portfolio is filled with residents and next to neighbors. THA owes them important legal and ethical obligations. The proper daily operation of the portfolio is also necessary to manage safety, health and liability risks.

- *Expenditures That Determine If Someone Keeps Housing*

THA's largest expenditure is rent payments to landlords – tenant based and project or property based – on behalf of clients. This is also how THA serves most of its clients. THA shall prioritize continued payments of this sort in situations where the payment will determine if someone will keep or lose housing. Whether that is the case may be a question of contract. The usual THA contract with landlords does not allow evictions because THA does not pay its share of the rent.

- *Expenditures That Determine the Survival of Partners*

Tenant based landlords vary in their ability to sustain a suspension of THA's rent payments. A suspension of payment might be more sustainable for landlords with many units and only a few THA ones or large institutional landlords. In contrast, a suspension of payments would be harder on smaller landlords, landlords with a lot of THA units or project based or property based partners who incurred debt or obligations to investors by presuming on THA's rental payments.

- *Rapid Rehousing Subsidies*

THA pays Pierce County \$1.3 million every year to fund its Rapid Rehousing Program for homeless families and young adults. In this program, THA does not have a direct relationship with the assisted persons. Yet its payment determines if people in crisis are housed or not.

- *Construction Contracts*

THA is in the middle of important construction contracts: Arlington Drive and Hillside 1800 Block. They may be on tight construction schedules imposed by funders. The community also has important expectations to consider.

- *Other Services That Do Not Determine if Someone is Housed or Not*

THA provides other services such as case managements that are also important even though they less directly determine if someone gets or keeps their housing.

3. COMMUNICATION STRATEGY

The project will have THA communicate as time allows with clients, staff, landlord partners, other partners, community leaders and other stakeholders. The plan will equip all THA staff to

communicate effectively with stakeholders. This communication will serve at least the following purposes:

- As far as the situation warrants, the communication will assure stakeholders and the community that THA will remain a reliable source of assistance, employer and partner. For example, at this early stage of the shutdown, there is no imminent threat to THA's ability to continue normal business. HUD has funded THA through February. If the shutdown extends into March, THA has reserves to tap that can carry us through March at least. On the other hand, THA needs to communicate that a governmental shutdown is always serious, that THA is taking the matter seriously and if the shutdown lasts into March serious consequences become more likely.
- The communication will elicit advice of all stakeholders, share with them the burden of the hard choices THA may face, assure them that THA takes their interests seriously, and tell them of THA's choices and how those choices will affect them.
- The communication will express that THA values the confidence it has tried to earn from its clients, staff, landlords, partners and the community.

This communication must find a balance between offering a responsible assurance to stakeholders so they do not lose confidence in THA unduly while preparing them for some hard choices that may be necessary if the shutdown extends into April. This balance will likely show in a sequence of communication of increasing gravity as the shutdown gets longer and as it tests the limits of THA's resources.

Communication to Date: We have already communicated in these ways:

- *Staff:* Michael has sent all staff a few emails about the shutdown since it began. He has sent them an email about this project and its elements. He and Directors have also addressed the matter in staff meetings.
- *Community:* On January 11, 2019, THA placed the following message prominently on the front page of its web site:

"Despite the government's shutdown, THA is funded through February. We will make all payments until at least then. We value the confidence we have tried hard to earn from our clients, landlords, and partners. We will try hard to retain that confidence through this shutdown. Thank you."

4. PLANNING SCHEDULE

We will propose the following planning schedule to the THA Board at its meeting on January 23rd.

4.1 January 23rd THA Board Meeting: The Board approves:

- the use of THA unrestricted reserves up to \$6.8 million to fund normal operations in March should the government still be shutdown on March 1st;
- the general principles set forth above to direct staff planning if necessary to curtail expenditures in April.

4.2 February 1st: If the government is still shut down on February 1st, we will (i) write a letter to all clients and landlords (ii) email to all staff and (iii) issue a press release jointly with PCHA if possible. These communications will do the following:

- tell people that we are funded through February and that we have reserves that, if necessary, can take us through March 31st;
- tell people that if the government shutdown lasts until March 1st we will begin planning then to curtail expenditures beginning in April. These curtailments may include staff furloughs and delayed rent and vendor payments. In devising the plan we will consult closely with our clients, landlords and partners;
- acknowledge that people rely on us, tell them that we value their confidence and assure them that we will try hard to retain their confidence through the shutdown.

4.3 February 27th THA Board Meeting: If the government is still shut down on February 27th, staff will present to the Board a plan and schedule to curtail expenditure beginning April 1st. The proposal will have a communication component.

From: [Michael Mirra](#)
To: [THA All](#)
Cc: [Derek Young \(External\)](#); [Dr Arthur Banks \(External\)](#); [Mihn-Ahn Hodge](#); [ss.diamondsntr@gmail.com](#); [Stanley Rumbaugh](#)
Subject: Continuing Government Shutdown - THA's Plan
Date: Saturday, January 12, 2019 10:40:47 PM
Attachments: [1-8-19 CHCDF Shutdown Letter to Congress.pdf](#)
[Project Description - THA Management of Governmental Shutdown EX-2019-001 \(2019-1-12\).pdf](#)
[image002.png](#)

Dear THA All:

I write, again, about the continuing governmental shutdown. I do not have any information about how long it will last. We can all consult the same news. I understand from the news that negotiations in Congress and between Congress and the President to end the shutdown do not seem to be going too well. The nation's housing advocates and organizations are expressing themselves. I attach a sample letter to the Congressional leadership.

Instead of conveying the many speculations on how long the shutdown will last, I write to describe how the cabinet thinks THA can manage the shutdown's effect on our work. At the January 23rd meeting of our Board, I will propose the cabinet's plan to do that. I send our Commissioners a copy of this email so they can start thinking about this proposal. I attach details of what I will propose. Please read it carefully. It is a description of a project we created for the purpose in the OpenDoor project database.

Project Name: Governmental Shutdown: THA's Plan to Manage a Prolonged Shutdown

Project No: EX-2019-001

Project Manager: April

For more detail, anyone in THA can consult the project in OpenDoor, especially as the project matures.

I hope you find the plan reassuring. And I hope you will share that reassurance with our clients, landlord partners and other people invested in our work. Any governmental shutdown is serious. And THA takes this one seriously. However, THA is in good financial shape that gives us some advantages in the situation, for now. In summary, if the Board approves the plan, we will have resources to fund all our operations without any curtailment through the end of March. We can plausibly hope that the government will re-open by then. In case that does not happen, the proposal would have us start

planning in February to begin a curtailment of expenditures beginning April 1st. The proposal also would have THA communicate with our stakeholders at intervals as the shutdown continues.

Here is an outline of our situation and what we will propose to the Board on January 23rd:

- THA needs \$4.5 million every month to fund its operations. That includes \$2.8 million in rental payments to landlords or to properties to pay THA's share of the rent on behalf of clients.
- Fortunately, HUD has already allocated operational funding for all public housing authorities for January and February. That means we are in good shape until February 28th. A shutdown beyond then is when the puzzle begins in earnest.
- THA has \$22 million in reserves. Of that amount \$15.2 million is restricted. While those restrictions vary in their flexibility, I do not propose that we presume on the ability to use this restricted part of our reserves to pay for our operation during a governmental shutdown. That leaves \$6.8 million that is unrestricted. That unrestricted amount is enough to carry us through to March 31st. On January 23rd, we will ask for the Board's approval for the authority to use that \$6.8 million for March operations, if necessary. (We also have a \$2 million line of credit. I will not likely favor going into debt to carry us through a governmental shutdown.)
- We can hope that the government will surely reopen by March 31st. However, if it does not, we must be ready with a plan to manage beyond April 1st. To be ready we need to start planning for that possibility in February. One reason we must start planning in advance is our need to consult widely with our stakeholders. And we need to tell them in advance what choices we make and how those choices will affect them so they can prepare. If the government is still shut down on February 1st we will begin that planning then. April will lead us. That is the purpose of the project in OpenDoor. It will be the place for us all to look to learn

about our planning. If that planning is necessary, April will need help from all of us to get it done.

- Communications with staff and other stakeholders will be an important part of the plan. The project will have THA communicate with staff, clients, landlord partners, other partners, community leaders and other stakeholders. The plan will equip all THA staff to communicate effectively with these stakeholders. This communication will serve at least the following purposes:
 - (i) As far as the situation warrants, the communication will assure stakeholders and the community that THA will remain a reliable source of assistance, a reliable employer and a reliable partner. For example, we will tell them that THA has regular funding to continue normal business through the end of February. If the shutdown extends into March, we will tell of our reserves that can carry us through March at least. On the other hand, if the shutdown lasts into March, THA will also need to communicate at that time how THA must plan to curtail expenditures beginning in April.
 - (ii) The communication will elicit advice of all stakeholders. It will ask them to share with us the burden of the hard choices THA may face. It will assure them that THA takes their interests seriously. It will tell them of the choices we make and how those choices will affect them.
 - (iii) The communication will express that THA values the confidence it has tried to earn from its clients, staff, landlords, partners and the community. It will state our resolve to retain that confidence through the shutdown.

This communication must find a balance between offering a responsible assurance to stakeholders so they do not unduly lose confidence in THA while at the right time preparing them for some hard choices that may be necessary if the shutdown extends into April. This balance will likely show in a sequence of communication of increasing gravity as the shutdown gets longer.

Communication with and among THA staff in particular will be vital, for two main reasons. **First**, we hope the plan will give staff confidence that we have a good chance to get through this shutdown without notable disruption to them, our clients or partners. Staff need to feel this confidence for their own security. They also need to feel this confidence so they can reassure their clients and others. **Second**, if the government remains shutdown into February with no end in sight, staff will need to plan what we will do come April 1st. And staff will need to explain our choices to stakeholders.

We have begun that communications. This email to you is the latest of several emails I have sent you about the shutdown since it began. I expect to send more as I know more. Yesterday we posted the following message prominently on the front page of our web site:

*“Despite
the
government’s
shutdown,
THA
is
funded
through
February.
We
will
make
all
payments
until
at
least
then.
We
value
the
confidence*

*we
have
tried
hard
to
earn
from
our
clients,
landlords,
and
partners.
We
will
try
hard
to
retain
that
confidence
through
this
shutdown.
Thank
you.”*

Let us all
model this sentiment to
our clients and
partners.

