



# **TACOMA HOUSING AUTHORITY**

## **BOARD OF COMMISSIONERS**

### **BOARD PACKET**

**February 27, 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, FEBRUARY 27, 2019**

The Board of Commissioners of the Housing Authority of the City of Tacoma will hold its Regular Meeting on **Wednesday, February 27, 2019, at 4:45 pm.**

The meeting will take place at:

**E.B. Wilson  
1202 South M. Street  
Tacoma, WA 98405**

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

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I, Sha Peterson, certify that on or before February 27, 2019, I FAXED/EMAILED, the preceding PUBLIC MEETING NOTICE before:

City of Tacoma	747 Market Street Tacoma, WA 98402	fax: 253-591-5123 email: <a href="mailto:CityClerk@cityoftacoma.com">CityClerk@cityoftacoma.com</a>
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: <a href="mailto:tips@q13fox.com">tips@q13fox.com</a>
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.

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Sha Peterson  
Executive Assistant



# TACOMA HOUSING AUTHORITY

## AGENDA

### REGULAR BOARD OF COMMISSIONERS MEETING

February 27, 2019, 4:45 PM

E.B. Wilson, 1202 South M. Street, Tacoma, WA 98405

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1. **CALL TO ORDER**
2. **ROLL CALL**
3. **APPROVAL OF MINUTES**
  - 3.1 Minutes of January 23, 2019—Regular Meeting
4. **GUEST COMMENTS**
5. **COMMITTEE REPORTS**
6. **COMMENTS FROM THE EXECUTIVE DIRECTOR**
7. **ADMINISTRATION REPORTS**
  - 7.1 Finance
  - 7.2 Policy, Innovation and Evaluation
  - 7.3 Client Support & Empowerment
  - 7.4 Rental Assistance
  - 7.5 Property Management
  - 7.6 Real Estate Development
8. **OLD BUSINESS**
9. **NEW BUSINESS**
  - 9.1 2019-02-27 (1) Inducement Resolution THA 1800 Block Court F
  - 9.2 2019-02-27 (2) Inducement Resolution THA Arlington Youth Campus
  - 9.3 2019-02-27 (3) Arlington Youth Campus Use of Restricted Funds (**WALK-ON**)
  - 9.4 2019-02-27 (4) Arlington Youth Campus LIHTC Investor (**WALK-ON**)
  - 9.5 2019-02-27 (5) Approval of Project Based Voucher Contract: Home at Last
  - 9.6 2019-02-27 (6) Arlington Youth Campus Lender Approval (**WALK-ON**)
  - 9.7 2019-02-27 (7) 1800 Hillside Terrace Lender Approval (**WALK-ON**)
  - 9.8 2019-02-27 (8) 1800 Hillside Terrace Tax Credit Investor Selection (**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, JANUARY 23, 2019

The Commissioners of the Housing Authority of the City of Tacoma met in Regular Session at 3201 S. Fawcett Street, Tacoma, WA 98418 at 4:45 PM on Wednesday, January 23, 2019.

### 1. CALL TO ORDER

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

### 2. ROLL CALL

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

PRESENT	ABSENT
<b>Commissioners</b>	
Chair Minh-Anh Hodge	
Vice Chair Derek Young	
	Commissioner Arthur Banks
Commissioner Stanley Rumbaugh (arrived late at 5:01 pm)	
Commissioner Shennetta Smith	
<b>Staff</b>	
Michael Mirra, Executive Director	
Sha Peterson, Executive Administrator	
April Black, Deputy Executive Director	
Ken Shalik, Finance Director	
Toby Kaheiki, Human Resources Director	
Frankie Johnson, Property Management Director	
Kathy McCormick, Real Estate Development Director	
Sandy Burgess, Administrative Services Director	
Julie LaRocque, Rental Assistance Director	
Cacey Hanauer, Client Support & Empowerment Director	

Chair Hodge declared there was a quorum present @ 4:51 pm and proceeded.

### 3. APPROVAL OF MINUTES OF THE PREVIOUS MEETING

Chair Hodge asked for any corrections to, or discussion of the minutes for the Regular Session of the Board of Commissioners for Wednesday, December 12, 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 (Commissioners Banks and Rumbaugh were not in attendance)

**Motion approved.**

### 4. GUEST COMMENTS

#### **Janice Robinson, Fawcett Tenant**

Ms. Robinson congratulated Tacoma Housing Authority for helping the University of Washington (UW) students with their housing crisis. (She is a UW alumna.) Her friend became homeless so she knows the challenges faced by students.

#### **Kischa McGee, Salishan Tenant**

Ms. McGee lives on the corner of 44<sup>th</sup> and R Street. According to her, it gets really dark behind her house, a safety concern especially to those walking. She asked if Tacoma Housing Authority (THA) can install lights. Property Management Director Johnson knows the area and agrees that it does get dark at times. She will get together with Ms. McGee after the board meeting.

Ms. McGee also informed the board that although she knows that THA offices are closed on Wednesdays, she feels that staff should make time to talk to tenants about their concerns. She feels there aren't enough maintenance staff to complete work orders, especially for leaks. She is asking for more communication regarding tenant work orders. Director Johnson will discuss that as well with Ms. McGee.

### 5. COMMITTEE REPORTS

#### ***Real Estate Development Committee—Commissioner Rumbaugh***

Commissioner Rumbaugh was not yet in attendance.

#### ***Finance Committee—Chair Hodge and Vice Chair Young***

Nothing to report.

#### ***Education Committee—Chair Hodge***

Nothing to report.

#### ***Citizen Oversight Committee—Commissioner Banks***

Commissioner Banks was not in attendance.

## **6. COMMENTS FROM THE EXECUTIVE DIRECTOR**

Executive Director (ED) Michael Mirra directed the board to his report. The government's shutdown is scheduled to resume on February 15<sup>th</sup>. ED Mirra's report includes a proposal on how THA will manage the shutdown if it does resume. THA devised this proposal with the help and advice of its Landlord Advisory Group. He presented the proposal as follows:

### **ED Mirra provided the board some facts:**

- THA requires between \$4.6M and \$5M a month for routine operations.
- THA is fully funded by Housing and Urban Development (HUD) for February.
- THA has \$22M in reserves but only \$6.8M is available to carry THA through the shutdown. THA also has a \$2M line of credit.
- \$2.8M pays landlords for Housing Assistance Program (HAP) payments, which is the biggest expense.
- Under THA's contracts with landlords, THA's failure to pay its share of the rent does not permit them to terminate a client's fixed-term tenancy.
- THA's landlords rely on THA's regular payment of rent; many of them are smaller landlords who cannot weather suspension of rent payments.

### **ED Mirra discussed THA's proposal for the Board to consider and approve:**

- Authorize THA to spend \$6.8M of unrestricted reserves for operations in March 2019, should the government shutdown extend until then.
- If the government is still shut down on February 15<sup>th</sup> and THA cannot judge if the shutdown will end by February 28, THA will send a communication to clients, staff, its unions, landlords, contractors, community partners, and the media, informing them that THA is funded through February.
- The communication will also state that if in February THA cannot tell how long the shutdown will go, that it will start 50% HAP payments in March and give landlords an IOU for the missed payments. THA will tell people that the proposal comes to THA from the Landlord Advisory Group.
- THA will devise a plan on curtailing expenditures in anticipation of the shutdown lasting into April. The plan will be presented to the board at its February 27 meeting.

Commissioner Rumbaugh moved to approve THA's plan to reduce HAP payments to 50% in March and give landlords IOU for when THA receives its funding. Vice Chair Young seconded. The plan was approved unanimously.

## **7. ADMINISTRATIVE REPORTS**

### **Finance**

Finance Department (FD) Director Ken Shalik directed the board to the finance report. Finance is in the middle of closing books and everything is going well. Director Shalik will discuss the continued government shutdown later in the meeting. The Cash Balance report shows a \$14.5M in restricted reserves, \$8.5M for redevelopment of affordable

housing, which cannot be touched, and \$2.5M buyout for BFIM investment that will be in place until 2021. This leaves \$6.8M of unencumberd funds, and if the shutdown continues, will be used to carry THA through.

Commissioner Smith moved to ratify the payment of cash disbursements totaling \$5,611,723 for the month of December 2018. Vice Chair Young seconded.

Upon roll call, the vote was as follows:

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

<b>Motion Approved.</b>
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## **Client Support and Empowerment**

Client Support and Empowerment (CSE) Director Cacey Hanauer directed the board to her report. She recounted the discussions with legislators seeking the appropriations that Arlington will need. The Arlington launch on January 4<sup>th</sup> was a really great event. There are a lot of continued positive feedback, testament to the good work by Adam Ydstie. CSE is working to collaborate with other agencies to improve systems.

## **Rental Assistance**

Rental Assistance (RA) Director Julie LaRocque directed the board to her report. Highland Flats completed the renovation of ten more units that will be leased up soon; THA is expecting more every couple of weeks. The voucher utilization report shows that THA is doing well.

RA added a shoppers chart on the report, which breaks down shoppers by program and average days. It also shows a lot of people shopping for Housing Opportunity Program (HOP) and how long it takes to get people leased up. Last year THA merged HOP and site-based waiting lists to prevent people from waiting too long to get housed. The report not only shows 61 people newly housed, but also shows where everyone is and what happened to them. Commissioner Rumbaugh inquired about the special programs rate for Tacoma Community College (TCC), specifically the 2/3 under utilized. According to Director LaRocque THA set aside units for the program but people are finding it hard to lease up. TCC is opening the waiting list again to get a new list of shoppers and she is hoping this will help. Some TCC students are going to Highland Flats. RA is trying to be creative and are thinking of possible shared housing. CSE and TCC are helping people with this. At a recent meeting, THA wanted to see if TCC's Foundation and other agencies can assist students with security costs because unless they can afford rent, the voucher will not be sufficient.

The board had already approved another \$500K to supplement the rental subsidy for HOP people and Director LaRocque was asked if THA has used it yet. She said it has not been used yet. ED Mirra thinks now is the time. ED Mirra wanted to know if



students are being housed at Highland Crest or Outrigger. Yes, responded Director Burgess, but she isn't sure how many.

## **Property Management**

Property Management (PM) Director Frankie Johnson directed the board to her report. Due to lost staff hours, turn days this month is 27. PM completed 545 work orders in December. There is a slow down in work orders at Salishan because staff are preparing for REAC for Sals 1, 3, and 4. Commissioner Rumbaugh asked if there is a differentiation in data that would account for exceptional work orders requiring a lot of time and parts to be ordered. He wanted to know if the length of time it takes to complete work orders are tracked; some may take longer because of the nature of the work. According to Director Johnson, work orders are categorized as emergency (completed within 24 hours), urgent (addressed within 72 hours), and routine (addressed within 10 days). Director Johnson will provide additional information at the next board meeting.

Director Johnson's report includes a full description of the Water Heater Project for Sal 1. THA was the test case for this collaboration with Tacoma Public Utilities (TPU) and Bonneville Power Administration (BPA). THA received a portion of the rebate and will receive a check for \$19K next week, totaling just under \$25K for the project. Tenants did not notice any difference. Director Johnson is hoping that BPA and TPU will try this again at the other Sals.

Director Johnson introduced PM's new Portfolio Manager Jamila Saidi.

## **Real Estate Development**

Real Estate Development (RED) Director Kathy McCormick directed the board to her report. RED is planning to have Ankrom present in March regarding James Center.

She reported that Troy Christensen is no longer with the Korean Women's Association (KWA). She explained that THA is trying to understand the reason for the change in leadership at KWA and what it means for the contemplated THA-KWA collaboration at Hillside Heights. For this purpose, she and ED Mirra will meet with KWA's Board Chair.

Commissioner Rumbaugh noted that he has been receiving unsolicited very positive comments universally regarding the Arlington celebration. Director McCormick said that staff will present a resolution in February to approve the Arlington Drive lender and investor. Due to the government shutdown, THA may have problems accessing CDBG funds from the City and County. The project could be delayed because there are no Housing and Urban Development (HUD) staff to review the disposition application for Arlington Drive and G Street.

The 1800 Hillside Project will have 20% of its units (13 units) for homeless persons and 20% for people with disability. THA is going to the City to request funding for services. Commissioner Rumbaugh asked if THA considered tiny houses that are permanent housing. Director McCormick said that she was hesitant to invest in tiny homes because

150-200 units in one location will be too many in one place. THA is already pushing the limit at Arlington with 58 units. According to Commissioner Smith, Tacoma School District Commissioner Ushka is also working with something similar with students from Lincoln and Stadium High Schools. RED is looking at construction techniques—panelist systems, reuse containers for fast housing for homeless. Commissioner Rumbaugh thinks this is an idea worth exploring. Director McCormick will provide an update in April or May.

The Department of Ecology provided THA with a no-action letter for Wright Street. RED staff asked RBC to close out this project even though all the work has not been completed. RBC is open to this and open to providing THA all equity and developer fee. RBC has been a good partner throughout this process, according to Director McCormick. The project will be wrapped up by the end of March.

## Human Resources

Human Resources (HR) Director Toby Kaheiki directed the board to his report. THA recently transitioned to a new healthcare program under the Public Employees Benefit Board (PEBB). After the first year, THA only experienced 1.8% increase to its medical coverage rates, which typically increases by 10%. HR worked with finance to ensure THA is prepared for the changes in compliance with the new Washington State Paid Family Leave law. Staff can start utilizing the medical leave in 2020. Total premium cost is .4%, 2/3 of which is paid by the employee.

Director Kaheiki's report includes information regarding THA staff demographic. Chair Hodge is intrigued by the breakdown with the ethnicity of THA staff; every single category for minority group decreased from the previous year. She asked if THA collects ethnicity of tenants—she is curious to see the comparison between staff and tenants. Tacoma Public Schools reflects the diversity of staff and students. Director Kaheiki will acquire the data. ED Mirra commented that there are more persons of color among THA clients than staff; he asked that Director Kaheiki show a chart to display the comparison. Vice Chair Young would like to see real numbers vs. percentages.

## 8. OLD BUSINESS

None.

## 9. NEW BUSINESS

### 9.1 RESOLUTION 2019-01-23 (1) (Approval to Submit a Disposition Application to HUD for the Sale of the Arlington Land to Arlington Youth Campus LLLP)

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 converted via a long-term lease from Tacoma Housing Authority to a tax credit ownership entity, 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.

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

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

**Motion Approved:** January 23, 2019

\_\_\_\_\_  
Dr. Minh-Anh Hodge, Chair

**9.2 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.

**Comments:** According to DED Black, the owner is offering the units first to those with no vouchers. Commissioner Rumbaugh wanted to know what would happen if there are units that are dilapidated but the people do not qualify for assistance. DED Black responded that THA will need to be creative with its proposal. ED Mirra added how this will be a notable addition to the Tacoma Community College portfolio.

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

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

**Motion Approved:** January 23, 2019

\_\_\_\_\_  
Dr. Minh-Anh Hodge, Chair

## **9. COMMENTS FROM COMMISSIONERS**

- Commissioner Rumbaugh repeated what a great outcome the Arlington Drive event had. ED Mirra thanked Commissioner Rumbaugh for his great speech.
- Commissioner Smith thanked THA staff for their plan during the shutdown.
- ED Mirra shared his recent discussion with a barista at a coffee shop. The barista asked him where he worked. When she found out he worked at THA, she informed him that she just moved in to Highland Flats. She is a full time TCC student who didn't have a place to live for the last four months. She said Highland Flats saved her and it has been the best thing that has happened to her in a long time.

## **10. EXECUTIVE SESSION**

None.

## **11. ADJOURNMENT**

There being no further business to conduct the meeting ended at 6:34 PM.

**APPROVED AS CORRECT**

**Adopted:** February 27, 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:** February 21, 2019  
**Re:** Executive Director's Monthly Report

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

## 1. **FEDERAL GOVERNMENT RE-OPENS WITH A REAL BUDGET FOR 2019**

I am pleased to note the news we all received that Congress and the President agreed on a real 2019 budget for the rest of the federal government. This avoided another shut-down on February 16<sup>th</sup>. Moreover, the 2019 appropriations for HUD should give THA a bit of an increase. The final funding levels for programs pertinent to THA fall between the House and the greater Senate proposals. At the Board meeting, Ken may have more detail on how much more money this will mean for us. It is likely, however, that we will not know for a while. The money has to work its way through HUD's complicated allocation formulas.

I do note that THA was ready with a reasonable plan to manage another shut-down had it occurred. That plan has been the regular topic of my reports to the Board for the past several months. I appreciate the work, thought and partnerships it took to devise that plan among the Board, the staff, our Landlord Advisory Group and our community partners. The effort showed two things of lasting value: THA has some notable resources in staff, reserves and community partnerships to manage a shutdown in a reasonable way; the experience reassured us that in facing whatever the Congressional budget battles had in store for us that THA would not face it alone.

While it is pleasant to leave this shut-down plan behind us as unnecessary, I must observe that Congress must pass the next budget or a continuing resolution by October 1<sup>st</sup> to avoid another shutdown. At least if necessary we have a plan we can dust off.

## 2. **STATE LEGISLATIVE ACTIVITY**

The Washington State legislature is well into its 2019 session. Two topics have required THA's attention.

### 2.1 **Arlington Drive Campus for Homeless Youth and Young Adults: Budget Request**

THA has two budget requests for Arlington Drive:

- \$800,000 capital fund request;
- \$5 million appropriation for the Office of Homeless Youth's funding streams to make them big enough for the \$2 million in operating dollars Arlington Drive will need.



I attach two double sided pages we are using to explain the project and our budget request.

Community Youth Services and the YMCA of Greater Seattle are joining with THA in this request. Together we are meeting with legislators. We find that the request resonates with three themes of the session:

- homelessness, especially of young people
- behavioral health
- education

At the Board meeting, Cacey Hanauer can update the Board on our discussions with legislators. If any Commissioner is positioned to speak with legislators in support of this request, please do so.

## **2.2 Tenant Protections Proposals**

The legislature is considering a wide array of bills to strengthen the law's protections for residential tenants. This is a replay of the same discussion last year before the Tacoma City Council that ended with new tenant protections in city law.

Partly because of that Tacoma experience, THA is participating fully in these negotiations on behalf of the Association of Washington Housing Authorities (AWHA). I attach three documents that recount those discussions.

As with THA in the Tacoma experience, AWWA brings five separate interests to the discussion:

- Housing authorities are their communities' largest landlords. This allows us to fully understand the concerns of landlords.
- We have been using many of the proposed tenant protections, such as "just cause". This allows us to report that we find them manageable; we expect other landlords can make them work.
- The landlords are also our business partners. We need them to accept our housing vouchers. This means that we are very alert to any proposal that affects their willingness to do that. We presently have about 3,700 housing vouchers in use.
- We also have a social justice mission to speak up for the neediest households in our communities, especially on housing related topics, especially in this brutal rental market.
- It is also our job to provide advice and data to the legislature.