I remain optimistic that we will get through this in good order. I feel optimistic for three reasons. **First**, I am not yet prepared to think that our government is so dysfunctional as to inflict on the country a shutdown that will last beyond February. **Second**, THA has some notable advantages in the situation. I already mentioned our financial reserves. The other advantage we have is a lot of community support. One danger of a shutdown is that we lose the confidence of clients, landlord partners and others. As our web site message says, we have tried hard to earn it. I think we have been largely

successful. It will serve us well in the challenges to come. **Third**, the final advantage is our wonderful THA staff. On December 26th I wrote you about the shutdown that was then four days old. In my email I forwarded one Melody Jacobs sent me in reply to my earlier email to you about the shutdown. Melody closed her email with words that can sustain us through the stormy weather that may be ahead:

*“We
are
enduring
some
very
trying
times
right
now,
and
are
under
a
lot
of
pressure.
However,
we
happen
to
handle
both
of
those
well.
This
time
is
no
exception.
If
this*

*[shutdown]
lasts
longer
than
anticipated,
some
agencies
may
not
fare
well,
and
I'm
sorry
for
that.
But
our
agency
and
our
board
have
always
planned
well
for
any
possibilities
that
may
occur,
so
well
in
fact
our
contingencies
have*

*contingencies.
Thank
you
for
that.*

*“You
have
very
strong
team
under
you,
comprised
of
very
strong
individuals.*

*“We’ve
got
this.”*

In just the way
that Melody describes,
you are continually
inspiring to me, and
reassuring.

I am grateful to
you for that.

Michael

Michael Mirra
Executive Director
Tacoma Housing Authority
902 South L Street, Tacoma, WA 98405
(253) 207-4429
mmirra@tacomahousing.org
www.tacomahousing.org



“Housing Tacoma Forward”



Campaign for Housing and Community Development Funding

Working to ensure maximum federal resources for housing and community development.

January 8, 2019

The Honorable Mitch McConnell
Majority Leader
US Senate
Washington, DC 20510

The Honorable Charles Schumer
Minority Leader
US Senate
Washington, DC 20510

The Honorable Nancy Pelosi
Speaker of the House of Representatives
US House of Representatives
Washington, DC 20515

The Honorable Kevin McCarthy
Minority Leader
US House of Representatives
Washington, DC 20515

Dear Leader McConnell, Leader Schumer, Speaker Pelosi, and Leader McCarthy:

As members of the Campaign for Housing and Community Development Funding (CHCDF), we call on you to protect low-income Americans by ending the government shutdown and passing full year spending bills that provide strong funding for affordable housing and community development programs.

We are gravely concerned of the shutdown's immediate and long-term impacts on these programs and the low-income people they serve. The government shutdown is stopping communities from pursuing development activities that will promote local economic growth through the creation of affordable and accessible housing for low-income families, threatening to destabilize over four million households that depend on HUD's rental assistance programs and creating widespread uncertainty for affordable housing investors. We have outlined impacts on specific programs below.

We are also concerned about the shutdown's impact on the housing stability of low-wage government contractors who often live paycheck to paycheck. These employees, including janitors, security guards, and cafeteria servers, are currently receiving no pay and are at risk of being unable to cover their rent, putting them at risk of eviction, if the shutdown continues.

It is essential that both the Administration and Congress understand the important role that housing and community development programs have in supporting local economies and improving the lives of low-income households across the country. Congress should act quickly

to open the government and pass full-year spending bills that robustly fund affordable housing and community development programs administered by HUD and USDA.

Sincerely,

The CHCDF Steering Committee

Council of Large Public Housing Authorities

CSH

Funders Together to End Homelessness

Enterprise Community Partners

LeadingAge

Local Initiatives Support Corporation

National Alliance to End Homelessness

National Association for County Community and Economic Development

National Association of Housing and Redevelopment Officials

National Disability Rights Network

National Housing Law Project

National Housing Trust

National Low Income Housing Coalition

Stewards of Affordable Housing for the Future

Project-Based Rental Assistance

Section 8 Project-Based Assistance

- As of January 3rd, roughly 1,150 contracts are up for renewal but currently under suspension (i.e., not executed) in HUD's system because funds were not obligated prior to December 22nd. The 1,150 contracts that HUD didn't renew in December will affect roughly 70,000 to 85,000 low-income households. Roughly two-thirds of these households are people who are elderly or who have disabilities; on average, these households have incomes of less than \$13,000 per year. HUD is determining whether it has any available funds that could be obligated to renew these contracts and working through the processing of these contracts to determine what could be signed if funding is available.
- The number of expiring contracts will increase as time goes on, as HUD anticipates approximately 500 additional contracts (affecting another 30,000 to 40,000 households) will expire and be up for renewal in January and 550 in February. Without additional funding, HUD cannot renew these contracts or obligate funds – doing so would be in violation of The Antideficiency Act.

- As in previous shutdowns, HUD sent a notice to property owners on January 4th notifying them that they can use their reserves, where available, to cover any shortfalls.
- Anything less than 12 full months funding for project-based Section 8 contracts will limit a property owner's ability to provide supportive services to their tenants, impede or delay critical rehabilitation, or possibly increase rent burdens on fixed-income populations.
- Nearly 10,000 of the 17,723 project-based Section 8 properties are insured by the Federal Housing Administration (FHA). The estimated unpaid balance of the FHA insured debt underlying properties assisted by project-based Section 8 contracts is over \$13.5 billion. Without sufficient Section 8 rental assistance, many projects will fail and FHA will be left paying the tab.

Section 202 Housing for the Elderly

- Contracts that provide ongoing operating subsidies to the nation's almost 6,700 Section 202 communities are at risk of not being renewed.
- Two-thirds of Section 202 communities receive ongoing rental subsidies from Section 8 Project-Based Rental Assistance (PBRA) contracts; the other one-third receive subsidies from Project Rental Assistance Contracts (PRACs). HUD's inability to renew Section 8 PBRA contracts (see above section) directly impacts older adults in the Section 202 program. Both PBRA and PRAC need uninterrupted renewals to maintain the nation's Section 202 homes.
- The Section 202 program provides affordable housing to about 400,000 older adults with average annual incomes of \$13,300.
- Service Coordinators are essential in serving residents who rely on home and community-based services to age in place. Funded under the Section 202 Service Coordinator Grants program and Project-Based Rental Assistance (PBRA), Service Coordinators are not able to register for Standards for Success or Grant Solutions accounts, 2019 calendar year grant renewals (including a 2% cost of living adjustment) are not being processed, and HUD regional staff are not available for technical assistance or to help Service Coordinators filing their final semi-annual reports due on January 30, 2019.

Public Housing

Public Housing Capital Fund

- Without a full-year FY 2019 Transportation-HUD bill in place, public housing authorities (PHAs) will not be able to access current-year (FY 2019) Capital Funds, which are allocated 60 days after a final spending bill is signed into law. This could have an adverse impact on over 2 million residents, as more than 3,000 PHAs across the country may not

have funding available to make critical repairs to units or needed upgrades. The capital backlog was last estimated in 2010 to be \$26 billion and growing.

- If PHAs have prior-year capital funds available but require manual approval from HUD, HUD staff is unavailable during the shutdown to approve those expenditures.

Public Housing Operating Fund

- Though PHAs did receive timely payments for January for the Operating Fund and expect to receive payments in February, if the shutdown is not resolved by the end of February, HUD will run out of funding for this critical program, which serves 1.1 million of the nation's lowest income households.
- The Operating Fund allows PHAs to run public housing efficiently, conduct routine maintenance to units, process tenant applications and prepare units for occupancy, and make small and emergency repairs. Without Operating Funds, PHAs may not be able to provide safe and affordable housing for residents.

Housing Choice Voucher Program

- Much like the Public Housing Operating Fund, PHAs did receive funding in January and expect to receive payments in February.
- If the shutdown is not resolved by the end of February, PHAs will not be able to make timely payments to landlords expecting rent subsidies on March 1. This could have dire consequences for recipients of rental assistance, who could face eviction.
- Because of the uncertainty around funding caused by the shutdown, PHAs will be unable to approve families on the waiting list for vouchers that have been turned over by families who have exited the program. As a result, these vouchers will go unused.

Rural Housing

- In rural America, the USDA direct loan programs will not issue any additional funds, including Section 504, 514, and 502. USDA's shutdown plan has noted that banks are unlikely to close on these loans until the government shutdown ends, delaying homeownership at best and possibly forcing sellers to look elsewhere.
- The shutdown can cause construction delays and increase fees and interest paid for developers participating in USDA programs due to lack of inspectors and mortgage funds.
- It is not yet clear whether USDA will continue paying rental assistance or vouchers for low- and very low-income tenants.

Grant Programs

- Ongoing review and approval of reports may be delayed, which could eventually delay funding. At some point, the federal government may not have funds available to reimburse local jurisdictions for program and project expenses, which would require cities and counties to halt funding to non-profit organizations that count on homeless assistance grants, CDBG, and HOME to serve thousands of low-income families with housing, child care, transportation, literacy, health care, and many other services.
- Any grant agreements that were not processed before the shutdown would delay funds, causing hardship to local jurisdictions, who count on these funds for housing and infrastructure projects underway and in process.
- Jurisdictions may not be able to process reimbursements for expenditures or any complex transactions that need HUD review to move forward. For non-profit organizations, contractors, and developers, programs and projects may have to halt, resulting in employee layoffs and termination of critical services to homeless and other low-income households.
- HUD website has not been updated with the latest funding notices and information. Funding and application process for homeless programs may be delayed, resulting in a gap of services for individuals who are homeless and count on rental payments from HUD funding sources.



**Tacoma
Housing
Authority**



New Affordable Apartments for Homeless UW Tacoma College Students, by Tacoma Housing Authority & Kōz Development

UW Tacoma students experiencing homelessness or housing insecurity should call:

Monique Hicks

KozonMarket@coastmgt.com

(206) 889-2174

TACOMA, WA – Jan. 8, 2019 – Tacoma Housing Authority (THA), Kōz Development (Kōz), and the Associated Students of UW Tacoma (ASUWT) are excited to announce 52 new and affordable apartments in downtown Tacoma for homeless and low-income UW Tacoma students. The apartments are in the newly built Kōz on Market, across the street from UW Tacoma and the Tacoma YMCA. These apartments will help meet a dire need. A 2014 survey done by school faculty found that 14% of their students were housing insecure. This partnership offers these students affordable housing a stone's throw from campus. Also, UW Tacoma has funds to help students pay for their security deposit and screening fees.

All 52 apartments at Kōz on Market are reserved for extremely low or low-income persons. Kōz will fill up to 26 apartments with homeless UW Tacoma students. These students should inquire right away. Otherwise, these apartments will become available to other households in the following order of priority:

- UW Tacoma students experiencing housing insecurity;
- UW Tacoma students transferring from Tacoma Community College and who were enrolled there in THA's College Housing Assistance Program (CHAP);
- other UW Tacoma students;
- other low-income households.

THA offers rental subsidies to market-rate and nonprofit owners of housing who agree to rent some of their apartments to households with low-incomes. THA offers the owner a steady annual subsidy rather than one that varies month-to-month. It offers a steady and affordable rent to tenants. THA seeks to do this with still more market rate and nonprofit owners of housing. THA is especially interested in properties near public schools and colleges. For information, visit www.tacomahousing.net/rfp.

"This partnership between THA and a private developer is an important community investment in our students and their families," said UW Tacoma Chancellor Mark A. Pagano. "We are very proud of the initiative our student leadership has taken to recognize what students need to succeed, and the role they played bringing THA and Kōz together."

“Kōz is proud to participate in this THA program and is humbled to have been provided this incredible opportunity to help make a difference in the lives of these students,” said Kōz President & CEO Cathy Reines.

“THA’s main job is to provide or finance affordable housing for Tacoma residents who need help to afford a home. We especially seek to do this in a way that also helps them or their children succeed in school and helps Tacoma’s public schools and colleges educate low-income students. This is a very good use of a scarce THA housing dollar. We are very proud to partner for this purpose with Kōz Development, UW Tacoma and Associated Students of UW Tacoma,” said Michael Mirra, THA executive director.

“There is more to a successful college career and experience than just passing classes and paying tuition. Having support and resources to complete such a dedication is as necessary as attending itself, which is why ASUWT seeks to ensure access and availability to those resources. This THA – Kōz Development program truly adds transforming resources for students. We are incredibly proud of the accomplishments from this team. It is the dedication to community that Kōz Development and THA continue to show that makes Tacoma so great. We could not be more honored to have helped. We, as ASUWT and as students ourselves, hope to continue working with our fellow community leaders to foster more student and community successes all around Tacoma”, said Adan Espino, Jr., Legislative Liaison, Associated Students of the University of Washington at Tacoma

Media Contacts:

Michael Mirra Tacoma Housing Authority (253) 207-4429 mmirra@tacomahousing.org	Cathy Reines Kōz Apartments (425) 622-5943 Cathy@kozdevelopment.com
Adan Espino, Jr. Associated Students of UW Tacoma (360) 553-2874 asuwtll@uw.edu	John Burkhardt Associate Director for Communications University of Washington Tacoma (253) 692-4536 Johnbjr@uw.edu

About Tacoma Housing Authority

Established in 1940, Tacoma Housing Authority provides high-quality, stable and sustainable housing and supportive services to people in need. It does this in ways that help them prosper and help our communities develop equitably. THA develops and manages real estate and provides rental housing. In partnership with thousands of private landlords, it helps families pay the rent in the private rental market. It delivers supportive services to help families succeed as “tenants, parents, students, wage earners and builders of assets who can live without assistance.” THA seeks to do its work in ways that help our community be an “attractive place to live, work, attend school, shop and play,” and that help Tacoma be “safe, vibrant, prosperous, attractive and just.” For more information about THA and its work, go to www.tacomahousing.net.



TACOMA HOUSING AUTHORITY

**ADMINISTRATION
REPORTS**



TACOMA HOUSING AUTHORITY

FINANCE



TACOMA HOUSING AUTHORITY

Motion

Adopt a consent motion ratifying the payment of cash disbursements totaling \$5,611,723 for the month of December, 2018.

Approved: January 23, 2019

Dr. Minh-Anh Hodge, Chair

TACOMA HOUSING AUTHORITY
Cash Disbursements for the month of December 2018

		Check Numbers		Amount	Totals
		From	To		
A/P Checking Account					
Accounts Payable Checks	Check #'s	92,825	-	92,928	
Accounts Payable EFTs	EFTs	42	-	46	
Business Support Center				416,875	Program Support
Moving To Work Support Center				68,753	
Moving To Work Buildings (used by Support Center)				31,347	
Tax Credit Program Support Center				36,783	
Section 8 Programs				216,513	Section 8 Operations
Arlington Crisis Residential Center				4,289	Properties
Hillsdale Heights				1,458	
Highland Crest Apts				20,341	
James Center				13,293	
KeyBank Building				1,348	
Mr Mac Building				756	
Outrigger				12,768	
Prairie Oaks Operations				7,423	
Salishan 7				72,189	
Salishan Common Areas				248	
Hillside Terrace 1800 Court G Development				3,674	Development
Highland Crest Apts				1,940	
James Center				29,571	
New Look/Alberta J Canada-Development				94,808	
Arlington Youth Campus-THA Costs				662	
Salishan Developer Fee				115	
Hilltop Redevelopment				138	
Bus Development Activity				6,236	
Community Services MTW Fund				20,342	Client Support
COT-Landlord Incentives				300	
AMP 6 - Scattered Sites				16,767	Public Housing
AMP 7 - HT 1 - Subsidy				10,809	
AMP 8 - HT 2 - Subsidy				6,899	
AMP 9 - HT 1500 - Subsidy				1,107	
AMP 10 - SAL 1 - Subsidy				13,609	
AMP 11 - SAL 2 - Subsidy				14,610	
AMP 12 - SAL 3 - Subsidy				12,254	
AMP 13 - SAL 4 - Subsidy				12,898	
AMP 14 - SAL 5 - Subsidy				15,077	
AMP 15 - SAL 6 - Subsidy				14,180	
THA SUBTOTAL				1,180,382	
Hillside Terrace 1 through 1500				27,445	Tax Credit Projects - Reimbursable
Bay Terrace I & II & Community Facility				68,388	
Alberta J Canada Bldg				24,158	
Arlington Youth Campus				188,030	
Court F (HT 1800 Block)				178,322	
Renew Tacoma Housing				151,030	
Salishan 1 - Salishan 6				228,567	
TAX CREDIT SUBTOTAL (Operations & Development - billable)				865,941	2,046,323
Section 8 Checking Account (HAP Payments)					
SRO/HCV/VASH/FUP/NED	Check #'s	482,619	-	482,652	26,751
	EFTs	140	-	148	2,808,962
					\$ 2,835,712
Payroll & Payroll Fees - ADP					\$ 729,688
TOTAL DISBURSEMENTS					\$ 5,611,723

TACOMA HOUSING AUTHORITY

CASH POSITION - December, 2018

Account Name	Current Balance	Interest
HERITAGE BANK		
Accounts Payable	5,333,423	0.45%
Section 8 Checking	3,699,726	0.45%
THA Affordable Housing Proceeds-Salishan	3,446,857	0.45%
THA Scattered Sites Proceeds	5,087,099	0.45%
FSS Escrows	159,729	0.45%
CSA Escrows	100	0.45%
Note Fund Account	101	0.45%
Credit Card Receipts	8,930	0.45%
Key Bank Security Deposits	3,017	0.45%
THA Investment Pool	334	0.45%
THDG - Tacoma Housing Development Group	720,441	0.45%
Salishan 7 Operations	1,639,045	0.45%
Salishan 7 Security Deposit	27,624	0.45%
Salishan 7 Replacement Reserve	276,131	0.45%
Salishan 7 Operating Reserve	201,524	0.45%
Highland Crest Operations	386,860	0.45%
Highland Crest Replacement Reserve	203,234	0.45%
Highland Crest Security Deposit	40,466	0.45%
Outrigger Operations	212,548	0.45%
Outrigger Replacement Reserve	117,590	0.45%
Outrigger Security Deposit	27,483	0.45%
Prairie Oaks Operations	91,819	0.45%
Prairie Oaks Replacement Reserve	20,700	0.45%
Prairie Oaks Security Deposit	3,854	0.45%
Payroll Account	7,767	0.45%
HOME STREET BANK		
James Center North Operations	342,101	0.00%
James Center North Security Deposit	57,068	0.00%
WASHINGTON STATE		
Investment Pool	\$ 100	2.23%
1. TOTAL THA CASH BALANCE	\$ 22,115,671	
Less:		
2. Total MTW Cash Balance	\$ 768,455	
<i>Less Minimum Operating Reserves</i>		
2.01 Public Housing AMP Reserves (4 months Operating Exp.)		
2.02 S8 Admin Reserves (3 months Operating Exp.)	726,000	
2.09 Less Total Minimum Operating Reserves	\$ 726,000	
2.1. MTW Cash Available (Lines 2-2.09)	\$ 42,455	
3. MTW Cash Held By HUD	\$ 623,254	

TACOMA HOUSING AUTHORITY

CASH POSITION - December, 2018

4. Non MTW Cash Restrictions/Obligations			
<i>4.1 Non MTW Operational Restrictions</i>			
4.10 HUD Restricted - Lot and Property Sales		\$	8,533,956
4.101 Area 2B Sales Proceeds (Afford Hsg)	3,446,857		
4.102 Scattered Sites Proceeds (Afford Hsg)	5,087,099		
4.20 THA Property Accounts Reserved		\$	2,132,470
4.201 Security Deposit Accounts	159,512		
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	117,590		
4.208 Prairie Oaks Operations Reserves	64,250		
4.209 Prairie Oaks Replacement Reserves	60,700		
4.210 Salishan 7 Operations Reserves	340,375		
4.211 Salishan 7 Replacement Reserves	276,131		
4.30 Rental Assistance Reserves		\$	482,722
4.301 Mod Rehab Operating Reserves	125,605		
4.302 VASH, FUP & NED HAP Reserves	197,194		
4.303 FSS Escrows	159,923		
4.40 Prepaid Grants		\$	831,918
4.401 Gates Foundation	111,477		
4.402 THDG	720,441		
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)		\$	14,481,066
4.70 Agency Contracted or Budgeted Commitments Remaining		\$	51,041
4.701 Salishan/Maintenance Shop remodel	51,041		
4.702 Alberta J. Canada Tenant Improvements	-		
4.99 Total Non MTW Cash Restrictions/Obligations (Lines 4.60+4.70)		\$	14,532,107
5. THA UNENCUMBERED (Non-MTW) CASH (Lines 1-2-4.99)		\$	6,815,110
6. Development Payments - Project Reimbursement upon closing		\$	840,059
6.01 Arlington Heights	419,913		
6.02 Court F LLLP (1800 Block)	420,146		



TACOMA HOUSING AUTHORITY

**CLIENT SUPPORT
& EMPOWERMENT**



TACOMA HOUSING AUTHORITY

DATE: January 23, 2019

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

Arlington Drive had a very successful launch, bringing eastside community members, service providers, local and state law makers, and various stakeholders to celebrate THA's courageous voyage into solving the youth and young adult homelessness crisis in Pierce County. YMCA's Director of Young Adult Services Aaron Fox gave a great speech recounting his work with the Y, and his deep ties to the eastside of Tacoma. Mayor Woodard connected with Aaron after the event to express her confidence in him and the Y, and her excitement to have such strong local leadership at Arlington Drive.