These issues do not neatly split landlord interests from tenant interests. Tenants are indeed interested in enhanced protections, especially in this brutal rental market. This requires protection, for example, against arbitrary eviction and against eviction on short notice. Landlords are interested in their financial profits and the proper and smooth functioning of their properties. This can require an effective way to evict troublesome tenants. In this way, these issues do present a clear split between the interests of tenants and landlords. Yet important nuances also show in the discussion. For example, if a tenant is living next door to the neighbor from hell, that tenant would also favor the landlord's ability to evict that neighbor quickly. Also, if evictions become too hard or expensive to do, landlords may be less willing to rent to an applicant with weak tenant, credit or criminal history.

AWHA and THA support policies that account for all these interests.

Aley Thompson of THA has been deep into the legislative negotiations. She will attend the Board meeting to update the Board on discussions.

**3. STAFF BOARD MEETING ABSENCES**

I must report that I and a few of the directors will miss the February Board meeting. I need to be in Denver to attend a conference on housing and education initiatives. A few directors will be in Portland, OR. There they will attend a conference on RAD conversions. THA's work in these areas will showcase at both conferences. At the Board meeting April will lead the staff presentations with her customary poise and competence.

Thank you.



**Tacoma  
Housing  
Authority**



## ARLINGTON DRIVE CAMPUS for HOMELESS YOUTH and YOUNG ADULTS

*Last Revised January 17, 2019*

### THE EMERGENCY

- In 2016, over 1,070 youth were homeless without families in Pierce County.
- They leave Pierce County because there is no place for them here.
- These young people face high risks of drug abuse, trafficking, violence, and greatly diminished prospects for an education, an occupation and a successful adulthood.

Hey my names [REDACTED] & I'm looking for help asap I don't know what to do or where to turn. I have no place to stay and have no cash for a place to rent. I've tried asking everyone I know for help and I have noone,,, I'm 19 years old and I have a lil bit of mental health with anxiety attacks, being in a social group I get very closterfobic, I have PTSD I get bad flash backs, & I also have bad health ... So it don't help that I have no help at all and I'm staying in a [t]ent outside and the weather is very bad condition and I don't have very many things no clothes or stuff to clean up and shower with . I'm very in a bad state of mind with this whole homeless thing. I hope to hear from you with maybe some sort of good news. Thank you & god bless. [sic]  
- email to THA [November 5, 2015]

### THE ARLINGTON RESPONSE

- 12 bed Crisis Residential Center/HOPE facility for homeless youth ages 12 to 17 (with expert services by Community Youth Services)
- 58 units for homeless young adults ages 18 to 24 (with expert services by YMCA of Greater Seattle)
- Easy walk to schools, Eastside Community Center, Tanbara Regional Health Clinic, and transit; encircled by a green belt of trees and a ravine.



### CONSTRUCTION FINANCING: \$ 26 million

Tax Credit Investors	State of Washington	Tacoma Housing Authority
City of Tacoma	Pierce County	Federal Home Loan Bank

### OPERATIONS FINANCING: RENTAL HOUSING AND SUPPORTIVE SERVICES

THA: \$750,000/year for rental housing expenses	State of Washington: <b>need \$2 million/year for services</b>
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### PARTNERS



### CONTACTS:

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(360) 918-7870

**Mark Putnam**  
YMCA of Greater Seattle  
[mputnam@seattleymca.org](mailto:mputnam@seattleymca.org)  
(206) 999-6153

## **ARLINGTON DRIVE CAMPUS FOR HOMELESS YOUTH AND YOUNG ADULTS: NOTES**

### **1. The Crisis of Youth and Young Adult Homelessness:**

Thousands of youth and young adults are homeless in Washington State. They face greatly increased risks of violence, sexual exploitation, drug or alcohol dependency, and lifelong poverty. They face greatly diminished chances of an education, a reasonable adolescence, a livelihood, and a successful family.

### **2. Arlington Drive Campus: A Solution at Scale**

*Arlington Drive's Crisis Residential Center/HOPE facility for homeless youth age 12 to 17 years (12 beds):*

Community Youth Services (CYS) will administer facility. CYC is among the nation's premier providers doing this work. Its service model has a 91% rate of success in discharging these youngsters to stable housing after an average 12 day stay. At that rate, Arlington Drive's CRC will serve and save nearly 400 homeless youth every year.

*Arlington Drive will have 58 apartments for homeless young adults age 18 to 24 years. About 30% will be parents of babies or toddlers. The Y of Greater Seattle will provide the extensive services they will need. The Y is a national leader in this work. Its evidence-based model will redirect these young people to a reasonable, safe and sustainable adulthood. Also, when these young people leave Arlington they will take a 5-year THA housing voucher with them.*

### **3. A Regional Asset**

The campus will serve a regional problem. Homeless young people roam from county to county, fleeing danger, seeking help, and going astray. Those from Pierce County will be able to stay closer to home. Doing so will reduce their trauma and increase the chance of patching their families back together. Doing this will help other counties. Pierce County youth will not take up space in the shelters of other counties, allowing those other counties to focus on their own youth. It will also serve youth from other counties who find their way to Pierce County seeking help.

### **4. A Behavioral Health Investment**

Homeless youth and young adults show extensive rates of trauma, mental illness, and drug or alcohol dependency. They need professional services. They will get them at Arlington. Arlington will be part of a continuum that includes: Family Preservation Services, Family Reconciliation, Foster Care, Therapeutic Foster Care, Behavioral Health Services, Residential Treatment, Substance Use Disorder Treatment, in-Patient Treatment. Critically, they will get the housing stability necessary to make these services effective.

### **5. An Education Investment**

The stability at Arlington will allow these young people to resume an education.

### **6. An Investment in Equity**

Nearly half of homeless youth and young adults are persons of color. Nearly half of homeless youth are LGBTQ. Arlington Drive is an investment in a future that is more equitable, and just.

### **7. THA, CYC and the Y: A Unique and Formidable Partnership**

Arlington Drive is a partnership that combines THA's real estate development and housing resources with the social service expertise and experience of CYC and the Y. This partnership is unique and formidable.

### **8. Designed with the Help of Formerly Homeless Youth and Young Adults and Community Members**

Arlington Drive offers the rare chance to design such a property for its purpose. THA consulted widely about its design and operations: community members, neighbors, community groups, businesses, churches, leaders and, importantly, formerly homeless young people. The resulting design will be welcoming, efficient, and lovely.

### **9. Lives at Stake; Lives Saved**

Arlington Drive will give these homeless youth and young adults a second chance at an adolescence and an adulthood, an education, a livelihood, and a family, and a second chance at a life without exploitation, impoverishment and fear.



**Tacoma  
Housing  
Authority**



## **ARLINGTON DRIVE CAMPUS for HOMELESS YOUTH and YOUNG ADULTS**

### **LEGISLATURE FUNDING REQUESTS FOR 2019 SESSION**

*Last Revised January 28, 2019*

#### **OPERATING FUNDS: \$ 2 million/year starting in 2020**

Once Arlington opens for business in 2020, it will need \$ 2 million a year in service dollars. This is on top of the \$750,000 a year THA will provide in rental assistance dollars to pay for the property's management and maintenance.

The Project asks the legislature to increase the funding for existing three state programs at the Office of Homeless Youth. If the legislature makes the funding for those programs big enough to accommodate what Arlington needs, THA and its service partners can then apply to that Office for funding. Here are the three programs that fit what Arlington will be doing:

- **Crisis Residential Center/HOPE Facility for Homeless Youth - 12 beds**

**(Community Youth Services): \$1 million**

This money will fully staff a licensed CRC/HOPE facility with 12 beds with all necessary service expertise. Community Youth Services (CYS) will manage the CRC at Arlington. It will serve and save and stabilize nearly 400 youth a year after an average 12 day stay. PLEASE NOTE: CYS is already managing a 6 bed CRC for THA in South Tacoma. When Arlington opens, CYS will move those 6 beds and its state funding from South Tacoma to Arlington. This means Arlington will need just another \$500,000 for the additional 6 CRC/HOPE beds, for a total of \$ 1 million.

- **Apartments for Homeless Young Adults – 58 apartments**

**(YMCA of Greater Seattle)(58 apartments) \$ 1 million**

The YMCA of Greater Seattle will provide the services to these young people; 30% of them will be parents of babies and toddlers. This money will fund shifts of 8-12 full-time staff and associated costs. The staff team will be a mix of clinicians, case managers, care coordinators, live-in resident support, and supervisors. They will provide trauma-informed care to these young people. The money will also pay for other services and expenses they will need: *e.g.*, clothing, food, hygiene, furnishings, transportation, phone service, education and training. These services and this housing will stabilize these young people, help them recover from trauma and allow them to leave Arlington with a second chance at an adulthood, an education, an occupation and a self-sufficient life. When they leave, they will take a THA housing voucher with them.

For these purposes, the Y will need \$1 million a year from two pre-existing programs at the Office of Homeless Youth:

- ~ Young Adult Housing Program
- ~ Independent Youth Housing Program.

#### **CAPITAL FUNDS: \$800,000**

We seek \$800,000 to finish the project's construction financing. It will cost about \$27 million to build. We already have arranged about \$26 million from other sources, including tax credit investor equity (\$18 million), State of Washington (\$4.29 million), City of Tacoma (\$1.8 million), Pierce County (\$ 1 million), Federal Home Loan Bank (\$750,000) and THA (commercial debt as necessary).

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## **ARLINGTON DRIVE CAMPUS FOR HOMELESS YOUTH AND YOUNG ADULTS: NOTES**

1. **The Crisis of Youth and Young Adult Homelessness:**  
Thousands of youth and young adults are homeless in Washington State. They face greatly increased risks of violence, sexual exploitation, drug or alcohol dependency, and lifelong poverty. They face greatly diminished chances of an education, a reasonable adolescence, a livelihood, and a successful family.
2. **Arlington Drive Campus: A Solution at Scale**  
*Arlington Drive's Crisis Residential Center/HOPE facility for homeless youth age 12 to 17 years (12 beds):*  
Community Youth Services (CYS) will administer facility. CYS is among the nation's premier providers doing this work. Its service model has a 91% rate of success in discharging these youngsters to stable housing after an average 12 day stay. At that rate, Arlington Drive's CRC will serve and save nearly 400 homeless youth every year.  
  
*Arlington Drive will have 58 apartments for homeless young adults age 18 to 24 years.* About 30% will be parents of babies or toddlers. The Y of Greater Seattle will provide the extensive services they will need. The Y is a national leader in this work. Its evidence-based model will redirect these young people to a reasonable, safe and sustainable adulthood. Also, when these young people leave Arlington they will take a 5-year THA housing voucher with them.
3. **A Regional Asset**  
The campus will serve a regional problem. Homeless young people roam from county to county, fleeing danger, seeking help, and going astray. Those from Pierce County will be able to stay closer to home. Doing so will reduce their trauma and increase the chance of patching their families back together. Doing this will help other counties. Pierce County youth will not take up space in the shelters of other counties, allowing those other counties to focus on their own youth. It will also serve youth from other counties who find their way to Pierce County seeking help.
4. **A Behavioral Health Investment**  
Homeless youth and young adults show extensive rates of trauma, mental illness, and drug or alcohol dependency. They need professional services. They will get them at Arlington. Arlington will be part of a continuum that includes: Family Preservation Services, Family Reconciliation, Foster Care, Therapeutic Foster Care, Behavioral Health Services, Residential Treatment, Substance Use Disorder Treatment, in-Patient Treatment. Critically, they will get the housing stability necessary to make these services effective.
5. **An Education Investment**  
The stability at Arlington will allow these young people to resume an education.
6. **An Investment in Equity**  
Nearly half of homeless youth and young adults are persons of color. Nearly half of homeless youth are LGBTQ. Arlington Drive is an investment in a future that is more equitable, and just.
7. **THA, CYS and the Y: A Unique and Formidable Partnership**  
Arlington Drive is a partnership that combines THA's real estate development and housing resources with the social service expertise and experience of CYS and the Y. This partnership is unique and formidable.
8. **Designed with the Help of Formerly Homeless Youth and Young Adults and Community Members**  
Arlington Drive offers the rare chance to design such a property for its purpose. THA consulted widely about its design and operations: community members, neighbors, community groups, businesses, churches, leaders and, importantly, formerly homeless young people. The resulting design will be welcoming, efficient, and lovely.
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## ASSOCIATION OF WASHINGTON HOUSING AUTHORITIES

### **SUPPORT, CONCERNS AND ALTERNATIVE PROPOSALS ABOUT TENANT PROTECTION BILLS:**

**SB 5600**

**HB 1453**

**HB 1656**

Last Revised February 2, 2019

The Association of Washington Housing Authorities (AWHA) offers support, concerns and alternate proposals about provisions in SB 5600, HB 1453 and HB 1656. These three bills seek to increase tenant eviction protections in residential tenancies. AWA members generally regard eviction as a last resort, after alternative efforts to save a tenancy do not work. Even so, AWA favors increased tenant protections. Our member housing authorities already use them extensively in their own properties. Yet parts of these three bills present serious problems. AWA believes the problems are fixable. More discussion, in detail, is necessary. AWA is ready to participate in those discussions.

AWHA and its members bring the following interests into any discussion of tenant protections. We strive for positions on these proposals that reasonably balance these interests:

- (1) AWA members are landlords. Some AWA members are the largest landlord in their communities. This allows us to fully understand the landlord perspective.
- (2) As landlords, AWA members already use some of the proposed tenant protections, such as a good cause requirement. We make them work. This allows us to expect other landlords can manage with them, but only if the tenant protections are reasonable.
- (3) Private landlords are important business partners to AWA members. We need them to participate in our housing assistance programs. We must be alert to any change in the law that will make that more or less likely.
- (4) AWA members also have a social justice mission to speak up for the interests of low-income residents of their communities whether or not they are housing authority tenants. This makes us support strong tenant protections generally. But tenant protections do not always favor tenants, especially low-income ones. Here are two examples. **First**, if the law makes it too hard to evict a tenant, landlords may be less willing to take a risk on a tenant applicant with weak credit, rental or criminal history. **Second**, a tenant may live next door to a troublesome or abusive neighbor. Such a tenant shares the landlord's interest in removing that neighbor quickly. This is particularly true of tenants in subsidized housing. Their low-income and dependence on the subsidy means that they cannot easily move away from such a neighbor. Instead, they rely on the landlord's ability to address the situation and at times evict the neighbor.

AWHA offers the following support, concerns and alternate proposals in *italicized red*:

### Lengthening the Duration of Notices for Tenants to Comply with Obligations

The bills lengthen the time a tenant who is violating the lease has to cure the violation before the landlord can terminate the tenancy and seek a court's eviction order. AWAH can favor some version of these proposals. It has some concerns about the proposal in these bills.

- **SB 5600 Section 1(3); HB 1453 Section 1(3):** These provisions increase a landlord's required notice to the tenant giving the tenant an opportunity to cure a rent default. The Senate bill increases this notice from three (3) days to fourteen (14) days. *AWHA will support an extension of the notice period to fourteen days.* This time will give the tenant a better chance to find the rent money from social service agencies or to await the next paycheck. The House bill increases the time to twenty-one (21) days. AWAH believes that is too long for a landlord to await performance of the basic tenant obligation to pay rent.

- **HB 1656 Section 4(1)(b)** increases from ten (10) days to thirty (30) days after a landlord's notice for a tenant to cure "substantial" violations of a "material" term of the lease. *AWHA believes that this is too long. AWAH does not favor such a long period to cure what may be seriously disruptive, abusive or damaging behavior by the tenant.*

Another concern arises with both proposals. A tenant who may not plan to comply within the notice period is more likely to damage the property or cause trouble or fail to pay rent between his or her receipt of a termination notice and when he or she must move. The longer that interval the higher this risk. The legislature should choose an interval that accounts for this risk.

### Expanding the Scope and Lengthening the Time for a Tenant to Reinstate a Tenancy Even After Losing in Court Before an Independent and Objective Judge or Jury

The bills expand or lengthen the tenant's ability to cure a lease violation and remain in possession even after losing in court. AWAH believes these changes excessively lengthen and weaken what is supposed to be a fast, legal remedy for lease violations. *AWHA can support an alternative, expanded reinstatement authority for the court. Its alternate proposal shows below:*

- **SB 5600 Sections 1(3), 8(2)(3); HB 1453 Sections 1(3), 7(2):** These provisions greatly extend the ability of a tenant who has defaulted on the rent and lost in court on the issue to later pay rent and remain in possession. This extension occurs in two ways. **First**, SB 5600 Section 1(3) increases from three (3) days to fourteen (14) the notice the landlord must give a tenant to pay rent due. HB 1453 Section 1(3) increases this notice period to twenty-one (21) days. The above section expresses AWAH's view of these extensions. **Second**, SB 5600 Section 8 and HB 1453 Section 7(2) present a different problem. They expand the scope and time a tenant has after losing in court and having been found by an independent and objective judge or jury to have failed to comply with the pay rent or vacate notice to then reinstate the tenancy anyway merely by paying the rent initially due. Present law allows a losing tenant to reinstate the tenancy by paying the court's judgment for rent due **and** the landlord's attorney's fees and costs. The tenant must pay this within five (5) court days. SB 5600 Section 8 and HB 1453 Section 7(2) would entitle the defaulting tenant to reinstatement if he or she pays only the judgment for rent due. The tenant need not pay the judgment for other fees and costs.

This would mean that a tenant failing to pay rent could wait out the new fourteen (14) day or twenty-one (21) day notice period, then wait out the duration of the court proceedings (which could be weeks) and then wait up to five (5) court days and only then pay the amount initially due, and remain in possession. All this would result in significant expense to the landlord to no effect and at no cost or risk to the tenant who after all that court proceeding need merely pay what he or she had been owing initially. The bill imposes no limit on the number of times a tenant may engage the landlord in this empty but expensive exercise.



● **SB 5600 Section 8(3); HB 1656 Sections 4,7; HB 1453 Section 7:** HB 1656 Section 4(1)(b) increases from ten (10) to thirty (30) days the time a tenant has to cure a violation other than a failure to pay rent, such as noise, disturbance or damage to the property. The above section of this paper states AWhA's concern about this extension. AWhA's concern grows significantly with SB 5600 Section 8(3) and HB 1453 Section 7(3). These sections would further extend the time the tenant has to cure a violation for a tenant who has lost on the issue in court. They would do this by conferring another right to reinstatement. Present law does not allow the court to reinstate a tenancy after the court terminated it for a tenant's failure to comply with a ten (10) notice to cure other violations beside failure to pay rent. These new provisions would allow reinstatement in such cases. They state that when the proceeding is for a "breach of a condition capable of cure the court shall stay the writ of restitution to afford a reasonable time for the tenant to properly cure and redeem the tenancy." In other words, a tenant may commit a violation "capable of cure". He or she can then nevertheless fail to cure it within the initial notice period. He or she could then wait out the duration of a court proceeding (which could be weeks long), lose in court and then receive another "reasonable" chance to cure.

● **HB 1453 Section 7:** Present law allows reinstatements only when the court terminates an unexpired fixed-term lease. It does not allow a reinstatement of a month-to-month tenancy. Section 7(2) would extend this right of reinstatement to month to month tenancies.

● **SB 5600 Section 8(4) and HB 1453 Section 7(4)** allow the court, having issued an eviction order, to vacate or stay the writ of restitution "upon good cause and on such terms as the court deems fair and just."

● **SB 5600 Section 7 and HB 1453 Section 6** would give the court a further new authority to reinstate a tenancy: "If it appears to the court that relief from forfeiture [termination of the tenancy] is appropriate in the interest of justice, the court shall have discretion to grant such relief."

● **SB 5600 Section 6(2) and HB 1453 Section 5(2)** further states that the court's reinstatement of a tenancy in any of these instances "may not be conditioned on a tenant payment or satisfaction of any monetary amount other than rent." This means that a landlord who has given a tenant a chance to cure, to no avail, and who begins a lawsuit to evict, at notable expense and time, and who then prevails in court, must then allow the tenant to stay without getting a payment for damage to the property, attorney's fees or costs. This section only assures the landlord of the consolation ability to pursue "other lawful remedies to collect late payments, damages, legal costs or other fees, including attorney's fees." Presumably that would mean yet another law suit.

*AWhA proposes the following alternative way to expand the court's authority to reinstate a tenancy whom it just ruled should be evicted: Following the entry of a judgment ordering the eviction of a residential tenancy, the court, upon the petition of the tenant, would have the discretionary authority to reinstate a tenancy if reinstatement would be just to both parties. In making this decision the court shall consider the following factors:*

- *the tenant's ability in a timely way to cure the violation that the court found to have occurred;*
- *the tenancy's history of lease violations, if any;*
- *the likelihood that violations will stop or recur;*
- *the relative burden on the parties resulting from reinstatement or refusal to reinstate;*

*The burden of proof shall be on the tenant. The court may reinstate the tenancy upon appropriate terms, which may include the payment or waiver of all or part of the monetary judgment for rent, damages fees or costs. Any waiver of payment shall not preclude the landlord from collecting in other proceedings.*

## Good Cause Requirements to Terminate a Residential Tenancy, and Related Matters

**HB 1656, Section 4** requires the owner to state good cause in order to terminate or refuse to renew a residential tenancy. Such a requirement imposes benefits and risks for both landlords and tenants. Here are some of them.

Advantages of Good Cause Requirement	Disadvantages of Good Cause Requirement
<ul style="list-style-type: none"> <li>• Provides a measure of housing stability and security without fear, especially in a tight market.</li> <li>• Better protects tenants from evictions that are arbitrary, abusive, retaliatory or discriminatory.</li> <li>• This better protection from such evictions also means better protection from landlord behavior short of eviction that is arbitrary, abusive, retaliatory or discriminatory.</li> <li>• This protection from retaliatory eviction would allow tenants to more safely request needed repairs and exercise their tenant rights.</li> <li>• A good cause requirement would match the same requirement in fixed term or subsidized tenancies. In that way, this requirement for all tenancies would remove a landlord incentive to avoid fixed terms or subsidies.</li> <li>• Few tenants contest for-cause evictions so good cause requirements will not notably increase costs.</li> </ul>	<ul style="list-style-type: none"> <li>• A good cause requirement makes evictions harder to do and more expensive.</li> <li>• The increased time and expense may make landlords less willing to take a risk on renting to tenants with the weakest rental, credit or criminal histories.</li> <li>• A tenant living next door to a troublesome or abusive neighbor fully shares the landlord's interest in removing that neighbor quickly. This is particularly true of tenants of AHWAs members. By reason of their low income, they are dependent on the housing authority's subsidized rents. This dependence means that they cannot move away from such a neighbor. Instead, they must rely on the landlord's ability to evict the neighbor. A good cause requirement will make this harder.</li> </ul>

*AWHA favors a reasonable good cause requirement. It has the following concerns about the proposal that need further and detailed discussion. AWA is ready to participate in those discussions.*

• **HB 1656, Section 4(1):** This new language would appear to change the meaning of a termination of a tenancy. Under present law, Chap. 59.12 RCW, the tenancy terminates upon the service and expiration of the appropriate termination notices, *e.g.*, 10 day notice to comply or vacate. This new section states that a tenancy terminates only upon a court order. AWA is not sure of the intent or effect of this change. It is odd and worrisome to contemplate that no residential tenancy could terminate without a court order. *AWHA does not favor this change, at least without understanding it.*

• **HB 1656, Section 4(1)(d)** defines a permitted cause to terminate a residential tenancy. The definition includes an owner's wish to live in the unit. AWA favors this consideration for an owner. Yet this provision would not count in a building "with three units or less" (including single family homes) if the tenant was over 60 years of age or disabled unless the owner makes a comparable unit available.

*AWHA has four concerns about this provision and recommends its removal. First*, an owner knowing about this provision in advance of choosing a tenant would understand it to impose a disadvantage to rent to people who are 60 years or age or who are disabled. The law should not unduly tempt owners in this way to commit unlawful housing discrimination. *Second*, it imposes an undue restriction on an owner's interest in occupying his or her own property. This would mean that an owner who rented a single family home to a 60 year old and who wanted to live in his or her own home could not do so

unless he or she found the tenant a comparable unit. **Third**, it is not clear what a “comparable” unit means and who would find it, provide it and pay for it.

**Fourth**, the law should explicitly recognize as good cause an owner’s wish to evict a tenant who is also the owner’s roommate or housemate. Such an owner should not need any further basis other than his or her wish to remove a roommate or housemate. The need to remove a roommate or housemate is frequently based upon detailed, subtle and intimate reasons that the law should not require the owner to justify. The City of Seattle’s good cause ordinance allows for this consideration.

- **HB 1656 Section 4(1)(f)** defines cause to include an owner’s plans to substantially rehabilitate or demolish the premises. The section requires the owner to include in the notice the “approvals and plans from the local jurisdiction”. AWAHA notes that local jurisdictions vary greatly on the requirement, manner, sequence, and schedule for issuing such approvals thus imposing an undue irregularity into a state law requirement and unduly delaying the ability to build or rebuild much needed affordable housing in a timely manner.

- **SB 5600 Section 3 and HB 1656 Section 3(8)** would apply the Residential Landlord-Tenant Act to tenancies created as part of an employment relationship. These employment-housing arrangements can be very useful. AWAHA members use them. They allow a manager or a maintenance person to live at the property he or she serves. Specific apartments are often set aside for the purpose. However, the House Bill requirement of good cause to terminate would make these arrangements hard to manage. It would require landlords to have cause to terminate tenancies, including tenancies created as part of an employment contract. The bill limits the definition of “cause” to enumerated reasons “and no others”. Yet that enumerated lists does not include the end of the employment relationships. This would mean that a former employee can remain in an apartment intended for an on-site manager or maintenance person precluding the successor employee from using it. This would be a particular problem for some tax credit financed properties that set aside a unit for a resident managers and that require it to be occupied by a resident manager. *AWAHA recommends that the list of permitted causes to terminate a residential tenancy include the end of the employment relationship.*

#### **Requires Third Party Documentation of Repairs to Withhold Security Deposit**

**SB 5600 Section 12(1) and HB 1656 Section 10** relates to the deposit after the termination of the rental agreement. It requires the landlord to include copies of estimates received or invoices paid to substantiate damage charges. Any changes not substantiated by third-party documentation may not be charged to the tenant.

Many housing authorities, and other owners, large and small, do not use third parties to make repairs. They use their staff. Small owners may do the work themselves. If owners do use third parties to make repairs they may not procure such services or get billing from them within the twenty-one (21) day deadline for either returning the security deposit or notifying the tenant of the reason for a withholding.

RCW 59.18.280 already requires the landlord withholding part of a security deposit to “give a full and specific statement of the basis for retaining any of the deposit.” *Instead of the bill’s language, AWAHA proposes the following additional safeguards: “The landlord will include documentation of the damage and repair costs that is available within the time period for providing the notice to the tenant of its withholding.”* This documentation could be from third parties or from the owner.

### Lengthen Notice of Rent Increases

**SB 5600, Section 5(3)** increases from thirty (30) days to sixty (60) days the notice a landlord must give of a change in the amount of rent. *AWHA supports but only with an exemption for tenancies whose lease or program rules already contain the provision or formula for a change in the tenant's share of the rent and in that way are already known to the tenant. Sometimes this can be an escalator clause. For AWHHA members, it includes federally subsidized tenancies whose rents change by formula usually in response to a change in the tenant's income.*

Subsidized housing is governed by program rules that change the tenant's share of the rent as the tenant's income changes. Those rules also direct when the change becomes effective. State law should not disrupt this. If state law did impose its own schedule for such changes it invites a serious problem, particularly for housing authorities or other subsidized tenancies where the change in rent depends on a change in earnings or other circumstances within the tenant's control or at least dependent on information coming from the tenant. If in these cases the rent cannot change for sixty days, the tenant may within that sixty day period report yet another change in income forcing a another recalculation of the rent. That may then reset the sixty day clock, postponing by that amount the effective date of the rent change. This may happen repeatedly resulting in an indefinite delay in the effective date of the rent change.

*The state should exempt such tenancies from this notice period.* The Cities of Vancouver and Tacoma allowed this exemption for these reasons.

### Changing Definition of "Tenant"

**HB 1656 Section 2(29)** changes the definition of "tenant" to include "any occupant who has coresided with the tenant for six months or more prior to the tenant vacating the property." *AWHA recommends removal of this provision.* It sees three problems with this provision. **First**, the choice of tenant is a core element of an agreement to create a tenancy. The law should not create a tenancy between persons not parties to that agreement. **Second**, this provision would create a tenancy not only without the owner's agreement but also without the owner's knowledge. It declares someone a tenant just because he or she lived on the premises whether or not the person's presence violated the lease and whether or not the owner knew of the arrangement. The law should not do that either.

**Third**, the provision clashes with important federal rules governing subsidized tenancies. For example, only "tenants" can live in a property subsidized by Low Income Housing Tax Credits. A person can be a tenant only because the owner certifies his or her eligibility under detailed federal rules governing low-income requirements and sometimes other characteristics, such as being disabled and homeless. All other members of the household must be income-qualified as well and named on the lease, regardless of length of tenancy. In addition, under federal rules, any person residing in the household as a HUD-defined "live in aide" is not considered a tenant with rights to the lease. In these ways, the definition of a tax credit "tenant" is not based solely on occupancy. State law should not force an owner to violate these and other federal rules linked to subsidy.

### Contact:

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To:	Senator Kuderer, sponsor Representative Macri, sponsor Representative Jinkins (Chair, Judiciary)	Representative Barkis Representative Irwin (ranking on Judiciary) Senator Saldana
From:	Jessica Fortescue, AWHa and Edmund Witter, KCBA	
Re:	Tenant Protections Proposal: Negotiations over Right to Reinstate Tenancy After Judgment	
Date:	February 10, 2019	

## **TENANT PROTECTIONS PROPOSALS IN SB 5600 AND HB 1453: RIGHT TO REINSTATEMENT OF TENANCY**

Senator Kuderer and Representative Macri convened stakeholders in two meetings to discuss tenant protection bills, including SB5600 and HB 1453. These bills contain provisions, among others, changing RCW 59.18.410. This law governs a court's reinstatement of a tenancy after the court has ordered the tenant's removal in an unlawful detainer action. At the first stakeholders meeting, the Association of Washington Housing Authorities (AWHA) and the King County Bar Association (KCBA) were assigned the task to negotiate changes to the reinstatement provision and a related matter concerning the award of attorneys' fees. AWHa and KCBA are pleased to report very good progress. We have agreed on all issues except one. Below is a chart showing what present law directs and the changes that AWHa and KCBA both favor. The chart also shows their alternative proposals for the one remaining issue. It concerns late fees. We attach a clean copy of RCW 59.18.410 showing the proposed changes, with the alternate language for the one remaining issue. (KCBA also negotiated on behalf of the Washington Low Income Housing Alliance.)

Present Law	AWHA Proposal	KCBA Proposal
1. Award of Attorneys Fees		
“the court may award statutory costs and reasonable attorney's fees.”	AWHA and KCBA agree on the following: “the court may award statutory costs and reasonable attorney's fees; however, if the alleged unlawful detainer be after default in the payment of rent or violation of a condition of the rental agreement, the court may award reasonable attorney’s fees only after a finding that the tenant did not act in good faith, willfully performed an act prohibited by the lease or the governing law, or willfully refrained from performing an act required by the lease or the governing law.” RCW 59.18.410(1)(proposed).  This language is based on the Revised Uniform Residential Landlord-Tenant Act (2015), Section 205.	
2. Right to Reinstatement of a Tenancy In Non-Payment of Rent Cases After the Court Rules Against Tenant		
2.1 Is right of reinstatement available in all tenancies?		
Under present law, the right to reinstate is available only in non-payment of rent cases and only in fixed term tenancies	AWHA and KCBA agree that the right to reinstatement in non-payment of rent cases should be available in both fixed term and month-to-month tenancies.	



Present Law	AWHA Proposal	KCBA Proposal
<b>2.2 What should a tenant have to pay the landlord to reinstate after losing a nonpayment of rent case?</b>		
To have a right to reinstate a tenancy in a non-payment of rent case, present law requires the tenant to pay the amount of the judgment and costs. The judgment amount will include rent due, late fees, and court costs and attorney's fees that the court "may" award.	AWHA and KCBA agree that to have a right to reinstate in a nonpayment of rent case, the tenant should pay: <ul style="list-style-type: none"> <li>• rent due</li> <li>• court costs</li> <li>• any attorney's fees awarded</li> </ul> AWHA and KCBA agree that the tenant should also pay late fees as a condition of reinstatement of a tenancy by right. They disagree on the limits for late fees.	
	AWHA proposes the tenant pay late fees that accrued up to the expiration of the notice to pay rent or vacate. For example, if the notice period changes to 14 days, the late fee accrual for purposes of reinstatement would stop on the 14 <sup>th</sup> day.	KCBA proposes the tenant should pay late fees provided for in the rental agreement if the rental agreement provides for late fees not exceeding five-percent of all outstanding rent with a maximum of \$75.00
	<b><i>Reasons for AWHA Proposal</i></b> <ul style="list-style-type: none"> <li>• Meaningful late fees are necessary as an incentive to pay rent on time and to impose some measure of accountability on a tenant who fails to pay on time. Otherwise a tenant can fail to pay rent, wait out an unlawful detainer case, lose, and then have a right to reinstate without incurring meaningful cost or risk.</li> <li>• The court should not require payment of late fees that accrue after the end of the pay rent or vacate notice. After that time, the landlord is not obliged to accept rent. A tenant should not be penalized for failure to pay rent that the landlord won't accept.</li> <li>• If these fees are too much or if fees are exorbitant, the court can offer relief in the exercise of judicial discretion allowed in the provision described in the next section.</li> <li>• AWHA does not favor the KCBA proposal to cap late fees by a percent-age of rent due. Its proposed 5% is too low for purposes that late fees must serve. This is especially true for the low rents that Housing Authority and Non-Profit Landlords charge. 5% of a month's rent of \$400 would be only \$20 dollars. That is too low.</li> </ul>	<b><i>Reasons for KCBA Proposal</i></b> <p>Some landlords charge exorbitant late fees that would accrue to large amounts even within the notice period. The law should cap late fees so they do not become a barrier to reinstatement or present an undue barrier to reinstatement as these fees could be extremely high within the lease agreement and be disproportionate to the amount owed. This would not limit any other late fees or charges, but only constitute a limitation for tenants to exercise their rights under reinstatement. A landlord could still charge greater late fees in other contexts.</p>

Present Law	AWHA Proposal	KCBA Proposal
<b>3. Judicial Discretion to Reinstate Tenancy</b>		
Not available	<p>AWHA and KCBA agree that Washington, like other states, should give the court the discretionary authority to reinstate a tenancy that the court terminated. This should be available in both non-payment of rent cases and other cases. They agree on the following guidelines and limits for the exercise of that discretion.</p> <p>Following the entry of a judgment in favor of the plaintiff and against the defendant for the restitution of the premises and forfeiture of the lease, agreement or tenancy, the court, at the time of the show cause hearing or trial, or upon subsequent motion of the tenant but before the execution of the writ of restitution, may stay or vacate the writ of restitution upon good cause and on such terms that the courts deems fair and just for both parties. In making this decision the court shall consider the following factors:</p> <ul style="list-style-type: none"> <li>(a) evidence or lack of evidence of the tenant’s willful or intentional default or misconduct;</li> <li>(b) the tenant’s ability in a timely way to cure the violation that the court found to have occurred;</li> <li>(c) the tenant’s ability in a timely way to pay rent due and other amounts found owing;</li> <li>(d) the tenancy’s history of comparable lease violations, if any;</li> <li>(e) the likelihood that violations will stop or recur;</li> <li>(f) the relative burden on the parties and on neighbors of the tenant resulting from reinstatement or refusal to reinstate;</li> </ul> <p>The burden of proof for such relief shall be on the tenant. The court may issue an order pursuant to this subsection upon appropriate terms, which may include the payment or severing of all or part of the monetary judgment for rent, late fees, damages, attorney fees, or costs. Any severing of the judgment for damages shall not preclude the landlord from enforcing or collecting on the monetary judgment or seeking relief for any reserved balance in a subsequent civil action.</p>	

**REINSTATEMENT OF TENANCY: PROPOSED LANGUAGE: AWH – KCBA v10 2019-2-10**

**RCW 59.18.410 [showing alternate language proposals from AWH and KCBA in red and blue]**

- (1) If upon the trial the verdict of the jury or, if the case be tried without a jury, the finding of the court be in favor of the plaintiff and against the defendant, judgment shall be entered for the restitution of the premises; and if the proceeding be for unlawful detainer after neglect or failure to perform any condition or covenant of a lease or agreement under which the property is held, or after default in the payment of rent, the judgment shall also declare the forfeiture of the lease, agreement, or tenancy. The jury, or the court, if the proceedings be tried without a jury, shall also assess the damages arising out of the tenancy occasioned to the plaintiff by any forcible entry, or by any forcible or unlawful detainer, alleged in the complaint and proved on the trial, and, if the alleged unlawful detainer be after default in the payment of rent, find the amount of any rent due, and the judgment shall be rendered against the defendant guilty of the forcible entry, forcible detainer, or unlawful detainer for the amount of damages thus assessed and for the rent, if any, found due, and the court may award statutory costs and reasonable attorney's fees; however, if the alleged unlawful detainer be after default in the payment of rent or violation of a condition of the rental agreement, the court may award reasonable attorney's fees only after a finding that the tenant did not act in good faith, willfully performed an act prohibited by the lease or the governing law, or willfully refrained from performing an act required by the lease or the governing law. When the proceeding is for an unlawful detainer after only a default in the payment of rent, execution upon the judgment shall not be issued until the expiration of five court days after the entry of the judgment, until such time the tenant or any subtenant, or any mortgagee of the term, or other party interested in the continuance of the tenancy, may offer payment of all outstanding rent, court costs incurred, **[AWHA proposal: and late fees provided for in the rental agreement that accrued up to the expiration of the notice to pay rent or vacate]****[KCBA proposal: and late fees provided for in the rental agreement if the rental agreement provides for late fees not exceeding five-percent of all outstanding rent or \$75.00, whichever is less,** and attorneys fees if imposed in order to restore his or her tenancy; if the case is filed with the court, the tenant may pay the same amount into the court, and there upon the judgment, if issued, shall be satisfied and, the tenant shall be restored to his or her tenancy. If payment as herein provided of the principal judgment for rent, late fees, court costs and attorneys fees, if awarded, be not made within five court days after judgment, the judgment may be enforced for its full amount and for the possession of the premises.
- (2) Following the entry of a judgment in favor of the plaintiff and against the defendant for the restitution of the premises and forfeiture of the lease, agreement or tenancy, the court, at the time of the show cause hearing or trial, or upon subsequent motion of the tenant but before the execution of the writ of restitution, may stay or vacate the writ of restitution upon good cause and on such terms that the courts deems fair and just for both parties. In making this decision the court shall consider the following factors:
- (a) evidence or lack of evidence of the tenant's willful or intentional default or misconduct;
  - (b) the tenant's ability in a timely way to cure the violation that the court found to have occurred;



- (c) the tenant's ability in a timely way to pay rent due and other amounts found owing;
- (d) the tenancy's history of comparable lease violations, if any;
- (e) the likelihood that violations will stop or recur;
- (f) the relative burden on the parties and on neighbors of the tenant resulting from reinstatement or refusal to reinstate;

The burden of proof for such relief shall be on the tenant. The court may issue an order pursuant to this subsection upon appropriate terms, which may include the payment or severing of all or part of the monetary judgment for rent, late fees, damages, attorney fees, or costs. Any severing of the judgment for damages shall not preclude the landlord from enforcing or collecting on the monetary judgment or seeking relief for any reserved balance in a subsequent civil action.