Client Support and Empowerment (CSE) staff are working with the United Way of Pierce County to bring the Centers for Strong Families to the Family Investment Center. This model of service integration realizes that offering individualized financial coaching, employment coaching and resource support and navigation- all under one roof- is proven to be an effective way to lift families out of poverty. THA currently works with Sound Outreach as a Center for Strong Families on the Tacoma Hilltop and we are excited to continue and expand this collaboration at Salishan.

3. CLIENT SUPPORT & EMPOWERMENT

3.1 NUMBER OF PEOPLE AND HOUSEHOLDS SERVED

Program Entries, Exits, and Unduplicated Number of Households Served

December 2018	Program/ Caseload Entries this Month	Program/ Caseload Exits this Month	Number Served (Month)	Unduplicated Number Served (YTD)
Case Staffing (Eviction Prevention Services)	4	1	49	72
Family Self Sufficiency (FSS)	0	4	199	240
General Services	4	1	88	145
Hardship	0	0	0	0
Housing Opportunity Program (HOP) Case Management	11	2	50	102
Children's Savings Account (CSA) K-5th Grade	9	0	92	92
Children's Savings Account (CSA) 6th - 12th Grade	13	0	91	91
Elementary School Housing Assistance Program (ESHAP)	0	0	33	35
Senior & Disabled	3	12	57	176
DEPARTMENT TOTAL	44	20	659	953

3.2 PROGRAM UPDATES

The Child Savings Account program worked collaboratively with the YMCA, College Success Foundation and the Salishan Association to begin planning for three separate events to be held for eastside families. These events are aimed at engaging more families, students and the community at large. Client Support and Empowerment staff at the Family Investment Center successfully hosted the first “Eastside inter Extravaganza.” In total there were more than 200 folks in attendance at the extravaganza. Participants in attendance saw student performances, ate a delicious BBQ meal, and experienced a litany of crafts and games to engage attendees of all ages.

Last month we reported on an ESHAP family whose head of household is a mom who has not been working for more than ten years due to mental health struggles, lacking confidence, and general fear of the unknown. We noted that after all that time she engaged with employment support and successfully started working in a temporary position at the local Goodwill, increasing her confidence and self-esteem. We are proud to note that this same mother has since found a permanent job with Goodwill and started on January 7th. She reports being excited and proud of such a momentous accomplishment and has used this experience to motivate her to continue managing her anxiety and to leave the house more, engaging in local events and activities with her kids.



TACOMA HOUSING AUTHORITY

RENTAL ASSISTANCE



TACOMA HOUSING AUTHORITY

DATE: January 23, 2019

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

During the month of December, Rental Assistance continued work on two Project Based Voucher (PBV) contracts as well as two Property Based Subsidy (PBS) contracts.

Contract negotiations for the Rialto Apartments are near completion. The concern discussed at last month's board meeting related to the building's balconies has been addressed. During the initial Housing Quality Standards (HQS) inspection, it was observed by THA staff that access had been restricted for some residents to their balconies. There wasn't a consistent policy on this procedure at the property. THA staff observed that access to some balconies was permanently blocked, while other balconies were being used. Based on visual concerns and an inconsistent on-site process, THA asked the Rialto to conduct an inspection from an engineering firm to determine their safety. The inspection results stated there was not a concern about the balconies falling from the building, but agreed with the property that they should not be used by residents due to the age of the building and changing codes. The Rialto has permanently blocked access to the balconies and has agreed to either replace, repair or remove the balconies on their property within one year of the execution of the contract.

The contract for the Hotel Olympus was signed in December. Unfortunately, the property was only able to lease up 15 residents with PBV assistance. As units turnover the new residents will qualify for the program and gradually increase the total number of participants at this property.

Highland Flats completed the renovation of 14 units at their property. These units were leased up in late December. The property is working on the next phase of the project and expects the next group of units to be ready for occupancy in late January 2019.

Construction on the KOZ on Market property has received their certification of occupancy from the City. The property is ready to begin their lease up of 104 units near the University of Washington Tacoma (UWT) campus. The property has 104 units, of which 52 will receive a Property Based Subsidy (PBS). The Housing Quality Standards (HQS) inspections are scheduled for January 11, 2019, and leasing should begin right away.

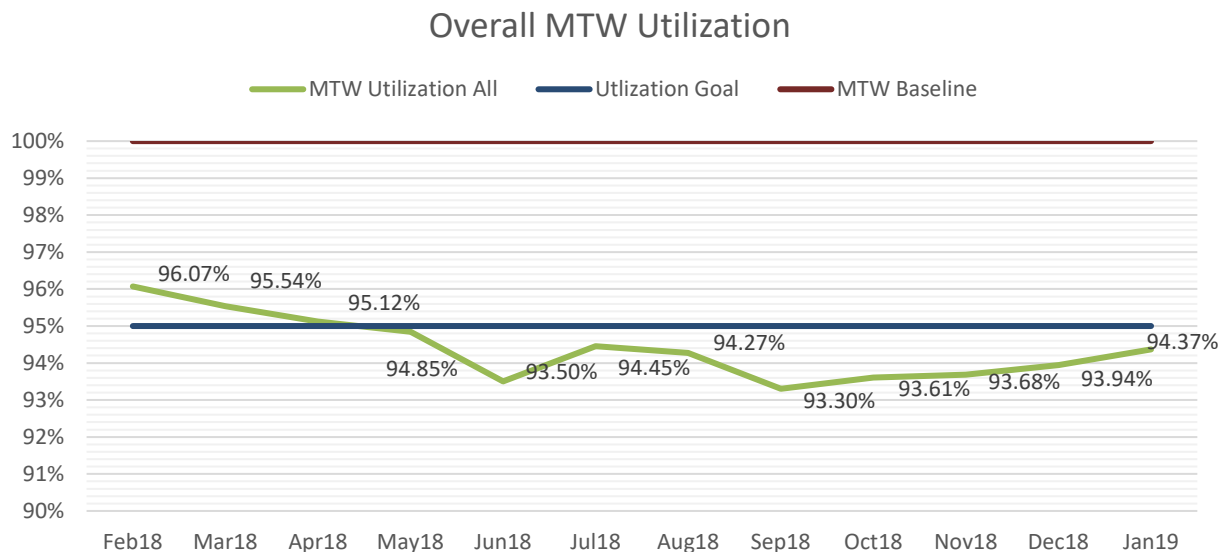
The annual Trends Conference was held in Seattle in December. This is a conference attended by thousands of property management professionals, landlords and owners from the Pacific Northwest. THA shared a vendor booth with King County Housing Authority and Renton Housing Authority. THA staff participated in a Q and A panel answering questions regarding the voucher program. The conference was well attended and provided many leads for outreach for the Landlord Engagement Specialist (LES).

3. RENTAL ASSISTANCE AND LEASING

3.1 Utilization Report

Housing Choice Voucher utilization is reported at **94.37%** for the month of December, 2018. This number now includes projected data for Rapid Rehousing funds based off the most recent report from the City. 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 Voucher (PBV) and Property Based Subsidy (PBS) contracts, these numbers will begin to improve the overall utilization. Unfortunately, this has been a very slow process due to renovation delays, inspection concerns and the eligibility of residents leasing in place.

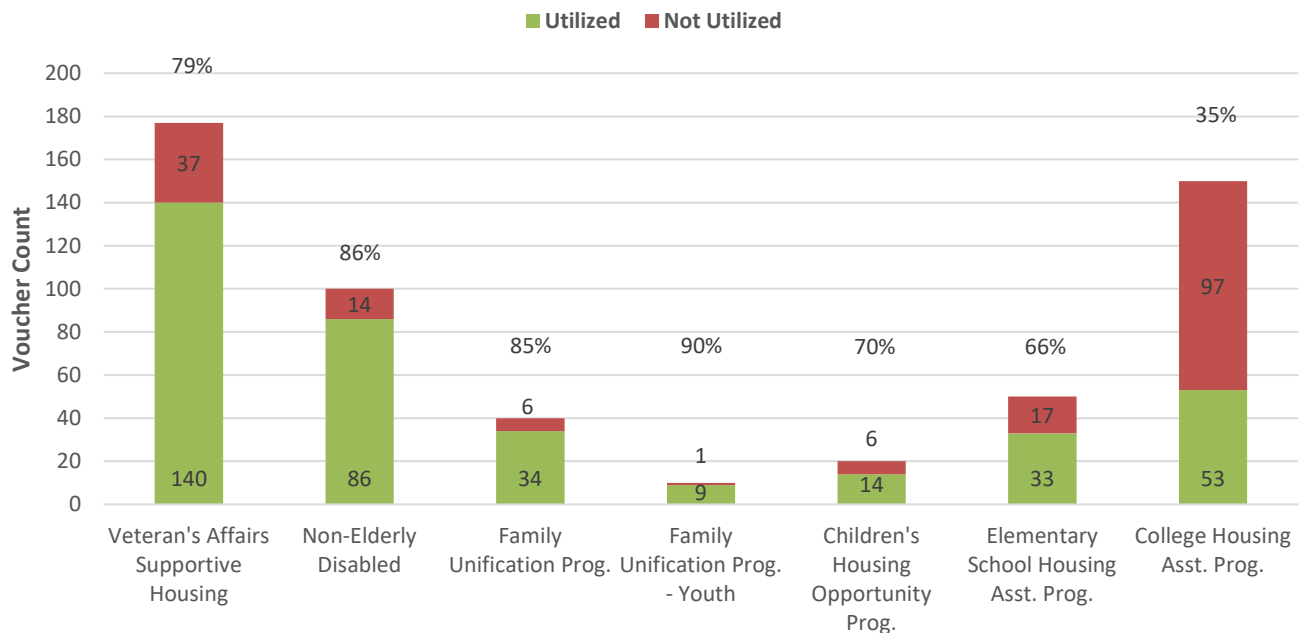


Below is a breakdown of the utilization of THA's special programs and project based vouchers.