- (3) In all cases in which a final judgment is entered without reinstatement the judgment may be enforced immediately. If writ of restitution shall have been executed prior to judgment no further writ or execution for the premises shall be required. This section also applies if the writ of restitution is issued pursuant to a final judgment entered after a show cause hearing conducted in accordance with RCW 59.18.380.

# **TENANT PROTECTION PROPOSALS IN WASHINGTON STATE LEGISLATURE 2019: Tracking Chart of Proposals**

(AWHA February 20, 2019)

ISSUE	CURRENT STATE LAW	PSHB 1453	PSSB 5600	PSHB 1656	PSSB 5733	SHB 1440	HB 1462	HB 1694	AWHA/KCBA WLIHA Joint Proposal of February 10, 2019	AWHA	KCBA HJP	Tacoma-Pierce County Affordable Housing Consortium	RHA, WMFHA
<b>1. NOTICE OF TERMINATION</b>													
1.1 Termination of Month to Month	20 days	20 days			50 days					60 days		60 days	
1.2 Pay Rent or Vacate	3 days	14 days	14 days						14 days	14 days			10 days
1.3 Comply or Vacate	10 days									10 days		10 days	10 days
1.4 Vacate for Serious Violation	3 days												
1.5 Vacate due to Demolition, Substantial Rehab or Change of Use	no special notice required				120 days		120 days			120 days		120 days	
<b>2. NOTICE OF RENT INCREASES</b>	30 days					60 days with exception for subsidized tenancies with rent based upon tenant income  Increase effective until term ends				60 days, except for for increases provided by formula in lease or program rules.  Increases effective before term ends if program rules allow		60 days with exception for subsidized housing  Rent increase effective before end of term if program rules allow	60 days, with exception for increases provided by formula in the lease or program rules

ISSUE	CURRENT STATE LAW	PSHB 1453	PSSB 5600	PSHB 1656	PSSB 5733	SHB 1440	HB 1462	HB 1694	AWHA/KCBA WLIHA Joint Proposal of February 10, 2019	AWHA	KCBA HJP	Tacoma-Pierce County Affordable Housing Consortium	RHA, WMFHA
3. REINSTATEMENT OF TENANCY AFTER JUDGMENT OF EVICTION													
3.1 Right to Reinstatement After Judgment for Non-Payment of Rent	Yes	Yes	Yes						Yes	Yes		Yes	No right to reinstatement in non-payment cases; reinstatement by judicial discretion
● in unexpired fixed term leases only or also in month to month tenancies	unexpired fix term leases only	all tenancies									all tenancies		
● what should tenant have to pay to reinstate by right	amount of judgement and costs (rent due, late fees, court costs and attorney fees)	Not clear. Sec. 7(2)	Judgment amount for rent								rent court costs attorney's fees (if awarded) and capped late fees		
3.2 Judicial Discretion to Reinstate													
● should court have discretion to reinstate	Yes, no factors listed	Yes, in "interest of justice" Sec 6  Yes, factors listed Sec. 7(3)(a)									Yes, factors listed		Yes, "upon good cause"; factors listed  Court may impose payment plan
● may court condition reinstatement on tenant payment of money damages beyond rent.	Yes, in court's discretion	Yes, in court's discretion (Sec 7(3)(c)  No (Secs. 5(2), 8(3), 9(1))	Yes, in Sec. 6(3)(c)  No, Sec. 5(2)	No. Sec. 4(2)							Yes, in court's discretion		Yes, court must require payment of judgment amount; may allow payment plan

ISSUE	CURRENT STATE LAW	PSHB 1453	PSSB 5600	PSHB 1656	PSSB 5733	SHB 1440	HB 1462	HB 1694	AWHA/KCBA WLIHA Joint Proposal of February 10, 2019	AWHA	KCBA HJP	Tacoma-Pierce County Affordable Housing Consortium	RHA, WMFHA
<b>4. GOOD CAUSE REQUIREMENT TO TERMINATE</b>	Cause required to terminate a fixed term tenancy; no cause required for month to month tenancy or to refuse to renew a fixed term tenancy			Yes, requires cause	Work group to study good cause during the interim					Yes, with concerns,  See attached edits to PSHB 1656	Yes, see proposal of February 12, 2019		No
<b>5. SECURITY DEPOSITS</b>													
5.1 Installment Payments								Allow tenants to pay security deposits in installmen ts					
5.2 Documentation Required To Withhold Security Deposit	No documentation required			Requires available documenta- tion						Require available documenta- tion (negotiated with CLS)  Same as PSHB 1656			
<b>6. AWARD OF ATTORNEYS' FEES</b>	Court 'may' award reasonable attorneys fees.	Court may award attorney's fees only after finding tenant "did not act in good faith, willfully performed an act prohibited by the lease [or law], or willfully refrained from performing an act required by [the lease or law].							Same as PSHB 1453 and PSSB 5600				



ISSUE	CURRENT STATE LAW	PSHB 1453	PSSB 5600	PSHB 1656	PSSB 5733	SHB 1440	HB 1462	HB 1694	AWHA/KCBA WLIHA Joint Proposal of February 10, 2019	AWHA	KCBA HJP	Tacoma-Pierce County Affordable Housing Consortium	RHA, WMFHA
7. JUDICIAL LIMIT ON LATE FEES									Caps for reinstatement purposes by judicial discretion AND late fees capped by accrual up to expiration of the notice to pay rent or vacate. For example, if the notice period changes to 14 days, the late fee accrual for purposes of reinstatement would stop on the 14 <sup>th</sup> day.	late fees cap at those provided for in the rental agreement if the rental agreement limits late fees not exceeding five-percent of all outstanding rent with a maximum of \$75			Cap of the greater of 10% of rent due or \$150
6. MISCELLANEOUS													
6.1 Definition of "Rent"	None	rent "may" include "utility charges"	does not include utilities [Does this mean landlords must charge separately for utilities?]										rent includes utilities.



**TACOMA HOUSING AUTHORITY**

**ADMINISTRATION**  
**REPORTS**



**TACOMA HOUSING AUTHORITY**

**FINANCE**



# TACOMA HOUSING AUTHORITY

## **Motion**

Adopt a consent motion ratifying the payment of cash disbursements totaling \$5,179.335 for the month of January, 2019.

**Approved: February 27, 2019**

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Dr. Minh-Anh Hodge, Chair



**TACOMA HOUSING AUTHORITY**  
**Cash Disbursements for the month of January 2019**

		Check Numbers			
		From	To	Amount	Totals
A/P Checking Account					
Accounts Payable Checks	Check #'s	92,929	-	93,031	
Accounts Payable EFTs	EFTs	47	-	51	
Business Support Center				452,134	Program Support
Moving To Work Support Center				39,620	
Moving To Work Buildings (used by Support Center)				15,275	
Tax Credit Program Support Center				25,236	
Section 8 Programs				312,289	Section 8 Operations
Arlington Crisis Residential Center				6,323	Properties
Hillsdale Heights				400	
KeyBank Building				34	
Mr Mac Building				72	
Salishan 7				29,179	
Salishan Common Areas				554	
Court F (HT 1800 Block)				130	
Hillside Terrace 1800 Court G Development				(1,837)	Development
Arlington Crisis Residential Center				1,016	
James Center				76,413	
Arlington Youth Campus-THA Costs				12,445	
Salishan Area 4 - Arlington				580	
Salishan Developer Fee				25,804	
Hilltop Redevelopment				3,026	
Bus Development Activity				1,635	Client Support
SAFE/TRAC				470	
Community Services MTW Fund				11,759	
Education Private Grants (Gates, etc.)				12,400	Public Housing
AMP 6 - Scattered Sites				25,161	
AMP 7 - HT 1 - Subsidy				5,909	
AMP 8 - HT 2 - Subsidy				3,778	
AMP 9 - HT 1500 - Subsidy				3,205	
AMP 10 - SAL 1 - Subsidy				14,844	
AMP 11 - SAL 2 - Subsidy				15,979	
AMP 12 - SAL 3 - Subsidy				13,415	
AMP 13 - SAL 4 - Subsidy				14,145	
AMP 14 - SAL 5 - Subsidy				16,615	
AMP 15 - SAL 6 - Subsidy				15,598	
THA SUBTOTAL				1,153,604	Tax Credit Projects - Reimbursable
Hillside Terrace 1 through 1500				4,827	
Bay Terrace I & II & Community Facility				3,722	
Alberta J Canada Bldg				2,474	
Arlington Youth Campus				105,182	
Court F (HT 1800 Block)				30,386	
Renew Tacoma Housing				11,201	
Salishan 1 - Salishan 6				13,904	
TAX CREDIT SUBTOTAL (Operations & Development - billable)				171,697	1,325,301
Section 8 Checking Account (HAP Payments)					
SRO/HCV/VASH/FUP/NED	Check #'s	482,653	-	482,685	25,825
	EFTs	149	-	155	2,852,418
Payroll & Payroll Fees - ADP					
TOTAL DISBURSEMENTS					
					\$
					5,179,335



# TACOMA HOUSING AUTHORITY

**Date:** February 27, 2018

**To:** THA Board of Commissioners

**From:** Ken Shalik  
Director of Finance

**Re:** Finance Department Monthly Board Report

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## 1. FINANCIAL STATEMENT COMMENTS

I present the January, 2019 disbursement report for your approval.

The Finance Department is submitting the final financial statement for the year ending December 31, 2018.

For Fiscal Year 2018, the agency remains in good financial shape. We ended up receiving the \$2 million developer fee and approximately \$3.5 million in Capitalized Interest for the Renew Tacoma Rental Assistance Demonstration (RAD) conversion, which left us with a comfortable surplus for 2018.

For 2018, our average Housing Assistance Program (HAP) expenditure continued to increase as expected, yet the average increase dropped from approximately \$2.00 per month for the past couple of years to a little less than \$1.50 per month. As we did receive an increase in HAP funding for 2018, the impact on other critical areas we fund was lessened for 2018.

For the year ending December 31, line 68 shows a Year to Date (YTD) operating surplus of \$7,169,830. With the sales proceeds from the AMP 6 Single Family homes, the overall YTD surplus is \$7,555,589 (line 73).

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

- *Line 1 & 2 – Tenant Revenue* – Line 1 – *Dwelling rent* increase amount is due to conservative budgeting for 2018. Line 2 – The overage in *Other Tenant Revenue* is primarily due to Move Out charges that most likely will end up as collection losses later on.
- *Line 3 – Section 8 HAP Reimbursement* – We were allocated approximately \$1.5 million more than we budgeted for 2018 from HUD. We also received \$1.1 million in HUD held HAP funds from 2017 this year.
- *Line 5 – HUD Grant Public Housing* – Final funding for PH subsidy for our Tax Credit properties was significantly higher than what we budgeted.

## FINANCE DEPARTMENT MONTHLY REPORT

February, 2019

Page 2

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- *Line 7 – HUD Grant – Capital Fund Revenue* – We budgeted conservatively, and drew down remaining funds from previous year grants available.
- *Line 10 – Investment Income* - The \$4.2 million budgeted included payment from RTH on capitalized interest from the development phase, plus \$900K cash on repayment of THA loan from the waterfall. We received the capitalized interest, but not the waterfall payment.
- *Lines 15 – 34 – Administrative Expenses* – The majority of the variances result in underspending. The projection is that we will end the year with a variance of approximately 9.3% under budget. There are no major areas of concern to address. Percentage wise, even though the advertising budget is low dollar, it has the highest variance. We were more ambitious in 2018, sending out information regarding Arlington Drive, James Center North, and promoting Voters Registration.
- *Lines 36 – 40 – Tenant Services* - The Tenant Services line items are under budget for 2018 to date. Staffing costs and benefits were lower than expected. Also, there was \$60K budgeted for relocation costs for the Scattered Sites properties that were not needed.
- *Lines 41 – 45 – Project Utilities* – This category is higher than budgeted. This is primarily for 3<sup>rd</sup> party managed properties.
- *Line 51 – Protective Services* - This category is for our THA owned properties, with primary costs associated with 902 South L. There has been a spike due to additional Security Patrols due to both the homeless encampment, and a need to increase security presence in our administrative office.
- *Line 53 – Other General Expense* - This category is primarily the Operating Subsidy which is transferred to the Tax Credit properties. As indicated in explanation Operating Expense in Line 5, this is higher than budgeted. Also, for 2018, this category includes the payment to BFIM for buyout of the Investor interest in Hillside 1 & 2, and Salishan 1-3.
- *Lines 70-71 – Capitalized Line Items* – The biggest impact on this budget is the \$4 million earmarked for property acquisitions. None of these funds have been expended to date in 2018.

## 2. INVESTMENTS

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

## 3. AUDIT

There is no update at this time.

**4. BUDGETS**

The President signed a 2019 budget for the federal government. This includes a budget for HUD. It provides some increases in areas that pertain to THA. There are many factors that will determine the final funding we will receive, and will most likely not be the same as the overall budget. The pertinent increases in aggregate for the following areas are: Section 8 HAP - 3.5%; Section 8 Administrative Fee – 6.8%; Public Housing Operating Fund – 2.2%; and Capital Fund – 1%. The budget as passed by the Board in December for 2019 will not need to be updated due to what has just been approved at the Federal level.

**5. YEAR END UPDATE**

Finance is in the final stages of closing out the reporting needs for 2018. The financial reports for the Tax Credit properties were completed in time for our auditors to complete Tax returns for each of the entities and to start that audit process. As of the submission date of this report, Duane is on schedule for completing the HUD REAC submission due on February 28<sup>th</sup>.

**TACOMA HOUSING AUTHORITY**  
**AGENCY WIDE**

						Thru 12/31/2018		
		CURRENT QUARTER	YEAR TO DATE	BUDGETED	VARIANCE	PROJECTED	BUDGETED	VARIANCE
		ACTUAL	ACTUAL	YTD		ACTUAL		
OPERATING RECEIPTS								
1	Tenant Revenue - Dwelling rent	787,007	2,764,226	2,400,162	15.17%	2,764,226	2,400,162	15.17%
2	Tenant Revenue - Other	42,394	162,625	123,250	31.95%	162,625	123,250	31.95%
3	HUD grant - Section 8 HAP reimbursemer	10,448,654	40,951,894	37,903,047	8.04%	40,951,894	37,903,047	8.04%
4	HUD grant - Section 8 Admin fee earned	918,153	3,277,667	3,312,617	-1.06%	3,277,667	3,312,617	-1.06%
5	HUD grant - Public Housing subsidy	368,495	1,381,768	1,003,125	37.75%	1,381,768	1,003,125	37.75%
6	HUD grant - Community Services	59,031	251,453	274,779	-8.49%	251,453	274,779	-8.49%
7	HUD grant - Capital Fund Operating Reve	0	733,066	506,585	44.71%	733,066	506,585	44.71%
8	Management Fee Income	971,867	3,360,432	3,299,571	1.84%	3,360,432	3,299,571	1.84%
9	Other Government grants	8,734	138,928	158,502	-12.35%	138,928	158,502	-12.35%
10	Investment income	3,111,367	3,503,519	4,258,280	-17.72%	3,503,519	4,258,280	-17.72%
11	Fraud Recovery Income - Sec 8	1,609	21,857	10,000	118.57%	21,857	10,000	118.57%
12	Other Revenue- Developer Fee Income	2,000,000	2,428,000	2,388,863	1.64%	2,428,000	2,388,863	1.64%
13	Other Revenue	617,401	2,214,782	2,154,230	2.81%	2,214,782	2,154,230	2.81%
14	TOTAL OPERATING RECEIPTS	19,334,712	61,190,217	57,793,011	5.88%	61,190,217	57,793,011	5.88%
OPERATING EXPENDITURES								
Administrative Expenses								
15	Administrative Salaries	1,681,660	6,086,301	6,516,819	-6.61%	6,086,301	6,516,819	-6.61%
16	Administrative Personnel - Benefits	627,012	2,351,688	2,689,689	-12.57%	2,351,688	2,689,689	-12.57%
17	Audit Fees	2,197	58,029	78,028	-25.63%	58,029	78,028	-25.63%
18	Management Fees	657,572	2,432,635	2,574,776	-5.52%	2,432,635	2,574,776	-5.52%
19	Rent	0	0	14,400	0.00%	0	14,400	0.00%
20	Advertising	10,409	21,549	13,535	59.21%	21,549	13,535	59.21%
21	Information Technology Expenses	135,333	585,477	549,418	6.56%	585,477	549,418	6.56%
22	Office Supplies	16,734	48,574	72,400	-32.91%	48,574	72,400	-32.91%
23	Publications & Memberships	8,403	39,597	66,082	-40.08%	39,597	66,082	-40.08%
24	Telephone	19,451	69,453	88,502	-21.52%	69,453	88,502	-21.52%
25	Postage	7,184	25,929	34,120	-24.01%	25,929	34,120	-24.01%
26	Leased Equipment & Repairs	35,374	158,828	137,850	15.22%	158,828	137,850	15.22%
27	Office Equipment Expensed	14,420	81,671	105,403	-22.52%	81,671	105,403	-22.52%
28	Legal	42,698	181,668	283,750	-35.98%	181,668	283,750	-35.98%
29	Local Milage	1,012	5,057	9,400	-46.20%	5,057	9,400	-46.20%
30	Staff Training/Out of Town travel	30,599	162,589	311,047	-47.73%	162,589	311,047	-47.73%
31	Administrative Contracts	37,142	385,630	606,110	-36.38%	385,630	606,110	-36.38%
32	Other administrative expenses	63,935	167,483	125,290	33.68%	167,483	125,290	33.68%
33	Due diligence - Perspective Development	190,368	283,248	435,000	-34.89%	283,248	435,000	-34.89%
34	Contingency	0	0	120,500	-100.00%	0	120,500	-100.00%
35	Total Administrative Expenses	3,581,502	13,145,405	14,832,119	-11.37%	13,145,405	14,832,119	-11.37%

					Thru 12/31/2018			
		YEAR TO DATE ACTUAL	BUDGETED YTD	VARIANCE	PROJECTED ACTUAL	BUDGETED	VARIANCE	
<b>Tenant Service</b>								
36	Tenant Service - Salaries	245,719	844,706	889,902	-5.08%	844,706	889,902	-5.08%
37	Tenant Service Personnel - Benefits	92,445	347,029	425,884	-18.52%	347,029	425,884	-18.52%
38	Relocation Costs	0	3,281	62,500	-94.75%	3,281	62,500	-94.75%
39	Tenant Service - Other	77,397	277,788	245,050	13.36%	277,788	245,050	13.36%
40	<b>Total Tenant Services</b>	<b>415,561</b>	<b>1,472,804</b>	<b>1,623,336</b>	<b>-9.27%</b>	<b>1,472,804</b>	<b>1,623,336</b>	<b>-9.27%</b>
<b>Project Utilities</b>								
41	Water	38,514	113,483	72,350	56.85%	113,483	72,350	56.85%
42	Electricity	24,205	96,844	64,300	50.61%	96,844	64,300	50.61%
43	Gas	1,033	4,285	5,125	-16.40%	4,285	5,125	-16.40%
44	Sewer	57,195	192,895	176,130	9.52%	192,895	176,130	9.52%
45	<b>Total Project Utilities</b>	<b>120,946</b>	<b>407,506</b>	<b>317,905</b>	<b>28.18%</b>	<b>407,506</b>	<b>317,905</b>	<b>28.18%</b>
<b>Ordinary Maintenance &amp; Operations</b>								
46	Maintenance Salaries	41,810	182,846	192,378	-4.95%	182,846	192,378	-4.95%
47	Maintenance Personnel - Benefits	18,479	54,916	48,843	12.43%	54,916	48,843	12.43%
48	Maintenance Materials	21,478	123,206	109,250	12.77%	123,206	109,250	12.77%
49	Contract Maintenance	189,137	537,238	547,740	-1.92%	537,238	547,740	-1.92%
50	<b>Total Routine Maintenance</b>	<b>270,904</b>	<b>898,206</b>	<b>898,211</b>	<b>0.00%</b>	<b>898,206</b>	<b>898,211</b>	<b>0.00%</b>
<b>General Expenses</b>								
51	Protective Services	18,917	38,682	13,800	180.31%	38,682	13,800	180.31%
52	Insurance	44,241	205,978	191,724	7.43%	205,978	191,724	7.43%
53	Other General Expense	346,326	1,903,622	1,184,913	60.66%	1,903,622	1,184,913	60.66%
54	Payment in Lieu of Taxes	3,596	14,385	12,524	14.86%	14,385	12,524	14.86%
55	Collection Loss	33,778	36,603	59,742	-38.73%	36,603	59,742	-38.73%
56	Interest Expense	204,449	574,181	532,700	7.79%	574,181	532,700	7.79%
57	<b>Total General Expenses</b>	<b>651,307</b>	<b>2,773,451</b>	<b>1,995,403</b>	<b>38.99%</b>	<b>2,773,451</b>	<b>1,995,403</b>	<b>38.99%</b>
58	<b>TOTAL OPERATING EXPENSES</b>	<b>\$ 5,040,220</b>	<b>\$ 18,697,372</b>	<b>\$ 19,666,974</b>		<b>\$ 18,697,372</b>	<b>\$ 19,666,974</b>	
<b>Nonroutine Expenditures</b>								
59	Ext. Maint/Fac Imp/Gain/Loss Prop Sale	13,293	28,279	15,000	88.53%	28,279	15,000	88.53%
60	Casualty Losses	386	0	5,000	-100.00%	0	5,000	-100.00%
61	Sec 8 HAP Payments	9,104,658	35,221,611	35,670,119	-1.26%	35,221,611	35,670,119	-1.26%
62	<b>Total Nonroutine Expenditures</b>	<b>9,118,337</b>	<b>35,249,890</b>	<b>35,690,119</b>	<b>-1.23%</b>	<b>35,249,890</b>	<b>35,690,119</b>	<b>-1.23%</b>
63	<b>TOTAL EXPENDITURES</b>	<b>14,158,557</b>	<b>53,947,262</b>	<b>55,357,093</b>	<b>-2.55%</b>	<b>53,947,262</b>	<b>55,357,093</b>	<b>-2.55%</b>
64	<b>OPERATING SURPLUS/(DEFICIT)</b>	<b><u>5,176,155</u></b>	<b><u>7,242,955</u></b>	<b><u>2,435,918</u></b>	<b><u>197.34%</u></b>	<b><u>7,242,955</u></b>	<b><u>2,435,918</u></b>	<b><u>197.34%</u></b>
65	Debt Service Principal Payments	(14,677)	(73,125)	(67,581)	8.20%	(73,125)	(67,581)	8.20%
66	<b>Surplus/Deficit Before Reserve Appropriations</b>	<b>5,161,478</b>	<b>7,169,830</b>	<b>2,368,337</b>	<b>202.74%</b>	<b>7,169,830</b>	<b>2,368,337</b>	
67	Reserve Appropriations - Operations	0	0	0	0.00%	0	0	0.00%
68	<b>Surplus/Deficit Before Captial Expenditures</b>	<b><u>5,161,478</u></b>	<b><u>7,169,830</u></b>	<b><u>2,368,337</u></b>		<b><u>7,169,830</u></b>	<b><u>2,368,337</u></b>	
69	Capitalized Items/Development Projects	(1,004,250)	(3,169,218)	(7,380,025)	-57.06%	(3,169,218)	(7,380,025)	-57.06%
70	Reserve for Replacement	(83,835)	(111,848)	(112,050)	-0.18%	(111,848)	(112,050)	-0.18%
71	Revenue - Capital Grants/Sale of Property	0	975,759	2,155,335	-54.73%	975,759	2,155,335	-54.73%
72	Reserve Appropriations - Capital	1,002,323	2,691,036	5,776,650	-53.42%	2,691,036	5,776,650	-53.42%
73	<b>THA SURPLUS/(DEFICIT)</b>	<b>5,075,716</b>	<b>7,555,559</b>	<b>2,808,247</b>		<b>7,555,559</b>	<b>2,808,247</b>	

TACOMA HOUSING AUTHORITY			
CASH POSITION - January, 2019			
Account Name		Current Balance	Interest
HERITAGE BANK			
Accounts Payable		3,577,291	0.45%
Section 8 Checking		4,085,968	0.45%
THA Affordable Housing Proceeds-Salishan		3,448,174	0.45%
THA Scattered Sites Proceeds		5,297,091	0.45%
FSS Escrows		159,790	0.45%
CSA Escrows		100	0.45%
Note Fund Account		101	0.45%
Credit Card Receipts		428	0.45%
Key Bank Security Deposits		3,017	0.45%
Relocation Account		19,503	0.45%
THA Investment Pool		334	0.45%
THDG - Tacoma Housing Development Group		720,716	0.45%
Salishan 7 Operations		1,740,688	0.45%
Salishan 7 Security Deposit		27,700	0.45%
Salishan 7 Replacement Reserve		279,563	0.45%
Salishan 7 Operating Reserve		201,524	0.45%
Highland Crest Operations		375,390	0.45%
Highland Crest Replacement Reserve		208,790	0.45%
Highland Crest Security Deposit		39,131	0.45%
Outrigger Operations		222,660	0.45%
Outrigger Replacement Reserve		117,590	0.45%
Outrigger Security Deposit		25,804	0.45%
Prairie Oaks Operations		95,438	0.45%
Prairie Oaks Replacement Reserve		20,700	0.45%
Prairie Oaks Security Deposit		3,854	0.45%
Payroll Account		9,930	0.45%
HOME STREET BANK			
James Center North Operations		348,991	0.00%
James Center North Security Deposit		59,430	0.00%
WASHINGTON STATE			
Investment Pool		\$ 100	2.23%
<b>1. TOTAL THA CASH BALANCE</b>		<b>\$ 21,089,796</b>	
Less:			
<b>2. Total MTW Cash Balance</b>		<b>\$ 726,000</b>	
<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	
<b>2.1. MTW Cash Available (Lines 2-2.09)</b>		<b>\$ -</b>	
<b>3. MTW Cash Held By HUD</b>		<b>\$ 623,254</b>	



# TACOMA HOUSING AUTHORITY

## CASH POSITION - January, 2019

<b>4. Non MTW Cash Restrictions/Obligations</b>					
<i>4.1 Non MTW Operational Restrictions</i>					
4.10 HUD Restricted - Lot and Property Sales				\$	8,745,265
4.101 Area 2B Sales Proceeds (Afford Hsg)		3,448,174			
4.102 Scattered Sites Proceeds (Afford Hsg)		5,297,091			
4.20 THA Property Accounts Reserved				\$	2,217,834
4.201 Security Deposit Accounts		158,936			
4.202 Highland Crest Operations Reserves		320,000			
4.203 Highland Crest Replacement Reserves		208,790			
4.204 James Center North Operations Reserves		230,000			
4.205 James Center North Capital		274,880			
4.206 Outrigger Operations Reserve		150,000			
4.207 Outrigger Replacement Reserves		117,590			
4.208 Prairie Oaks Operations Reserves		77,000			
4.209 Prairie Oaks Replacement Reserves		60,700			
4.210 Salishan 7 Operations Reserves		340,375			
4.211 Salishan 7 Replacement Reserves		279,563			
4.30 Rental Assistance Reserves				\$	418,344
4.301 Mod Rehab Operating Reserves		62,594			
4.302 VASH, FUP & NED HAP Reserves		195,827			
4.303 FSS Escrows		159,923			
4.40 Prepaid Grants				\$	790,280
4.401 Gates Foundation		69,564			
4.402 THDG		720,716			
4.50 BFIM Buyout LOC Collateral-Potential Tax Credit Loss				\$	2,500,000
<b>4.60 Total - Non MTW Cash Restrictions (4.10+4.20+4.30+4.40+4.50)</b>				<b>\$</b>	<b>14,671,723</b>
<b>4.70 Agency Contracted or Budgeted Commitments Remaining</b>				<b>\$</b>	<b>-</b>
		-			
		-			
<b>4.99 Total Non MTW Cash Restrictions/Obligations (Lines 4.60+4.70)</b>				<b>\$</b>	<b>14,671,723</b>
<b>5. THA UNENCUMBERED (Non-MTW) CASH (Lines 1-2-4.99)</b>				<b>\$</b>	<b>5,692,073</b>
<b>6. Development Payments - Project Reimbursement upon closing</b>				<b>\$</b>	<b>1,018,780</b>
6.01 Arlington Heights		598,634			
6.02 Court F LLLP (1800 Block)		420,146			



**TACOMA HOUSING AUTHORITY**

**POLICY, INNOVATION, AND  
EVALUATION**



# TACOMA HOUSING AUTHORITY

**DATE:** February 27, 2019

**TO:** THA Board of Commissioners

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

**RE:** Policy, Innovation and Evaluation Department Board Report

## 1. Introduction

The PIE department has been working on a number of projects crossing departments within the agency. The projects include:

- Implementing the waiting list changes that were approved by the Board in November 2018;
- Assisting with THA's participation in the legislative discussions about Tenant Protections;
- Completing the MTW Reporting for FY2018;
- Proposing changes to THA's criminal background screening policies;
- Evaluating and redesigning the Children's Savings Account program (more detail included in this report);
- Implementing the Elementary School Housing Assistance Program (ESHAP) redesign (more detail included in this report);
- Implementing the Tacoma Public Schools data sharing agreement and beginning to report on shared metrics under that partnership (example included as an attachment to this report); and
- Generally improving customer and public outreach.

I will also here note that the grant and resource development function lives within PIE. Karen Bunce fills this role as well as the Department Manager role. The cumulative grant awards for CY2018 totaled \$2.589 million. This is over \$1.25 million more than CY2017. Kudos to Karen for this notable accomplishment!

## 2. Elementary School Housing Assistance Program (ESHAP)

During the December board meeting, THA and Tacoma Public Schools (TPS) staff presented a proposed plan for the 2019 & 2020 school year that outlined the next steps to finalize design plans for the expansion of the Elementary School Housing Assistance Program (ESHAP). The next steps focused on the intent for THA to invest in the county's Coordinated Entry (CE) system to expand

its capacity to serve TPS McKinney-Vento families. This direction will effectively allow more families across the district who are experiencing homelessness to access current CE housing assistance, such as diversion and Rapid Rehousing, allow for a streamlined and centralized intake system that can track necessary data and outcomes to inform stakeholders of the program's impact. The Board approved the implementation of this plan in the December 2018 board meeting with the following request of staff:

- To provide an update to the board every other month related to the progress of the redesign;
- Upon further development, to provide a clear outline of how THA's dollars will be allocated to administer and operate the program on an annual basis;
- To provide a clear plan on how families will be supported throughout their time on the program.

On task to complete the near term goals, staff pursued the following in January and early February of 2019:

### **2.1. Workgroup Convening**

THA and TPS convened a work group of stakeholders to kick off the next phase of this redesign. The role of this work group will be to help define the processes, strategies and tools to administer and operationalize the ESHAP. Attendees included TPS McKinney-Vento liaisons, CE service providers (Associated Ministries, Catholic Community Services, and Comprehensive Life Resources), ESHAP staff and a current ESHAP participant.

The initial meeting in January allowed staff to provide the workgroup an update about the direction of the ESHAP expansion and an opportunity to learn about the two separate systems, McKinney-Vento and Coordinated Entry. The workgroup then spent time discussing questions, opportunities or challenges that need to be addressed in order to sync the two systems. Key topics that were discussed included the following:

- Whether the County will deputize TPS's McKinney-Vento case workers to enter client information into the HMIS system. The intent of this proposal would be to allow for easier household access into CE, streamlined client data entry into the centralized data system, and reduced wait time for households accessing housing resources;
- CE mechanism of scoring clients based on vulnerability and need. The workgroup had questions surrounding access for households that are not literally homeless. CE currently only serves literally homeless households. This expansion would require lifting those restrictions;

- Interest in local homeless initiatives being pursued by the city, county or state. Workgroup participants wanted to hear about other opportunities to strengthen the ESHAP by leveraging external funding or programming opportunities.

Staff intend to research and invite relevant groups or organizations to the convening to speak on the information pertaining to these topics for the February & March convening.

## **2.2. Meeting with Pierce County Human Services (PCHS)**

THA and TPS staff also met with PCHS staff to explore the opportunity to incorporate the ESHAP into CE. The concept was well received in initial conversations with the supervisor and program specialist of the county's homeless programs. County staff shared the interest in serving McKinney-Vento households and its intent to explore ways the county can serve vulnerable populations who are not yet literally homeless.

County staff expressed confidence in having the capacity to build the ESHAP program into the CE system, as it has done something similar with other programs such as a housing program for Veterans.

As part of this approach, the county also spoke of deputizing McKinney-Vento liaisons so that they are able to administer diversion and are able to enter client information into HMIS upon initial interaction. This method helps to eliminate client wait-time and redundancy in intake conversations.

In addition to system entry and housing programs, the county has plans to enhance its methods of coordinated care amongst community partners and service providers. It has received funding to analyze and implement Critical Time Intervention (CTI), which is a case management model that is meant to provide supports for clients who enter CE prior to becoming housed or as they are awaiting their housing referral. The county is interested in leveraging CTI to provide supports for McKinney-Vento households to help them stabilize once they enter the system.

County staff are in the process of proposing this partnership between THA and TPS to their executive leadership and board. We hope to learn more about their decisions in the coming weeks.

## **2.3. Next Steps for Redesign & Expansion**

The workgroup will convene once a month to continue the work of mapping out the ESHAP expansion and process of implementation.

THA and TPS will discuss in depth the potential impact of allowing CE to deputize McKinney-Vento liaisons and define the role of the district should we enter a partnership with the County.

Staff will continue meeting regularly to discuss progress of the program's development and to further conversations with the County.

#### **2.4. Update on Current ESHAP Cohort**

There are currently 33 households served under the existing ESHAP model. Per the legacy policy approved by the board in 2018, this cohort will term off the ESHAP by July 2019 and will transition to the Housing Opportunity Program (HOP) subsidy.

In an effort to continue serving vulnerable families in Tacoma Public Schools during this period of redesign and a temporary pause on ESHAP enrollment, the Client Support & Empowerment (CSE) department has expanded the scope of work for the ESHAP caseworker & Education Specialist to support current THA households with children enrolled within TPS who are at risk of homelessness. This entails outreach and early engagement with THA households who have received a pay or vacate or eviction notice. The caseworker and education specialist will identify eligible families and engage with these households to offer them essential supports that may help to stabilize families. Supports include assessing household needs and providing referral and navigation services, as well as connecting with TPS to support the learning needs of the household's children. This change went into effect in January 2019 and will apply for the remainder of the calendar year.

### **3. Children's Savings Account (CSA)**

In July & August of 2018, the Tacoma Housing Authority (THA) and the Tacoma Public Schools (TPS) completed community consultation regarding the redesign & expansion of the Children's Savings Account (CSA) program. In general, the community supported and iterated the benefits of a program like the CSA, however short of reaching consensus of design changes, the community urged staff to first conduct thorough engagement with Salishan families to solicit the feedback necessary for redesign changes. Simultaneously, THA's long term vision for this program is to expand the opportunity for more families with children enrolled in TPS to have access to the CSA. In order to do this, a critical component is finding a new program administrator with the capacity and appropriate knowledge to fulfill that vision.