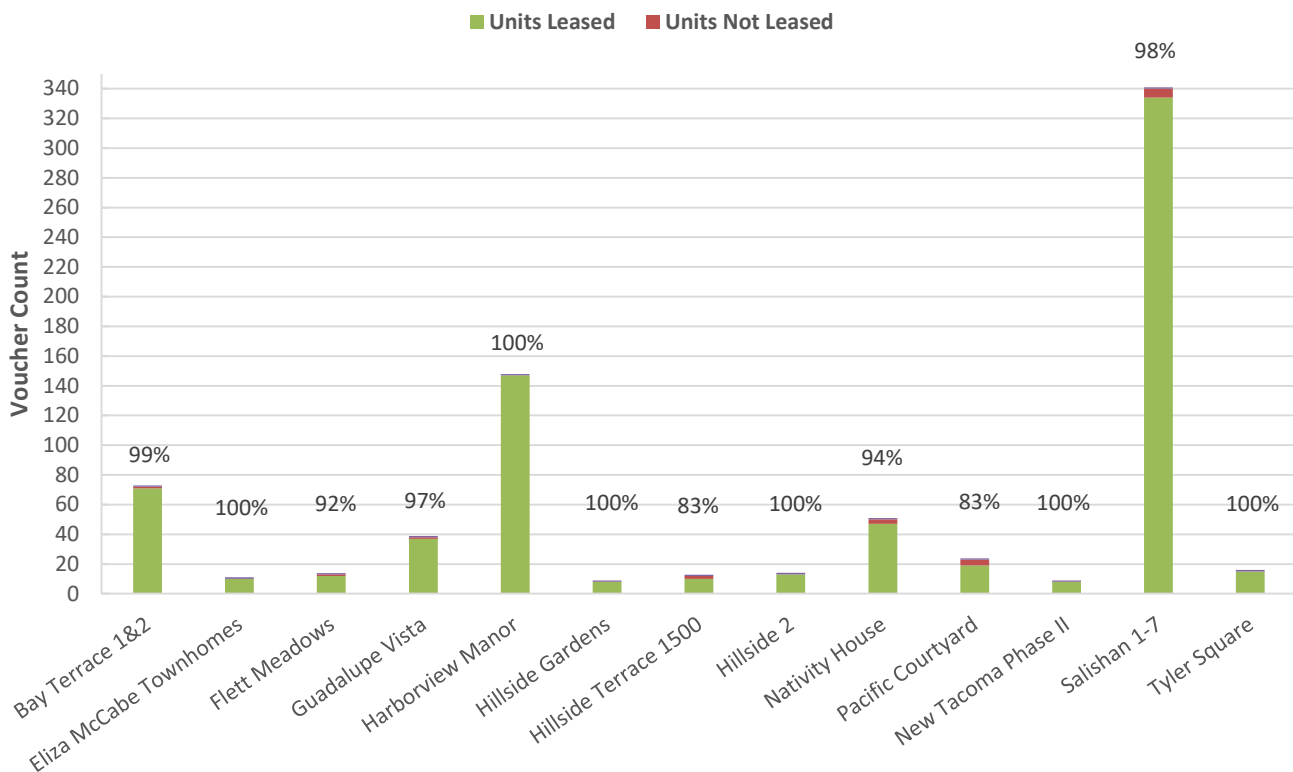
The Veterans Affairs Supportive Housing (VASH) program continues to be underutilized. THA staff have met with the Veterans Administration (VA) as well as neighboring Housing Authorities to discuss this problem. The problem remains the same. The VA is unable to make referrals due to staffing issues. In addition, the VA states that areas such as Tacoma and King County have to deal with the tough market. The discussion continues with the VA with little improvement.

The College Housing Assistance Program (CHAP) continues to be underutilized. Discussions have started related to concerns about the ability to meet the goals discussed over a year ago. 150 Housing Opportunity Program subsidies have been set aside for Tacoma Community College. As of December, only 53 clients have successfully leased up. We will review if these unutilized units could be better utilized in a different program. More information will follow regarding this ongoing discussion.

Special Program Utilization



Project Based Voucher Utilization

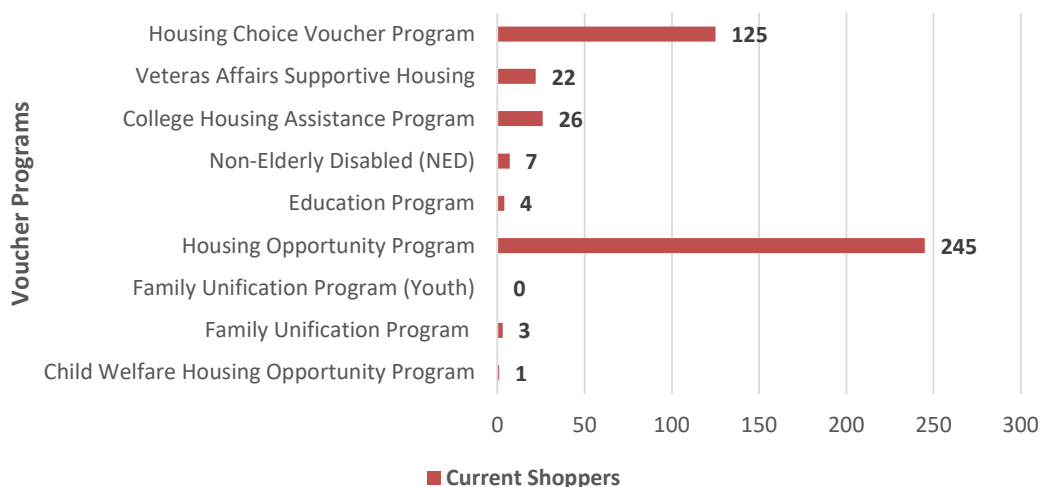


3.2 Shopper Reports

The charts provided show a breakdown of the average number of days shopping or shopped by voucher holders. A shopper is a client who has a voucher and is looking for a unit. At times, clients are housed during this process, but this does not occur in the majority of cases. The shoppers in the charts below include clients new to the program from the waiting list and clients moving from one unit to another. Each number is the average number of days that a shopper takes to lease up from the issuance of the voucher to signing a lease.

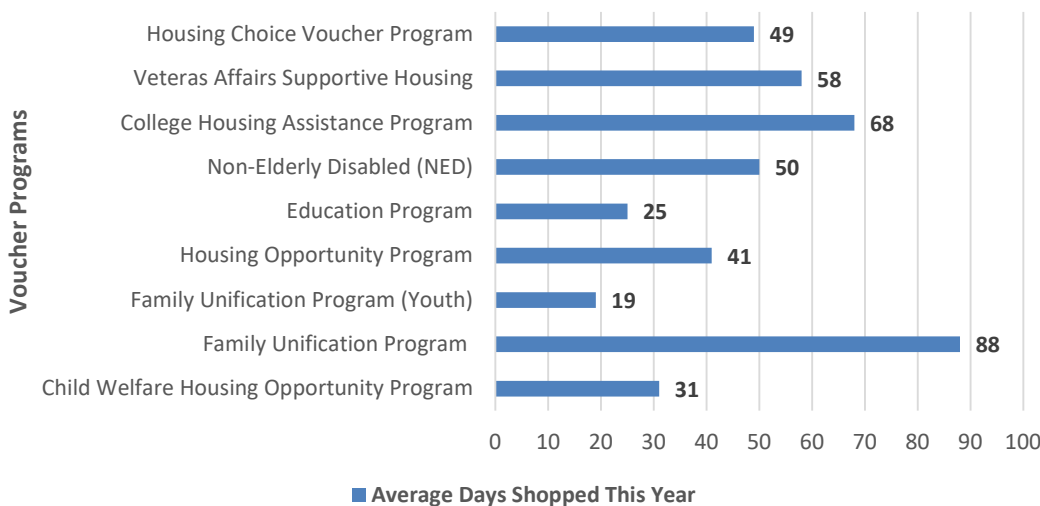
The chart entitled “Current Shoppers Report” shows how many clients are currently shopping by program. This number is useful to ensure we have enough clients shopping to meet our utilization needs. The tricky part about this process are the assumptions we must make about how many clients will eventually lease up in a unit. Currently, there are 433 clients shopping.

Current Number of Shoppers by Program



The chart entitled “Average Shopping Days This Year” shows if and how the rental market is changing. For example, as clients lease up quickly and the numbers go down, this indicates that the rental market is improving for THA clients. We will monitor these numbers carefully and compare them to previous months beginning in 2019.