Staff has proposed to spend 2019 – 2021 pursuing the following:

- Implement interim operational changes to the CSA to increase program engagement and to make administering the CSA more efficient for staff;

- Conduct third-party evaluation on the CSA that focuses on soliciting family and community engagement as well as defining the appropriate scope of CSA expansion and role of THA and the CSA's future program administrator;
- Search for and select a new program administrator that will allow the CSA to be transitioned from THA to another firm or organization.

Staff pursued the following in January and early February of 2019:

### **3.1. CSA Operational & Engagement Strategies**

Staff has met regularly to develop engagement strategies for the rest of the calendar year. This includes the following:

- Working with financial institutions to provide financial literacy at the Family Investment Center. In November 2018, Sound Credit Union partnered with CSA to host a Bite of Reality Fair and there are plans to host similar events this winter and spring.
- Soliciting feedback from students and school staff to revise the menu of incentives for the Scholarly Incentive Program portion of the CSA. A new menu and reporting process will be available in mid-February 2019.
- Working to improve communication and outreach, this includes strategizing ways to improve the CSA website. Staff will update the website this winter and spring to fix broken links, add a live feed from its Facebook page to the website, update content and photos to reflect changes made and add more resources for families navigating post-secondary options.
- Re-engaging with Heritage Bank to improve efficiencies on account management. CSA and Heritage Bank staff have been in communication and plan to meet in early March to discuss ways to streamline account management and client statement processing and issuance.

### **3.2. Public Issuance of the CSA Evaluation RFP**

College Spark awarded THA a three-year grant to evaluation and technical assistance purposes in the summer of 2018. The grant will help THA pay for a third party evaluator and other expenses related to redesign and expansion.

The RFP of the CSA evaluation went live on February 1, 2019. Solicitors will have until March 15<sup>th</sup> to submit an application to be considered. An ad has been placed in the Tacoma News Tribune as well as the THA website and circulated amongst local networks. There are no submissions as of now, but the following entities have requested the RFP packet:

- IMPAQ – Columbia, MD
- BERK Consulting Group – Seattle, WA
- Colemon Associates – Tacoma, WA



- Clifton Larson Allen LLP – Bellevue, WA
- WestEd – San Francisco, CA

### **3.3. Developing a College-Going Culture**

#### *3.3.1. Degrees of Change*

Staff met with Degrees of Change (DC) leadership to learn more about the evaluation they are conducting as well as to discuss the plans for the CSA evaluation and expansion. DC shared that they've hired a third party evaluator to conduct an environmental scan of the resources available within the local community and post-secondary institutions. The hope for this scan is to provide insight to better understand how students experience the transition between the K-12 and post-secondary systems and highlight ways in which the community can support students along the post-secondary pipeline so that more students are enrolling, persisting and successfully completing their post-secondary education. Staff identified that this evaluation aligns with the interests of the CSA and may be a helpful tool to the questions around CSA expansion. DC staff will share the CSA RFP opportunity with the BERK Consulting Group, the third party evaluator conducting DC's environmental scan.

#### *3.3.2. University of Washington Tacoma (UWT)*

Staff met with the Pre-College Coordinator at University of Washington Tacoma (UWT) who is a staff member with the institution's Student Transition Programs. The coordinator shared information about programs with other educational entities (such as the school district, out of school learning providers and alternative schools) that aims to help K-12 students be prepared for college and feel comfortable navigating resources specific to post-secondary learning. In addition to programs, this specific UWT department applies a rubric to help hold its education-partners accountable to creating and maintaining a college-going culture. Staff will continue conversations to explore opportunities to partner in two specific areas:

- For UWT to hold college & career identity and navigation workshops at the Family Investment Center (FIC) in partnership with the CSA;
- To develop a similar college-going rubric applicable to partners who work in adjacent sectors to the educational field (such as housing, transportation and healthcare).

### **3.4. Improving data exchange and data review for decision making**

Attached you will find the first report generated under an updated data-sharing agreement with TPS. It shows how CSA students are performing as compared to other control groups. The data is promising.

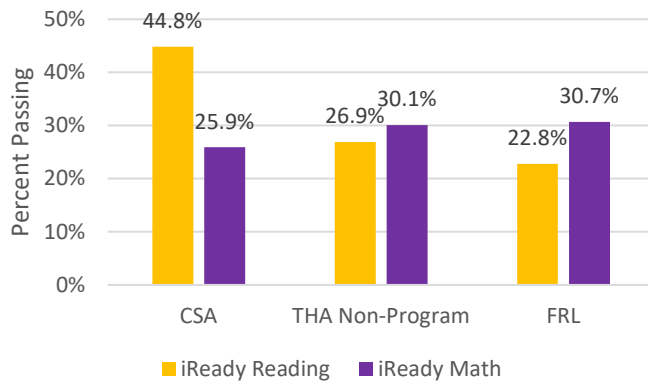


# TACOMA HOUSING AUTHORITY

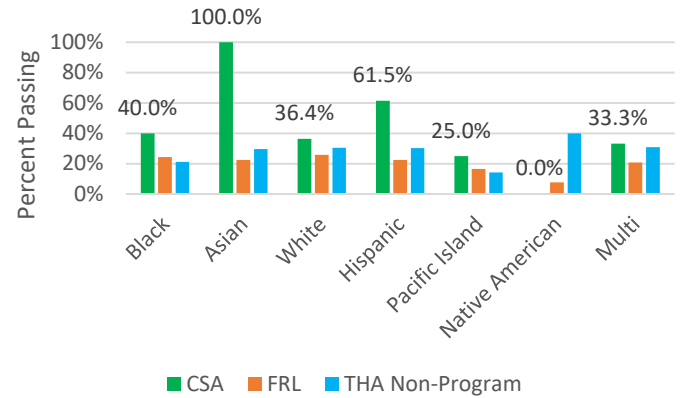
## Children's Savings Accounts Program

Children's Savings Account Program Student outcomes for the 2017-2018 school year. Data depicts comparisons between CSA students, THA non-program students and Tacoma Public School students receiving free or reduced price lunch (FRL).

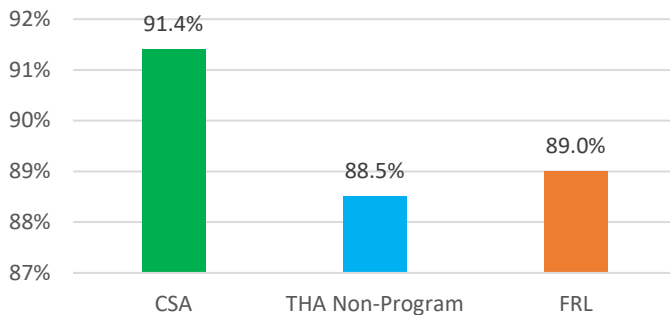
% Passing Elementary Reading & Math Assessment



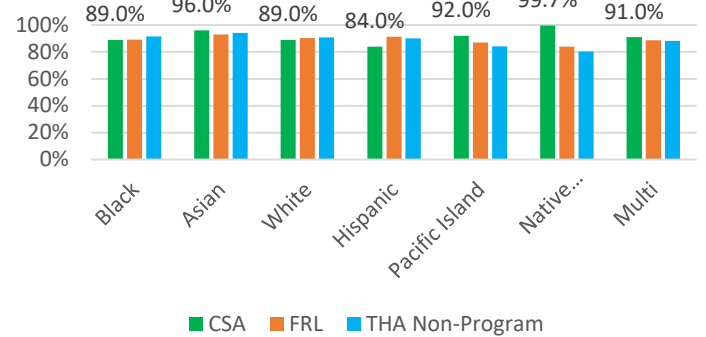
% Passing Elementary Reading Assessment by Race\*



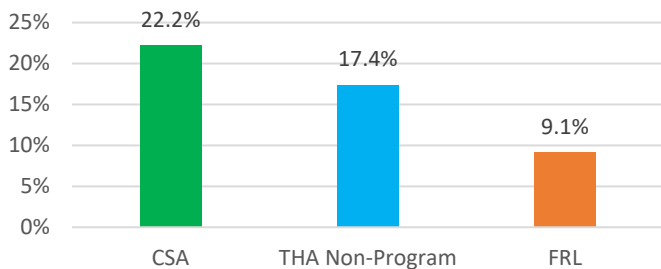
Elementary Attendance Rates by Program



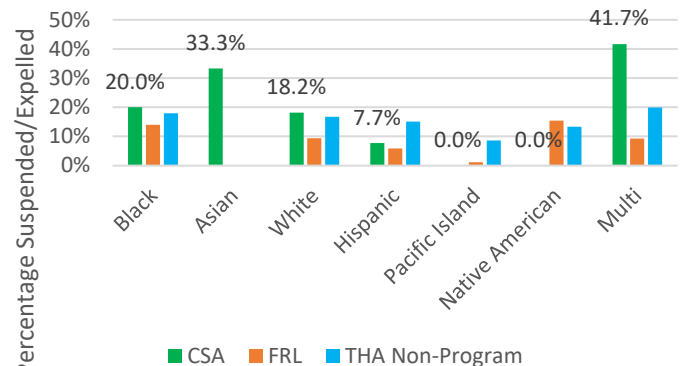
Elementary Attendance Rates by Race



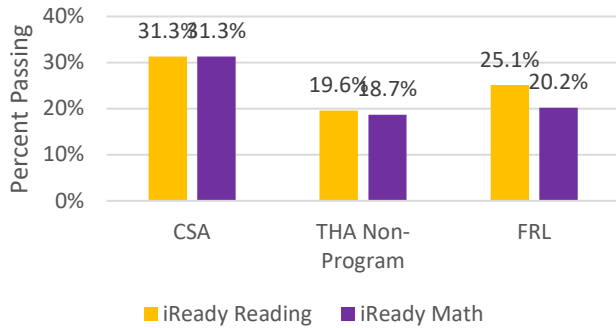
% of Elementary Students Suspended/Expelled by Program



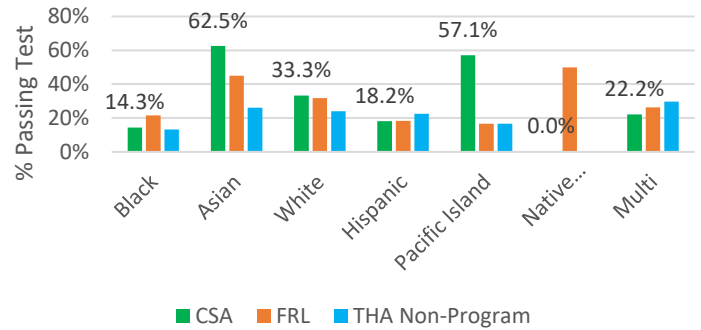
% of Elementary Students Suspended/Expelled by Race



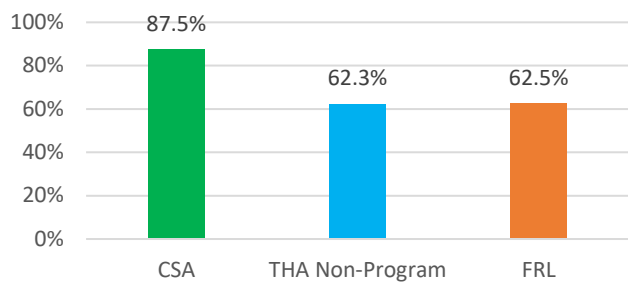
**% Passing Middle School Reading & Math Assessment**



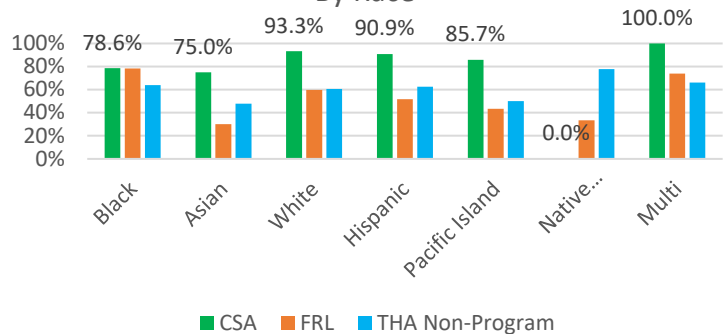
**% Passing Middle School Reading Assessment by Race\***



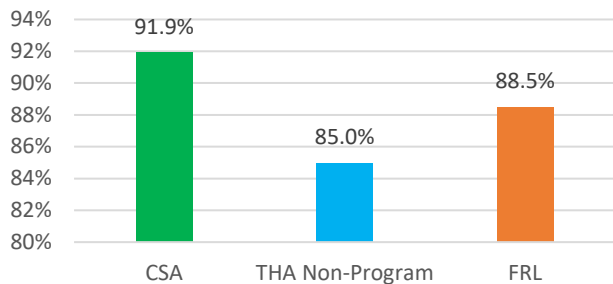
**% Enrolled in Middle School Extracurricular Activities**



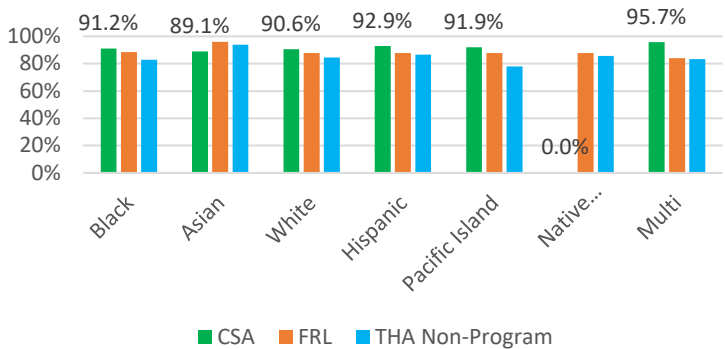
**Middle School Extracurricular Participation By Race\***



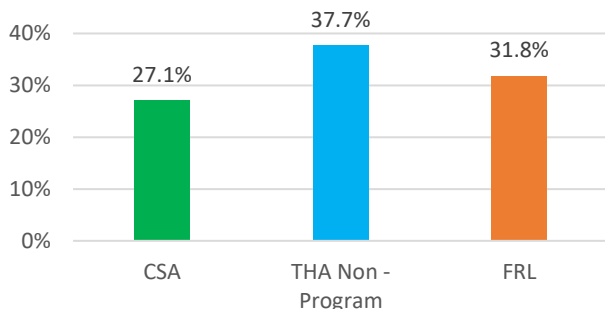
**Middle School Attendance Rate by Program**



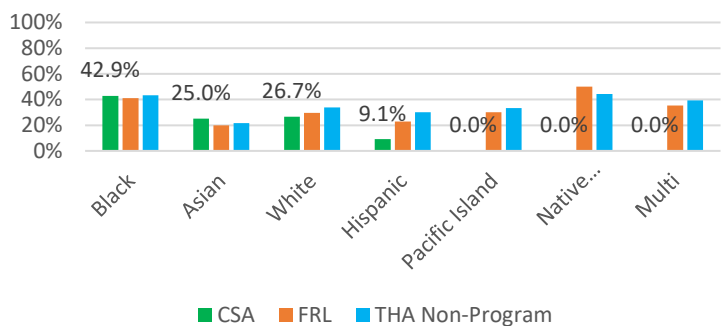
**Middle School Attendance Rates by Race**



**% of Middle School Students Suspended/Expelled by Program**



**% of Middle School Students Suspended/Expelled by Program**





**TACOMA HOUSING AUTHORITY**

**CLIENT SUPPORT  
& EMPOWERMENT**



# TACOMA HOUSING AUTHORITY

**DATE:** February 27, 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**

February has been a busy month for Client Support and Empowerment. Winter months have a tendency to see an increase in client crises, and this year is no different. Client Support and Empowerment staff have been working cross-departmentally with Property Management and Risk Management to mitigate and manage several crises throughout the portfolio. The relationship between departments has allowed THA to notice and intervene early with budding escalations and to wrap around residents to minimize the impact of these events. Client Support and Empowerment staff have also begun training all staff at THA in trauma-informed care and de-escalation, in an effort to provide effective and concrete tools for staff across the agency to both understand the impact of trauma on brain development and to address and assist clients when they show signs of crises and trauma.

The YMCA of Greater Seattle has rapidly begun engaging local community partners to establish relationships, a continuum of care, and to line up resources for the young people who will live at the Arlington Drive Apartments. There have been two community engagement meetings on top of several meetings between the Y and other agencies. At the community engagement meetings, the YMCA had the opportunity to talk about themselves and their experience, and to solicit feedback about what the community, especially young people and residents of the Eastside of Tacoma hope for at Arlington Drive. During a meeting with the DomeTop Neighborhood Group on February 13<sup>th</sup>, The Y and Community Youth Services (CYS) successfully addressed the Eastside residents, answered their questions, and assured them that Arlington will be a critical resource for the most vulnerable young people in western Washington. At the end of the meeting, residents were asking how they could volunteer and be a useful part of this project,

showing full-throated buy in to the project and great appreciation for THA, the Y, and CYS.

Finally, Client Support and Empowerment is in the process of hiring a Community Builder, which is a new position for THA. This position will be a fantastic addition to our team, helping to bring residents of our senior and disabled buildings, as well as residents at our family properties find community and new supportive relationships in their neighbors. We know both scholastically and anecdotally that having a positive relationship with one's neighbors and a sense of buy in the health of their community positively impacts their mental, physical and social health. This position is primarily funded by the City of Tacoma, and is expected to be so successful that we anticipate expanding this program in the coming years.

### 3. CLIENT SUPPORT & EMPOWERMENT

#### 3.1 NUMBER OF PEOPLE AND HOUSEHOLDS SERVED

##### Program Entries, Exits, and Unduplicated Number of Households Served

January 2019	Program/ Caseload Entries this Month	Program/ Caseload Exits this Month	Number Served (Month)	Unduplicated Number Served (YTD)
Case Staffing (Eviction Prevention Services)	2	2	4	4
Family Self Sufficiency (FSS)	0	0	199	199
General Services	31	6	113	113
Hardship	0	0	0	0
Housing Opportunity Program (HOP) Case Management	22	6	26	26
Children's Savings Account (CSA) K-5th Grade	7	0	99	99
Children's Savings Account (CSA) 6th - 12th Grade	0	0	91	91
Tacoma Public Schools Housing Assistance Program (Whole Family Services)	2	0	2	2

<b>January 2019</b>	<b>Program/ Caseload Entries this Month</b>	<b>Program/ Caseload Exits this Month</b>	<b>Number Served (Month)</b>	<b>Unduplicated Number Served (YTD)</b>
Senior & Disabled	3	13	56	56
<b>DEPARTMENT TOTAL</b>	<b>67</b>	<b>27</b>	<b>590</b>	<b>590</b>

### 3.2 PROGRAM UPDATES

Staff at our family properties have been hard at work successfully mediating a handful of issues that have cropped up between neighbors. THA staff assistance has led neighbors to communicate with each other differently and in progressive ways, and provided them new tools and resources to use in the future.

Kye, the case manager for the senior and disabled properties, has arranged and/or facilitated fall prevention classes, financial education classes, “TFD (Tacoma Fire Department) Cares”, safety meetings with residents and THA staff, and worked alongside Property Management staff to ensure that residents feel safe and supported throughout the portfolio. Part of this effort has had Kye meeting with the Tacoma Fire Department who have reported that THA properties have seen a reduction in the number of high utilizer emergency calls, indicating that clients who have acute needs are receiving support via more strategic and appropriate avenues. Kye has also been working with the resident advisory board, guiding and supporting their work to organize and become a self-sustaining entity.

In the last month Trish, with the Child Savings Account program, participated in the “Salishan Summit for Success on Youth Engagement” with more than 50 community partners. Trish is now the lead for the Education Task Force Committee (ETFC) which will bring more learning opportunities, activities, speakers and events focused on education to the eastside of Tacoma. It is increasingly evident that middle and high school aged young people need a place to be safe and hang out with their peers. The ETFC will address this exact need where students can find a safe, developmentally appropriate and comfortable place to participated in fun “college bound” activities on days when there is no after school programming. This committee includes representatives from Pierce County, Clover Park Technical College, Tacoma Community House, and Sound Outreach among others.





**TACOMA HOUSING AUTHORITY**

**RENTAL ASSISTANCE**



# TACOMA HOUSING AUTHORITY

**DATE:** February 27, 2019

**TO:** THA Board of Commissioners

**FROM:** Julie LaRocque  
Director of Rental Assistance

**RE:** Rental Assistance Department Monthly Board Report

## 1. STRATEGIC OBJECTIVE: HOUSING AND SUPPORTIVE SERVICES

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

## 2. DIRECTOR'S COMMENT

During the month of January, much of the Rental Assistance department's time was focused on the government shutdown. Staff met with the Landlord Advisory Group and fielded questions regarding their concerns. The Landlords in this group were very helpful in coming up with a plan if the shutdown continued into March 2019. The shutdown ended and the President has signed a real budget for 2019.

Highland Flats has leased up a total of 21 units at the time of this report. 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 February 2019.

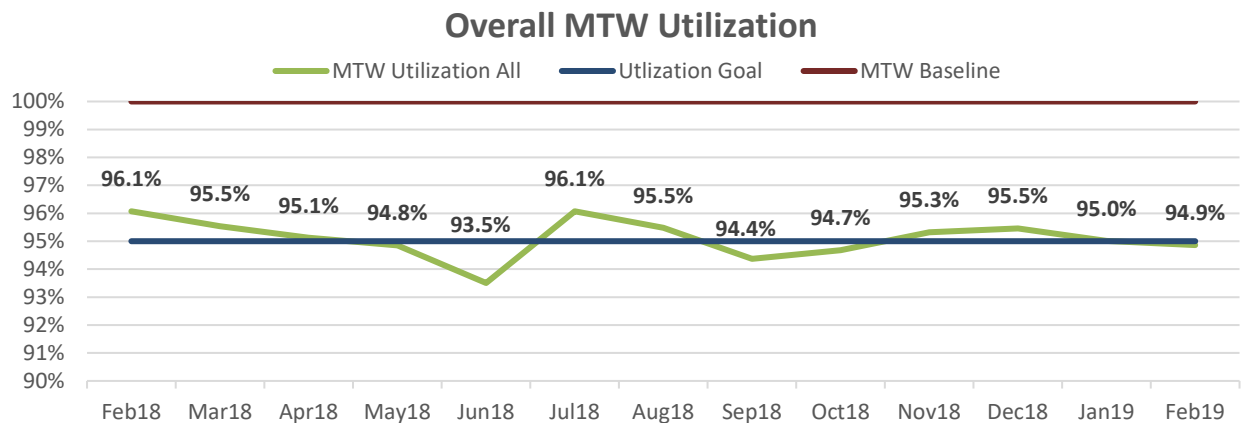
The KOZ on Market property has leased 32 units since early January. They have 20 applications they are processing and should be housed soon. At the time of this report they only had 2 units that did not have an application pending. As they complete the leasing of the 52 units set aside for this program they will establish a waiting list for future vacancies. The lease up at KOZ on Market has been an amazingly smooth process and has exceeded our expectations regarding lease up time. KOZ is very interested in future partnerships with THA.

The Landlord Engagement Specialist (LES) is currently in talks regarding a future project in the Lincoln District. It is in the early application stage but could end up with 60 units set aside for Property Based Subsidies as well as Project Based Assistance for Veterans. If our discussions work out, we could move un-utilized Veterans Affairs Supportive Housing (VASH) units to Project Based units at this property. It could be a good use of a VASH voucher in a market that is difficult for veterans.

### 3. RENTAL ASSISTANCE AND LEASING

#### 3.1 Overall Utilization Report

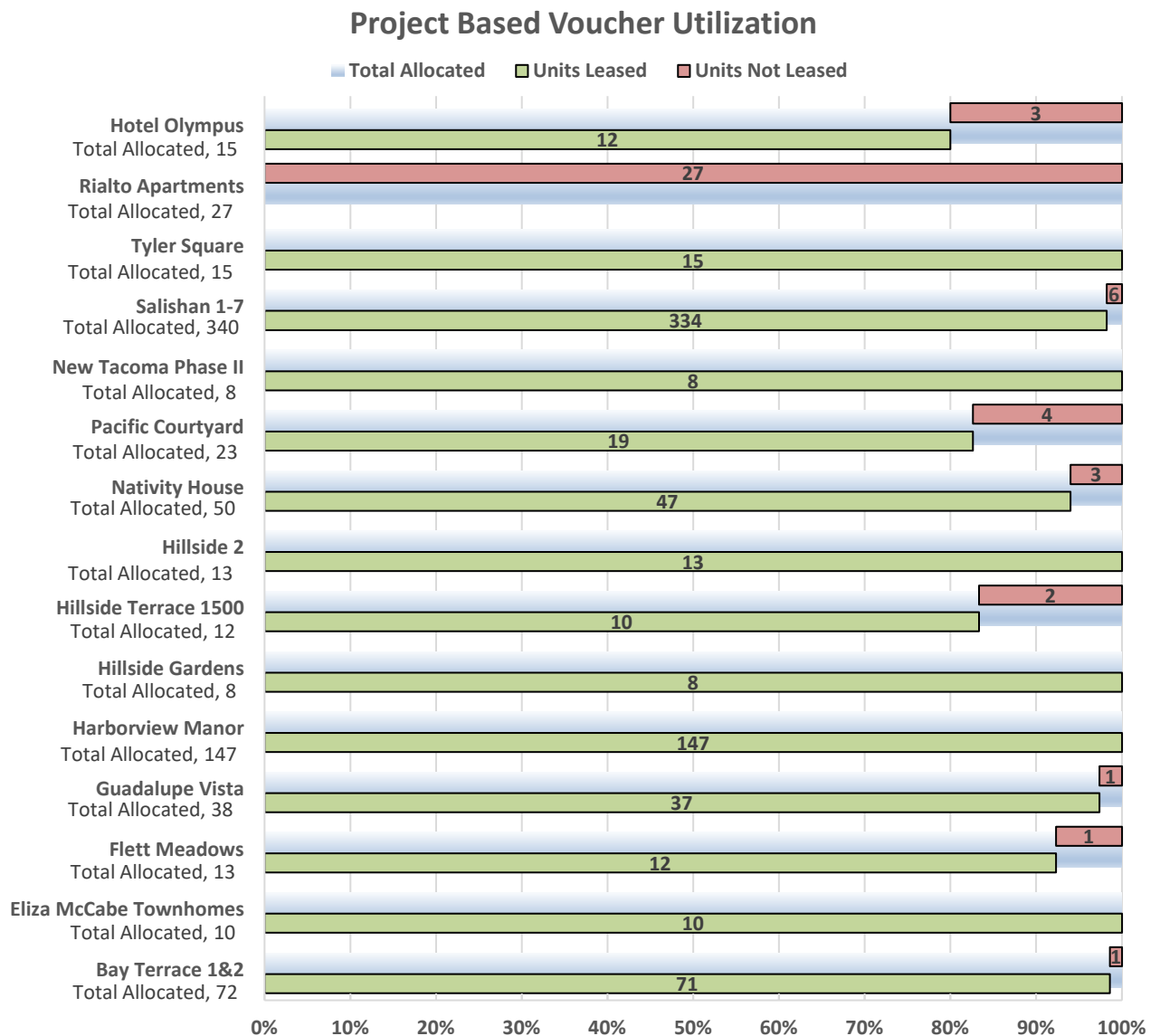
The overall Housing Choice Voucher utilization is reported at **94.9%** for the month of January 2019. In January 2019 we received updated information from Rapid Rehousing which increased the utilization for the last quarter of 2018. The average overall utilization for 2018 ended up at **95.1%**! These numbers now include projected data for Rapid Rehousing funds based off the most recent report from the City.



#### 3.2 Project Based Voucher & Property Based Subsidy Report

Current Project Based Vouchers (PBV) continue to be utilized at a high rate at both THA properties and properties owned by partner agencies. Hotel Olympus was awarded 48 project-based vouchers in October 2018. However, due to the existing tenants at this property, THA was only able to initially subsidize 15 units as not all tenants were eligible for THA's program. The agreement between THA and Hotel Olympus is that all units at the property will eventually receive a PBV subsidy, and will be added through contract amendments as units become vacant.

THA is very close to signing the final Housing Assistance Program (HAP) contract with the Rialto Apartments, owned by Pioneer Human Services. While THA will only initially subsidize 27 units, the parties have agreed that all units will eventually be subsidized at this property. The HAP contract lists all 52 units at the property so, as they become vacant they will be added to THA's utilization report. THA is working closely with both partner agencies to ensure units are subsidized as quickly as possible.

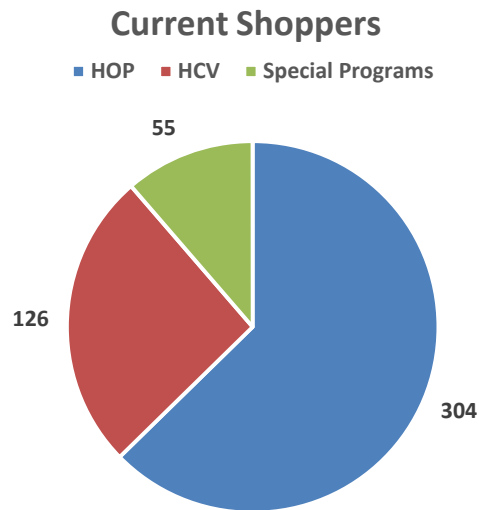


As units are leased for the new Project Based Voucher (PBV) and Property Based Subsidy (PBS) contracts, overall utilization numbers will continue to improve. Unfortunately, this has been a very slow process due to renovation delays, inspection concerns and the eligibility of residents leasing in place. In future reports we anticipate adding more in depth information to this portion of the report regarding the PBS contracts that are currently leasing up. For current information, please refer to the Director's Comments in Section 2.

### 3.3 Shopper Report

The chart provided below shows a breakdown of the number of current shoppers by program. 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 chart below include clients new to the program from the waiting list and clients moving from one unit to another.

Currently, there are 485 total clients shopping:



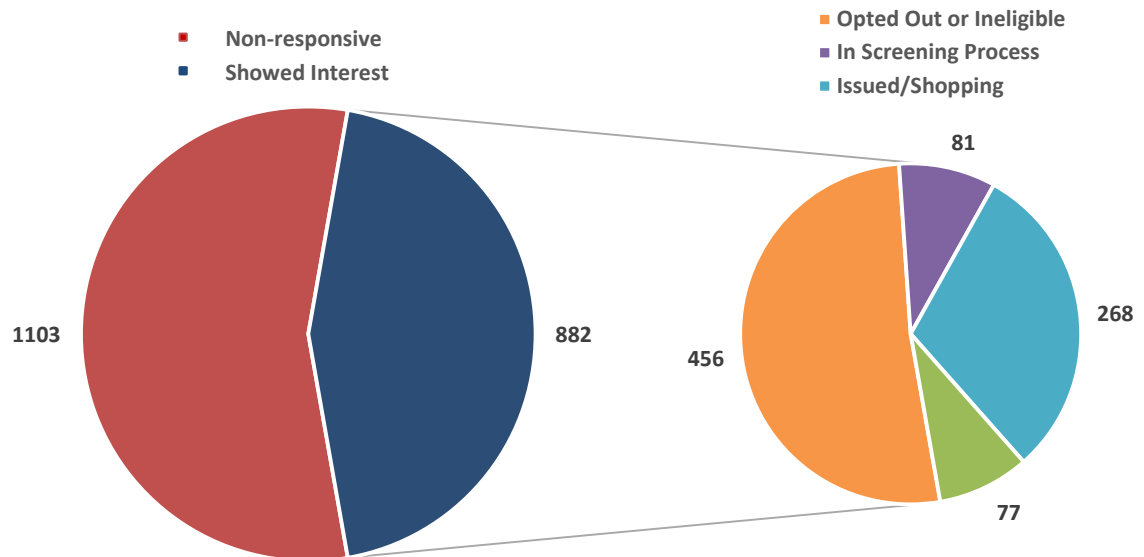
### 3.4 Leasing Report

The chart below 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. The first chart shows us the number of letters that received no return response and those who responded to the initial letters with interest. The right side breaks out those who were interested in the HOP subsidy and shows their status. Subsequently, it shows if they were ineligible or opted out after learning more about the program, 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.

We have not mailed out any new interest letters while continuing to process the 1,985 interest letters previously mailed out. This was to allow processing time for the packets that were received. Approximately 100 vouchers were issued in January 2019 but the net gain was much less due to withdrawals, expired subsidies, clients who were issued but then changed their mind, etc. This is reflected by the increase in the orange section of the pie chart on the right. The PIE team is drafting new language for the interest letter that will hopefully increase the interest in the HOP subsidy both with initial response and with retention after the subsidy is issued.

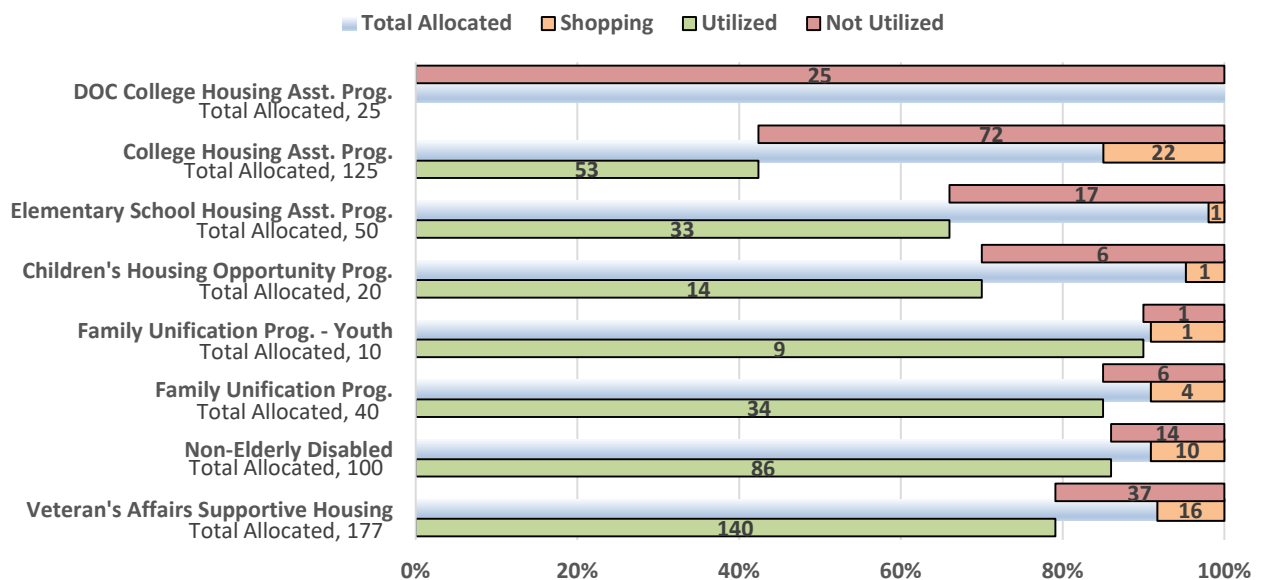
### Of the 1,985 Interest Letters Mailed To Date



### 3.5 Special Program Report

Below is a breakdown on the utilization of THA's special programs. The chart below has been updated to include shoppers for each program. The Department of Corrections program with Tacoma Community College (TCC) has now been added as a separate bar. Currently this program is in the early stages and has not been utilized. This chart will be updated once the program begins.

### Special Program Utilization



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 Landlord Engagement Specialist (LES) is helping with VASH underutilization by discussing the program with landlords and discussing the possibility of using Project Based Vouchers at their property. LES is seeing some interest and will continue to market this program.

I attach a separate report on the utilization rates of the College Housing Assistance Program (CHAP). It continues to be underutilized as well. During the January Board Meeting discussion arose regarding the lease up of the 150 CHAP subsidies set aside for TCC. Currently only 53 clients have successfully leased up. There are 22 students shopping for units. The HOP subsidy for a 1 bedroom unit is \$463. Any rent amount over the subsidy would be the responsibility of the student. If the student found a unit renting for the payment standard of \$925, the tenant portion of the rent would be \$462. Every dollar over the payment standard becomes part of the rent for the student.

Compare this to the Property Based Subsidy at Highland Flats where the student pays \$420 for rent. Although it would appear that a \$42 difference in rent doesn't seem like a lot, this could mean the difference in qualifying or not at other properties. Highland Flats is extremely attractive to TCC students. It is a newly renovated property, walking distance to TCC and Highland Flats is flexible regarding rent to income ratios. They even include financial aid in their income review which is not a common practice with other landlords.

At this point it would appear that the Highland Flats subsidy is more attractive and easier for the CHAP students. All of the residents at Highland Flats are TCC students. After the lease up at Highland Flats is complete we will be able to evaluate the lease up concerns with CHAP without competing with ourselves. In addition, effective March 1, 2019, the payment standard for a 1 bedroom unit will raise to \$966 per month which would increase the HOP subsidy to \$483. This should give CHAP students additional shopping power. If it is determined the Property Based Subsidy is the better way to house more students, we will look into using the additional \$500,000 we have budgeted for this type of program or increase the subsidy amounts for CHAP students.

More information will follow as the CHAP program and Property Based Subsidy programs continue to be evaluated. Per a request from the Commissioners at the January Board meeting, the beginning of this evaluation is included as a separate document accompanying this report.