Average Days to Lease Up

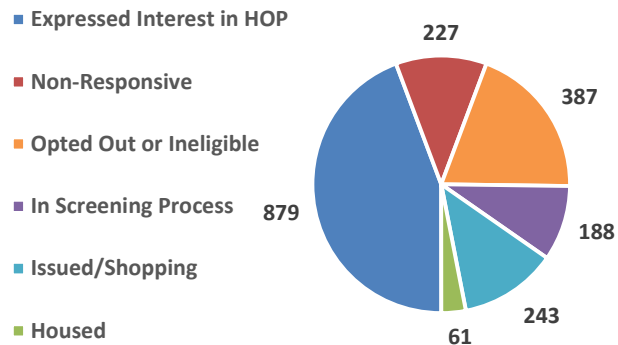


3.3 Leasing Report

The chart captures the efforts of Rental Assistance staff to issue vouchers since the time that THA started offering the Housing Opportunity Program (HOP) subsidy to applicants on the 2018 Consolidated Waitlist. The Consolidated Waitlist consists of clients on the HOP waiting list as well as clients on the site based waiting list. The lists were combined to give site based applicants an opportunity for a HOP subsidy rather than wait many years for a unit at a specific site. THA started

offering the HOP subsidy option on March 23, 2018. The chart below represents the total number of letters mailed to date. It shows us the number of letters that received no return response. It also shows the status of those who responded and indicated that they were interested in the HOP subsidy. Subsequently, it shows if they were ineligible or opted out after learning more about the program and if they are currently being screened, are out shopping or have been housed. This information ultimately shows us the number of contacts we need from start to finish in order to lease up a unit.

**Of the 1,985 Interest Letters
Mailed YTD**





TACOMA HOUSING AUTHORITY

PROPERTY MANAGEMENT



TACOMA HOUSING AUTHORITY

Date: January 23, 2019

To: THA Board of Commissioners

From: Frankie Johnson
Director of Property Management

Re: Property Management Monthly Board Report

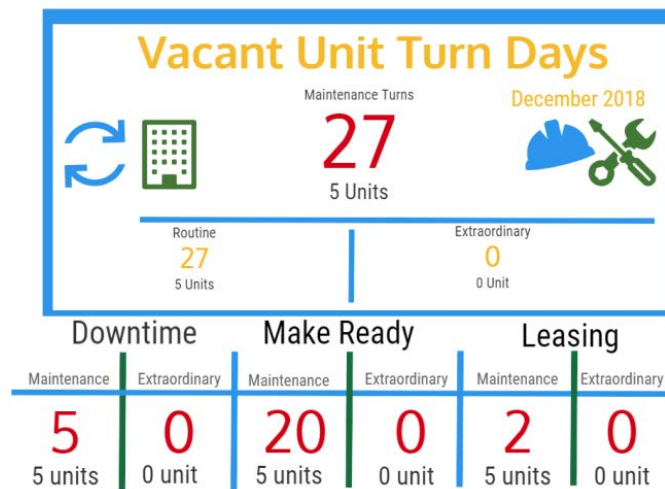
1. OCCUPANCY OVERVIEW

1.1 Occupancy

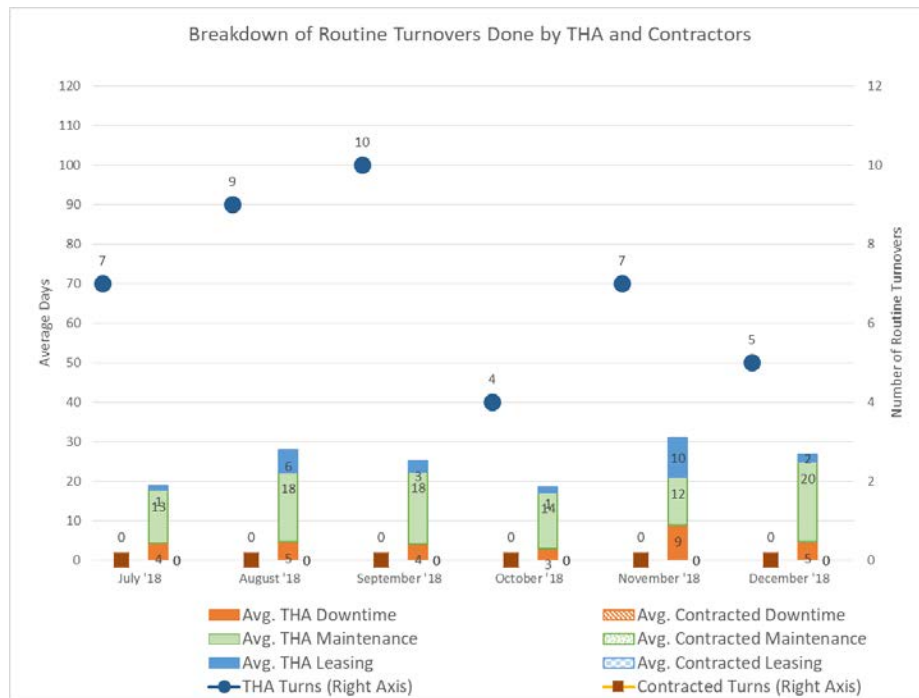
PROPERTY	UNITS AVAILABLE	UNITS VACANT	UNITS OFFLINE	UNITS OCCUPIED	% MONTH OCCUPIED	% YTD OCCUPIED
All Hillside/Bay Terrace	206	4	0	202	98%	99%
Family Properties	118	0	0	118	98%	99%
Salishan	631	5	0	626	99%	99%
Senior/Disabled	353	6		347	98%	99%
All Total	1,308	15	0	1,293	99%	99%

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

1.2 Vacant Unit Turn Status



January 2019 - Board of Commissioners Meeting
PROPERTY MANAGEMENT DEPARTMENT MONTHLY REPORT
Page 2



All Turns - Performed by THA and Contractors

Today's Date 1/11/2019

Select End Month & Year	December	12	2018
	November	11	2018
	October	10	2018
	September	9	2018
	August	8	2018
Beginning Month	July	7	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	December	5	5	0	26.8	4.6	20.2	2.0
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
		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	December	5	0	0	0.0	0.0	0.0	0.0
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

The average unit turn time for the month of December was 27 days. This turn time included work on five (5) 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 5-20 days.

Unusual - 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 20 days:

5506 South Mason (Dixon Village):

Multiple attempts to lease with delays in qualifying final applicant. Tenant unable to move in until 12/6.

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**
 - ✓ Increase inspections to deter heavy damage at move out.
 - ✓ Provide Gantt charts for each unit turn, complete with cost to track PUPY expense
 - ✓ Conduct Pre-Move Out walks 1 – 10 days prior to vacate to assess scope of work needed
- **Leasing**
 - ✓ Prescreen to identify ready applicants.
 - ✓ Create an applicant READY LIST by bedroom size

Proposed

Downtime	Repair Make ready	Vacant	Total days
1	17	2	20

1.4 Work Orders

Completed WO's by Priority For Month Ending December 2018

Property Name	Priority			Grand Total
	Routine	Urgent	Emergency	
6th Ave Apartments	17	1	2	20
Bay Terrace Phase One	16			16
Bay Terrace Phase Two	11	1		12
Bergerson Terrace	17	2		19
Dixon Village	8	3		11
E.B. Wilson	26	1		27
Fawcett Apartments	6			6
Hillside Terrace 1500 Block	2	1		3
Hillside Terrace Ph II	2	1		3
Ludwig Apartments	8	4		12
North G St	7	1		8
North K St	6	1		7
Salishan Two	2			2
THA-6th Ave Apts.	3			3
Wright Ave	12			12
Grand Total	143	16	2	161

For Month Ending Decmeber 2018

Property Name	Priority			Grand Total
	Routine	Urgent	Emergency	
6th Ave Apartments	37	1	1	39
Bay Terrace Phase One	19	0	0	19
Bay Terrace Phase Two	36	1	0	37
Bergerson Terrace	48	0	0	48
Dixon Village	0	1	0	1
E.B. Wilson	39	0	0	39
Fawcett Apartments	0	3	0	3
Hillside Terrace 1500 Block	49	0	0	49
Hillside Terrace Ph 1	6	0	0	6
Hillside Terrace Ph II	11	2	0	13
Ludwig Apartments	5	0	0	5
North G St	8	1	1	10
North K St	4	0	0	4
Salishan Five	48	1	0	49
Salishan Four	20	0	0	20
Salishan One	40	0	0	40
Salishan Seven	17	3	0	20
Salishan Six	77	1	0	78
Salishan Three	32	0	0	32
Salishan Two	8	0	1	9
THA-Bergerson Terrace	2	0	0	2
THA-Fawcett	4	0	0	4
THA-G St. Apts.	1	0	0	1
THA-K St. Apts.	1	0	0	1
THA-Wright St. Apts.	1	0	0	1
Wright Ave	14	1	0	15
Grand Total	527	15	3	545

In the month of December, 100% of emergency work orders were completed within 24 hours; maintenance staff completed 527 non-emergency work orders with a total of **5,146** 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

Water Heater Project

THA, Tacoma Public Utilities (TPU) and Bonneville Power Administration (BPA) have completed a pilot project that may be replicated moving forward across the portfolio. Bonneville Power offered THA the unique opportunity to participate in the Water Heater Demand Response project, which is a high efficiency approach to heating water in the home.

Tacoma Power and the Bonneville Power Administration are researching the demand response effectiveness of the Consumer Technology Association (CTA) 2045 modular communication port in residential water heaters. The results of the data collected from this project will determine whether the CTA 2045 modular communication port (data access port on the water heater) will be integrated into the production of all water heaters and incorporated into utility demand response programs nationwide.

The project allowed THA to replace aging water tanks in 90 units (in Salishan I) with new high efficiency, on demand tanks. THA received a partial rebate at the beginning of the project of \$4,500.00 to absorb the cost of installation. A ceremony is planned to deliver the remaining rebate of \$19,000.00 at the close of year-end data collection.

Each installed water tank had a communication module mounted on the top (the CAT 2045 port referenced above). TPU used this port to gather usage information throughout the data collection year, along with the ability to dampen the temperature during down times when tenants were not using hot water/peak energy times (brown outs).

At the completion of the project, the team accompanied TPU staff to complete a survey with the residents of Salishan I. The results found no complaints of reduction in service delivery during or at the conclusion of the project. Residents also reported no change in their hot water usage. They did, however, notice that during peak usage, water did not cool off as quickly as they continued to use hot water, which they counted as a bonus.



TACOMA HOUSING AUTHORITY

REAL ESTATE DEVELOPMENT



TACOMA HOUSING AUTHORITY

DATE: January 23, 2019

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 continue 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 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 have received preliminary comments and are working through the issues raised by HUD. An updated Environmental Review is needed by the City. Depending on the length of the government shut down, HUD approval may be delayed.

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 \$20,718,736 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. This assumes THA will receive tax credit pricing of \$1. We anticipate issuing a Request for Proposal (RFP) for the financing on the 9th or 10th of January. The sponsor financing for this project will come from the proceeds of the sale of the public housing, single family homes. The board approved up to \$2M for this purpose.

Residential Source Name	Residential Source Type	Committed Amount
Permanent Tax-Exempt Loan	Private	\$3,935,000
Tax Credit Equity	Private	\$13,033,736
UDAG Grant	TCRA	\$300,000
HTF	State – Housing Trust Fund	\$1,800,000
Sponsor Financing	*Sponsor	\$1,650,000
	Total	20,718,736

***Note: THA Sponsor loan may vary between \$1,235,000 and the noted \$1,650,000.**

Procurement

The Architectural and Engineering (A&E) procurement has been completed. 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 the 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 made refinements to the design, including reducing the overall square footage. The current estimate is \$13,608,637 plus applicable taxes.

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 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. The property is now 84% leased.

Predevelopment

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 next Advisory Committee Meeting and open house will be held in late February, 2019. Site design options are expected to be narrowed to one scenario. Additional feedback on design and programming details will be requested from the advisory group and the community.

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. One of the recommendations from the institute was to increase the value and attractiveness of the property through creative placemaking. THA staff solicited a plan for an innovative site activation strategy and are currently exploring options. Additional information will come as decisions are made for this innovative placemaking process.

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

Planning will continue over the next 4 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 2019 budget has been submitted by property management and Common Area Maintenance (CAM) costs will be calculated and 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	\$5,966,848	\$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	\$855,453.59
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 New Look (aka Alberta J. Canada) Capital Planning and Resyndication

Rehabilitation work is underway, construction is currently 93% complete. The exterior cladding and Americans with Disabilities Act (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.

THA is incurring additional cost due to delays reaching substantial completion by the end of December 2018. It is projected the project will lose approximately \$80,000 in tax credit equity plus other incidental expenses, such as increase in insurance premiums, lost commercial rents and excessive relocation cost.

To mediate the Housing Authority's financial risk, staff will implement Liquidated Damages in the amount of \$3,000.00 per day from the original completion schedule of September 28, 2018. Contractually, THA can withhold these damages from subsequent contractor pay applications and retainage.

3.4 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 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. Currently, staff expect to devote most 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 (LIHTC) allocation 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 seventh Community Advisory Committee meeting will be held January 24 at the Family Investment Center (FIC).

Korsmo Construction is the General Contractor for this project. Korsmo has provided initial bid estimates that are within the projected budget.

Staff intend to issue the RFP for a lender and investor in January. This RFP will be concurrent with the 1800 Block RFP.

3.5 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. THA presented CWC with a Development Services Agreement in December; staff is waiting for comments.

4. DEVELOPMENT PIPELINE PROJECTS

4.1 Intergenerational Housing at Hillsdale Heights

Korean Women's Association (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. Pierce County has approved \$300,000 of 2060 funds and the City of Tacoma has approved \$400,000 of CDBG funds to KWA. The Housing Trust Fund application was not awarded to KWA in this round, however we will re-submit in 2019 with a higher likelihood of success due to anticipated future funding commitment. We will also prepare a 2019 9% tax credit application on behalf of KWA.

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 issued a Request for Qualifications (RFQ) for preconstruction and GC/CM services for the Hilltop parcels on October 15, 2018. The board passed a resolution in December awarding the contract to Walsh Construction. The contract should be signed in early January. The internal design kick-off is scheduled for January 14.

4.2.1 City of Tacoma 311 Mobilization

RED continues to conduct outreach with community partners to adopt the City's 311 code enforcement hotline. Last October, in partnership with Tacoma Community House, we produced a Halloween Trunk-or-Treat for

families and youth. Last November, Tacoma Tool Library brought their Fix-it Fair Event to Bay Terrace's community room, to help members of the public repair and recycle old household goods. We also brought 311 promotional materials to the Holiday Downtown Tacoma Market and the SeaMar Open Enrollment/Community Health Fair at Lincoln High School.

4.2.2 Housing Hilltop

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

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

THA has held two workshops on developing a Community Land Trust. This conversation has grown out of the monthly meetings discussed in the previous paragraph. Executive Director of Homestead Community Land Trust Kathleen Hosfeld and OPAL Community Land Trust/Grounded Solutions' Julie Brunner have conducted the workshops. Attendees have included Habitat for Humanity, Rebuilding South Sound, Pierce County Housing Authority, Homeownership Center of Tacoma, Korean Women's Association, Sound Outreach, Hilltop Urban Gardens, Affordable Housing Consortium, Hilltop Action Coalition (HAC), 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 gauge interest.

THA staff are 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 Foundation's Course on November 7. This group of people met January 10 to discuss next steps.

5. Renew Tacoma Housing, LLLP

Staff continue to work through the tasks associated with closing out this project. The key remaining variable is resolution/close-out of the environmental contingency.

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 anticipates requiring an Environmental Restrictive Covenant to be filed and may require long-term monitoring. DOE required some additional soil vapor intrusion testing. The testing is complete, and results are being analyzed and evaluated by DOE 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. 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, and long-term monitoring. As stated above, we continue to wait for DOE to issue the NFA letter. We received notification that DOE required additional soil vapor intrusion testing. The testing is complete, and results are being analyzed and evaluated by DOE 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.

THA is in negotiation with the owner of the adjacent property to compensate them for the loss in value resulting from encumbering a portion of their property with the filing of an Environmental Restrictive Covenant.

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

HUMAN RESOURCES



TACOMA HOUSING AUTHORITY

DATE: January 23, 2019

TO: THA Board of Commissioners

FROM: Toby Kaheiki
Director of Human Resources

RE: Human Resources Monthly Board Report

1. HUMAN RESOURCES 2018 YEAR-IN-REVIEW

2018 was an especially productive year for the Human Resources (HR) department. It was a year in which HR continued to experience high levels of recruitment, implemented enhanced orientation and onboarding procedures, completed an agency-wide compensation survey and successfully negotiated two collective bargaining agreements (CBA). Additionally, I am excited to share the recent accomplishment of our HR Coordinator, Sharrall Madden. In November 2018, Sharrall reached a personal and professional milestone by earning her BA in Human Resource Management. We are so proud of her!

- **Client Support & Empowerment** – Following the May 2018 hiring of the new department director, HR began collaborating with the department's senior leadership by providing guidance on the department's restructuring options. The restructure is expected to be finalized in early 2019 and HR will continue to be a guiding resource.
- **Property Management** – HR worked with Property Management on the staffing efforts for 6 positions, 3 of which were senior-level leadership roles. In conjunction with recruitment, we also completed a collaborative effort with the department director on restructuring the department. This included significant changes within both the property management and maintenance areas. The new structure was designed to improve service to our clients while maintaining THA's mission.
- **Administrative Services** – In 2018, HR continued its close work with the department director on the restructuring of the Administration department, which included four new hires and two promotions. Most of the recruitment and restructure was focused on THA's technical needs within OpenDoor/Salesforce. We also assisted the department through the hiring of a new Asset Manager and Business Process Improvement Manager. HR continues to work with the department director to finalize a structure that best utilizes the strengths of each team member.
- **Compensation Review** – In 2018, HR completed an agency-wide compensation review. The review was conducted as part of the ongoing monitoring of THA's total

compensation package. HR partnered with an external consultant to determine how THA's compensation practices aligned with the local labor market. Using salary survey data from both the public and private sectors, the end result was a more enhanced and flexible compensation structure that allows THA to remain competitive in a challenging labor market.

- **New Hire Orientation/Onboarding** – Another focus in 2018 was the development and rollout of a comprehensive orientation and onboarding procedure. HR believes that in addition to ensuring new hires complete the traditional documents associated with new employment, it is critical for new hires to understand their work environment and the expectations of the job. As such, HR implemented a robust orientation procedure in 2018 with the goal of evolving into a more meaningful onboarding process. The notion is that onboarding begins with recruiting process and can continue through the first year of employment. When done well, new employees will quickly gain a better understanding of THA and how their role impacts the success of the agency.

2. GRIEVANCES / EQUAL EMPLOYMENT OPPORTUNITY COMMISSION (EEOC) COMPLAINTS

There were no grievances or EEOC complaints filed in 2018. I believe the collaborative relations we have with both the Trades Council and OPEIU are a testament to this fact.

3. COLLECTIVE BARGAINING

- **Trades Council** – In May 2018, THA and the Trades Council began negotiations on a new collective bargain agreement (CBA). The Trades Council represents THA's Maintenance Specialists. By July 2018, we had successfully completed negotiations and a new contract was ratified by the Maintenance Specialists. This is a 3-year contract that expires on May 31, 2021. Some notable items of the new CBA are:
 - Updated the language in Article 3 and throughout the contract to reflect the recent Supreme Court decision in Janus v. AFSCME.
 - Added Christmas Eve as an additional paid holiday.
 - Updated language throughout the contract to comply with Washington's new Paid Sick Leave law.
 - Revision to Article 11.4, Short-Term Employment Program allowing for up to three (3) part-time Groundskeepers to work a maximum of 750 hours each per contract year.

- Through a Letter of Understanding, both parties agree to explore a trial program that allows On-Call Maintenance staff to use their assigned work vans during call out situations.
- **OPEIU** – In April 2018, THA and OPEIU began the negotiation process for a new collective bargaining agreement (CBA). In August 2018, we completed negotiations and a new contract was ratified by the OPEIU members. This is a 3-year contract that expires on June 30, 2021. Some notable items of the new CBA are:
 - Updated the language in Article 4 and throughout the contract to reflect the recent Supreme Court decision in Janus v. AFSCME.
 - Updated the healthcare plan cost sharing language so that, beginning in 2019, THA will pay for 97% of employee-only coverage and 74% of dependent coverage. The previous contract was 97.5% and 81% respectively.
 - Added Christmas Eve as an additional paid holiday.
 - Updated language throughout the contract to comply with Washington's new Paid Sick Leave law.
 - We added new Articles regarding "Work in a Higher Classification" and "Retroactive Compensation".

4. COMPLIANCE

HR worked with Finance to ensure we were prepared for the changes in compliance with the new WA State Paid Family Leave law. Starting in 2020, Washington will be the fifth state in the nation to offer paid family and medical leave benefits. The program is funded through premiums paid by both employees (63%) and employers (37%) and will be administered by the Employment Security Department (ESD).

As directed by the Legislature, premium contributions began on January 1, 2019, and benefits will be available beginning January 1, 2020. HR must also dedicate time in 2019 to develop manager and employee training regarding the eligibility and use of the new leave.

5. 2018 STAFFING

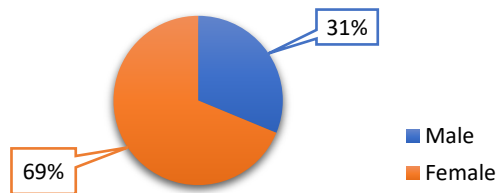
2018 marked the fourth consecutive year of extensive recruiting efforts. During this time, we hired, promoted, transferred or reclassified 41 employees. This figure represents approximately 29% promotions, 59% new hire and 12% reclassified/transferred.

Our voluntary and involuntary turnover was 10.07% compared to 9.89% in 2017. Our goal remains 10%. HR continues its efforts to improve retention by continually refining the recruiting process and talent management.

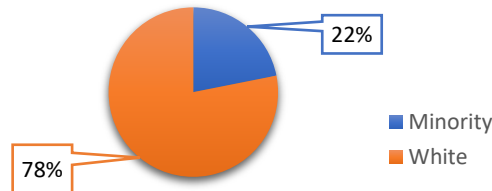
The start of 2019 has recruiting efforts focused on five open positions. THA represents a diverse workforce and HR remains committed to the continual work of ensuring our workforce is representative of the community it serves. THA's current employee demographic shows the following:

- Gender ratio of 63% female/37% male (74% female/26% male in 2017)
- Staff ratio of 35% minority/65% non-minority
- Ethnicity for Hispanic/Latino is 8% (7% in 2017)
- Asian is 3% (4% in 2017)
- Black or African American is 15% (19% in 2017)
- Native Hawaiian/Pacific Islander is 2% (2% in 2017)
- More than one race is 8% (6% in 2017)

THA management by gender:



THA management by minority status:



Manager ratio by gender is as follows:

- 8% of all male staff are managers
- 23% of all female staff are managers

6. HR FOCUS IN 2019

In 2019, HR will focus on compliance by ensuring employment policies are current and align with federal, state and local laws. This will require a complete review of all HR policies, procedures and associated forms. In addition, HR will continue to partner with managers and directors to ensure new hires are appropriately acclimated to THA and their roles. This will be done by obtaining input from departmental leadership on what is required of employees to be successful.

With specific regard to compliance, HR will work to implement key training that addresses two critical areas: 1) Diversity & Inclusion and 2) Harassment in the Workplace. The goal is to incorporate training that includes an interactive and web-based option.

HR will also begin work on project designed to assess THA's efforts of fostering a family-friendly environment. Important goals of the project are ensuring THA is a safe and friendly workplace for guests and clients, in addition to, an agency that is supportive of an employee's familial commitments. A current list of HR projects to be initiated and/or completed in 2019 is below:

- ACA Year-End Reporting
- HR Policy & Forms Update
- Family-Friendly Project
- New Hire Onboarding
- Diversity & Inclusion Training
- Harassment Awareness & Recognition Training

The HR team is prepared to engage in these efforts while maintaining the day-to-day and emergent work that THA and its employees will face in 2019.



TACOMA HOUSING AUTHORITY

NEW BUSINESS

Resolution 1



TACOMA HOUSING AUTHORITY

RESOLUTION 2018-01-23 (1)

Date: January 23, 2019

To: THA Board of Commissioners

From: Michael Mirra
Executive Director

Re: Arlington Youth Campus Apartments on Arlington Property: HUD Disposition Amendment

This resolution seeks Housing and Urban Development (HUD) approval to dispose of land required to build the Arlington Youth Campus.

Background

To develop the vacant lots for the Arlington Youth Campus as rental apartments and a future phase project, Tacoma Housing Authority (THA) must submit an Inventory Removal Application to the Department of Housing and Urban Development (HUD) Special Application Center (SAC) for disposition approval.

Once approved by HUD, the disposition will allow THA to enter a long-term lease of land to Arlington Youth Campus LLLP for 58 units of permanent affordable rental housing. The development will be financed using a combination of Low Income Housing Tax Credits (LIHTC), other sources and debt.

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

Recommendation

Authorize THA's Executive Director to complete and submit the disposition application to support the development of the rental housing for the Arlington Youth Campus.



TACOMA HOUSING AUTHORITY

RESOLUTION 2019-01-23 (1) **(Disposition Application for Arlington Youth Campus)**

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, The development of the Arlington Youth Campus will result in the building of a community to support youth and young adults experiencing homelessness; and

WHEREAS, The development will include new rental apartment units, new infrastructure and new community facilities and allow for future development on the remaining property; and

WHEREAS, Ownership of the land for the apartments will be transferred via a long-term lease from Tacoma Housing Authority to a tax credit ownership entity known as Arlington Youth Campus LLLP; and

WHEREAS, The development of the Arlington Youth Campus Apartments and disposition of the land will result in additional affordable rental units and benefit low and very low income young adults, experiencing homelessness; and

WHEREAS, Housing for homeless has been identified as a priority by the City of Tacoma; and

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

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

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

Approved: January 23, 2019

Dr. Minh-Anh Hodge, Chair

Resolution 2



TACOMA HOUSING AUTHORITY

RESOLUTION 2019-01-23 (2)

Date: January 23, 2019

To: THA Board of Commissioners

From: Michael Mirra
Executive Director

Re: Approval of Property Based Subsidy Contract—Crosspointe Apartments

Tacoma Housing Authority (THA) issued a Request for Proposals for Property Based Subsidies. This resolution will award Property Based Subsidies to CWD Investments' Crosspointe Apartments, a market rate apartment building near the Tacoma Community College campus.

Background

On August 7, 2018, THA issued a Request for Proposals for up to 200 property-based subsidies. In September THA awarded 62 of these subsidies to Highland Flats and in December THA awarded 52 subsidies to Koz on Market Street Apartments. Both awards served THA's College Housing Assistance Program (CHAP) by housing homeless and housing insecure students at Tacoma Community College (TCC) and University of Washington Tacoma.

The RFP has remained open and THA has committed to reviewing all new proposals every 30 days. Proposals are 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.

Staff recommend awarding property-based subsidies to Crosspointe Apartments, the most recent respondent. Doing this would be an additional expansion of THA's College Housing Assistance Program (CHAP) serving homeless and near homeless TCC students.

Crosspointe is a market rate property with 38 apartments at 1001 South Mildred Street. It is within a 3 minute walk to TCC's campus. CWD Investments is the owner. CWD also owns Highland Flats, which also has a contract with THA for similar subsidies.

Crosspointe is currently undergoing significant renovation. This award is for nineteen (19) units at Crosspointe Apartments, out of the total of 38 apartments. This property is currently 79% occupied with the eight vacant units going through significant renovation. The owner plans to renovate at least eleven additional units in 2019. The owner would plan to put the first eight subsidies on the eight vacant, renovated units and offer an inter-property transfer to eight tenants occupying units planned for future renovation. The owner would then renovate those newly vacated units and fill them with inter-property transfers upon completion. The remaining three units to receive subsidies will either be units vacated by inter-property transfers or units that become vacant due to regular tenant attrition.

The goal in this plan is to ensure that no existing Crosspointe residents are dislocated due to the renovation at the property. The incomes of the current tenants is unknown at this time. Once that information becomes available, staff will negotiate the subsidy and tenant rent levels by-unit for the initial leases at this property. Property-based subsidies will not be offered on units that will be occupied by existing tenants with incomes exceeding 50% of area median income nor tenant with voucher subsidies.

Once the final units have been renovated and are not slated to be filled by tenants completing an inter-property transfer, vacant units will be filled with new tenants. All units filled post-rehab will be filled with tenants earning below 30% of area median income based on the size of the household, with a first preference for students at Tacoma Community College.

With the Board's approval of this resolution, I will negotiate, and if those negotiations are successful, execute a contract with the owner, CWD Investments. The basic elements of this award will resemble the recent contract with Highland Flats and Koz on Market. Those elements include the following:

- The contract will last for seven (7) years.
- Units will be filled in the following priority order:
 1. TCC households that have been issued a College Housing Assistance Program (CHAP) voucher by Tacoma Housing Authority.
 2. TCC households that are homeless and eligible for CHAP under TCC screening criteria but have not been issued a voucher.
 3. Other TCC households that are eligible for CHAP under TCC screening criteria but have not been issued a voucher.
 4. TCC households that are earning below 30% area median income.
 5. If a unit cannot be filled by a qualified TCC 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 30% of area median income.

6. If, at any time during this contract, TCC is unable to provide sufficient referrals to fill vacancies at this property, THA and the owner may work with other post-secondary institutions, including University of Washington-Tacoma and Bates, to establish a referral system to the property.
- Tenant rents are fixed regardless of the tenant's actual income. For this property, tenant rents will be \$420 for a one-bedroom and \$504 for a two-bedroom. 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 HOP program but tied to a property rather than assigned to a tenant.
 - 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 \$196,000 per year.
 - 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 the housing authority. They will just realize affordable rents at the property level based on the subsidy that is being provided to the owner. The arrangement will offer tenants the tenant protections of THA's other programs.
 - 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
 - With the exception of units filled with inter-property tenant transfers, leases at the property cannot be renewed more than three consecutive lease terms. This builds in time for an occupant to attend TCC and complete a degree or certificate program without having a requirement that they maintain student status. If an occupant does not attend TCC, this contract term will ensure adequate unit turnover to serve more TCC 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.
 - Tenant screening criteria.

Recommendation

Approve Resolution 2019-01-23 (2) authorizing THA's Executive Director to execute Property Based Subsidy contract with CWD Investments.



TACOMA HOUSING AUTHORITY

RESOLUTION 2019-01-23 (2) **(Approval of Property Based Subsidy Contract)**

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

WHEREAS, CWD Investments was the highest scoring respondent and will be awarded subsidies for nineteen (19) units; and

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

WHEREAS, Each contract will be negotiated with the property and will be in effect for up to seven (7) 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, to execute a Property Based Subsidy payment contract with CWD Investments based on the terms set forth in the resolution memo.

Approved: January 23, 2019

Dr. Minh-Anh Hodge, Chair