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To: Julie LaRocque, Director of Rental Assistance  
From: Anastasia Cale, Project Manager I, PIE  
Aley Thompson, Project Manager II, PIE  
Date: February 14, 2018  
Subject: College Housing Assistance Program Data and Strategies to Address Utilization

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This memo serves as an initial assessment of the College Housing Assistance Program (CHAP) and potential recommendations to increase utilization. The data and charts below provide some information regarding the CHAP's issues with voucher utilization. The data provides positive insights from the interventions Tacoma Housing Authority (THA) has recently implemented to successfully house homeless and near-homeless college students. The data also provides some considerations for further intervention to increase utilization for CHAP voucher holders.

## 1. Summary:

- CHAP utilization is at 42%. This excludes the vouchers allocated for the DOC-CHAP cohort.
- In the most recent CHAP cohort,<sup>1</sup> 8 out of 48 applicants were denied. 75% of these denials were due to over-income households.
- Since January 1, 2018, 34% of CHAP shoppers were successfully housed. 17% are currently shopping.
- Similar to other THA programs, if a shopper is not able to lease up within the first 90 days they are not likely to be successful.
- THA is unable to use internal data to pinpoint the exact reasons why shoppers are unsuccessful.
  - THA staff report that subsidy amount, credit issues and rental history are the three largest barriers to successful lease up.
- There is a **considerable income disparity** between shoppers who are able to lease up and those who are unsuccessful. The data suggests that the program may be out of reach for households with incomes less than \$8,000 annually.
  - 70% of active CHAP participants are extremely low-income and 19% are very low-income. The income limit for an extremely low-income 2 person household is \$17,950.
- THA's Property Based Subsidy partnership with Highland Flats has created a pipeline of eligible students who have been successfully leasing up with tenant rent amounts similar to CHAP voucher holders.
  - It should be noted that Highland Flats has been willing to "work with students" who have credit or rental history concerns.

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<sup>1</sup> January 2019. This is information from staff that is unavailable in OpenDoor but available in applicant files.



## 2. High Level Recommendations:

- Rental Assistance should report on property based subsidy lease-up data with CHAP data in the monthly Board Reports. This data highlights the success of the PBS program.
- Identify landlord partners who are willing to be flexible with students regarding their lack of rental history or credit issues.
- Improve data collection to identify whether subsidy or credit/rental history is the primary factor in unsuccessful lease-ups.
- Consider implementing a pilot program deepening the subsidy for 50% of applicants in the upcoming cohort. The subsidy should remain fixed for ease of program administration. Subsidy amounts to consider are 60% or 70% of the payment standard. This would amount to a \$97 or \$197 increase to the subsidy.

## 3. Notable Data

### 3.1. Utilization

*Table 3.1.1*

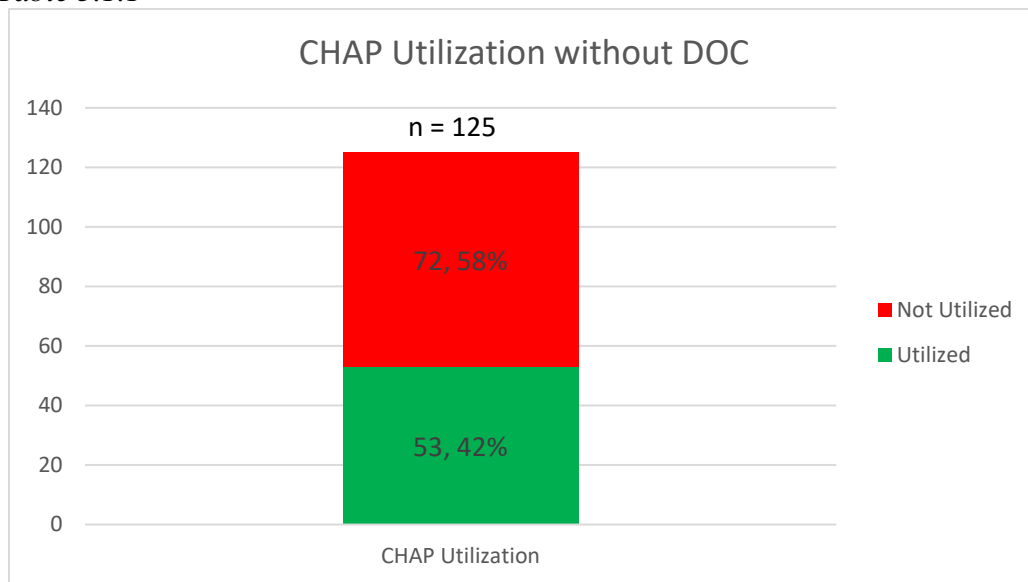
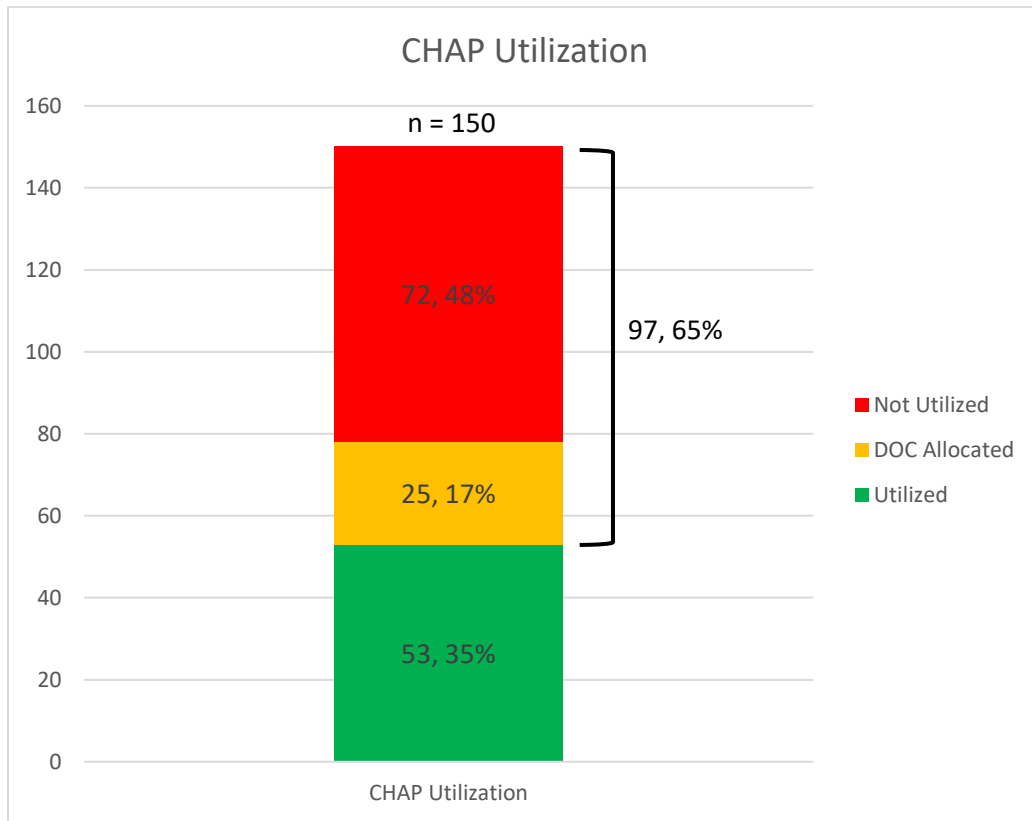


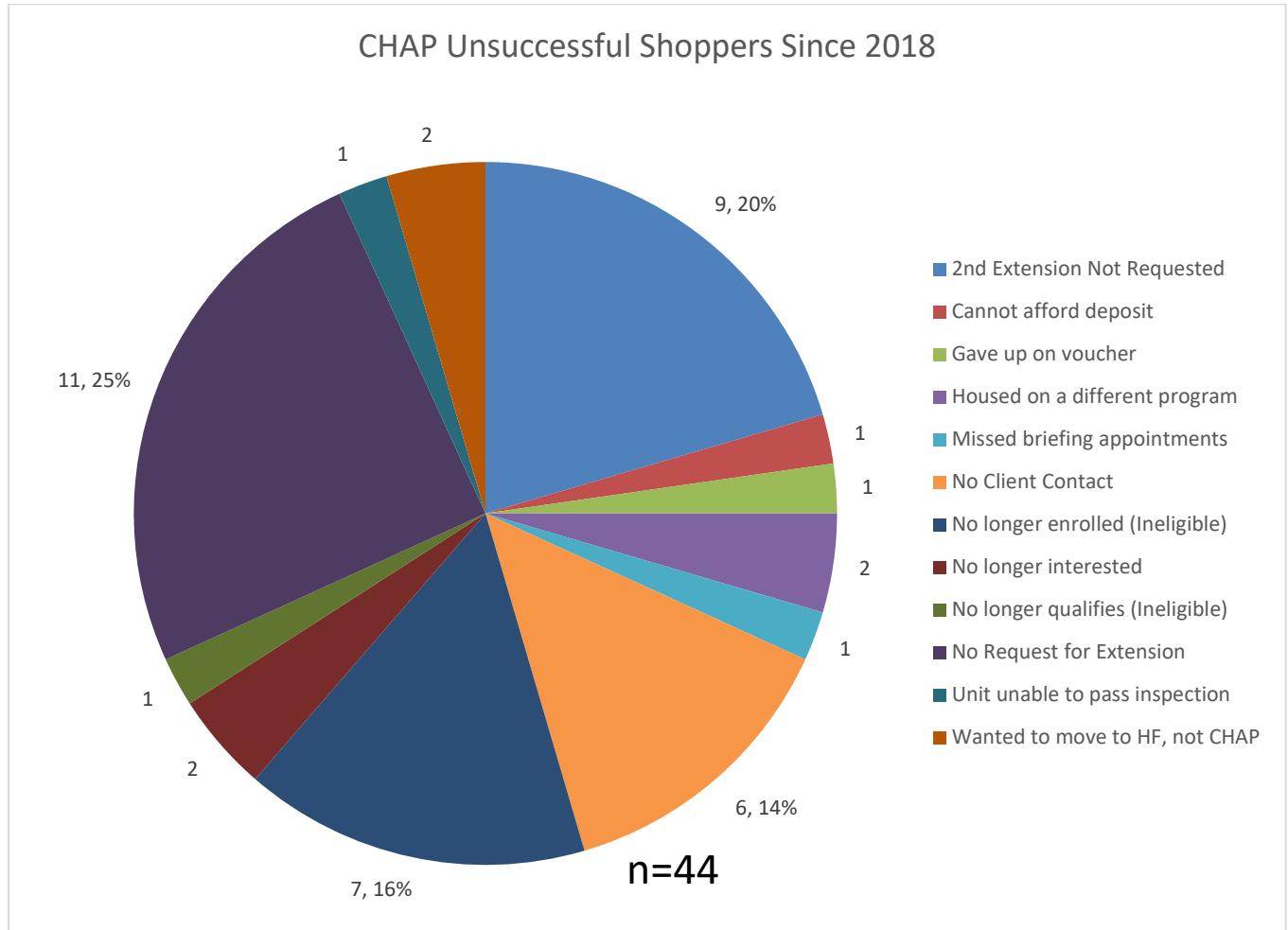
Table 3.1.2



- Excluding the DOC-CHAP set aside vouchers, 42% of CHAP vouchers are utilized.

### 3.2. Shopper Information

Table 3.2.1

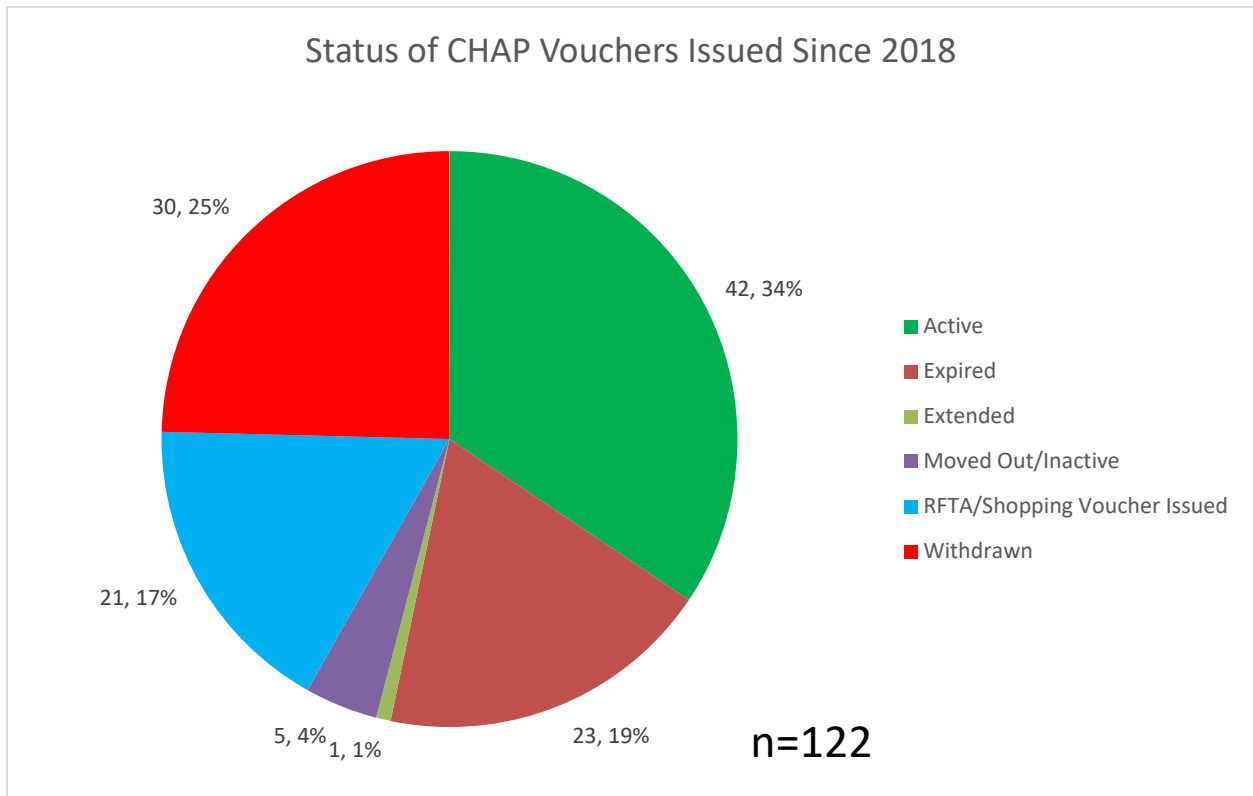


- Of all unsuccessful CHAP shoppers since 2018 (44 were admitted to the program and received a shopping voucher), the primary reason shoppers were unsuccessful is unknown because the shoppers did not request a first extension or did not provide a reason when they requested a second extension (n= 20, 45%).<sup>2</sup>
- 11% of shoppers were not successful because the shopper unenrolled from TCC (n=7, 16%).

<sup>2</sup> It is possible that THA staff are collecting the extension reasons at first or second extension. However, when the voucher expires the reason is overridden with “no client contact”

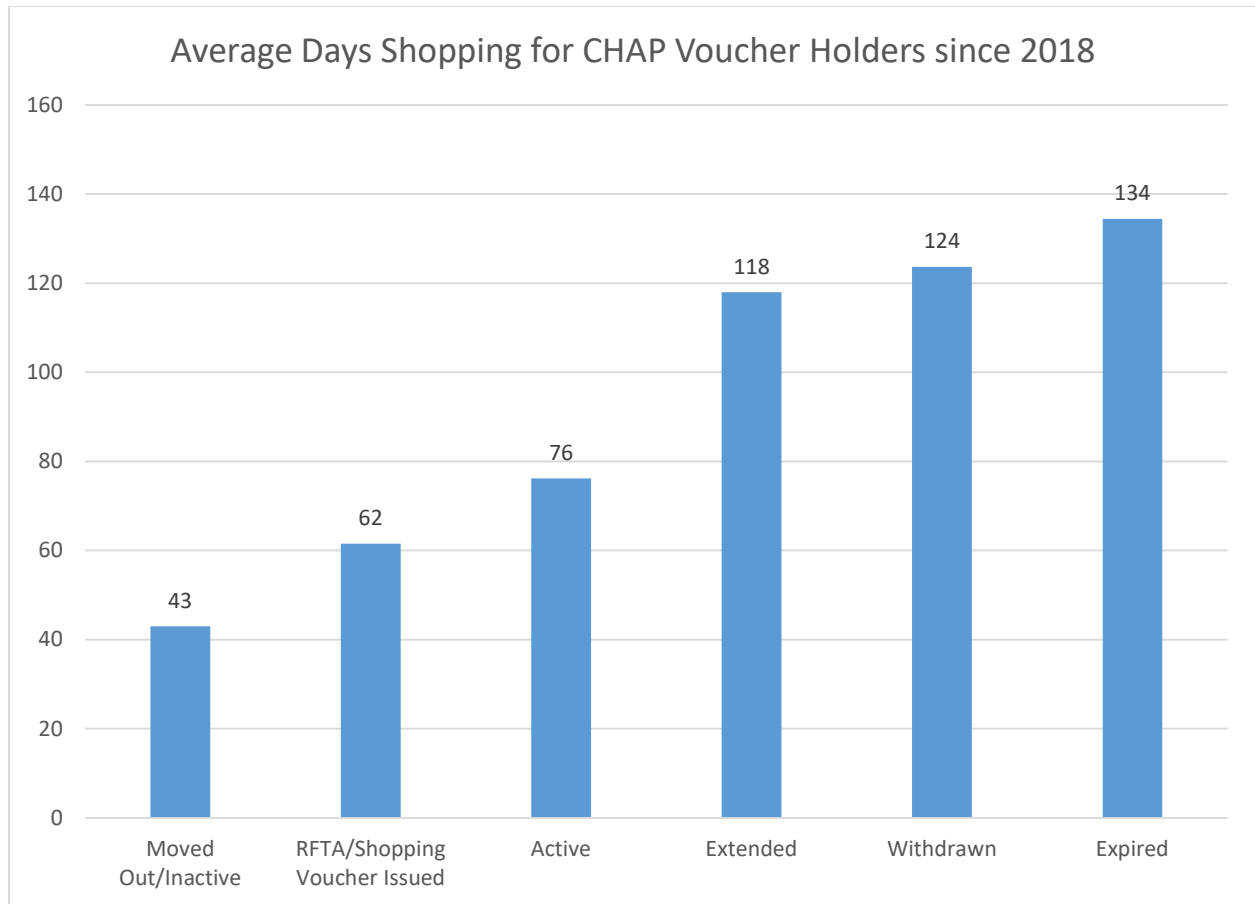
- In late 2018, PIE work with Rental Assistance to update the voucher status reasons in OpenDoor to attempt to document the reasons for voucher expirations. In monitoring these changes PIE has noticed that a reason may be given when a shopper initially extends their voucher the first time, but when the voucher ultimately expires it is often due to “no client contact” and that is the reason documented.

Table 3.2.2



- Of all CHAP vouchers issued since January 1, 2018, 34% of them are housed.
- 17% of vouchers issued since 2018 are currently shopping.

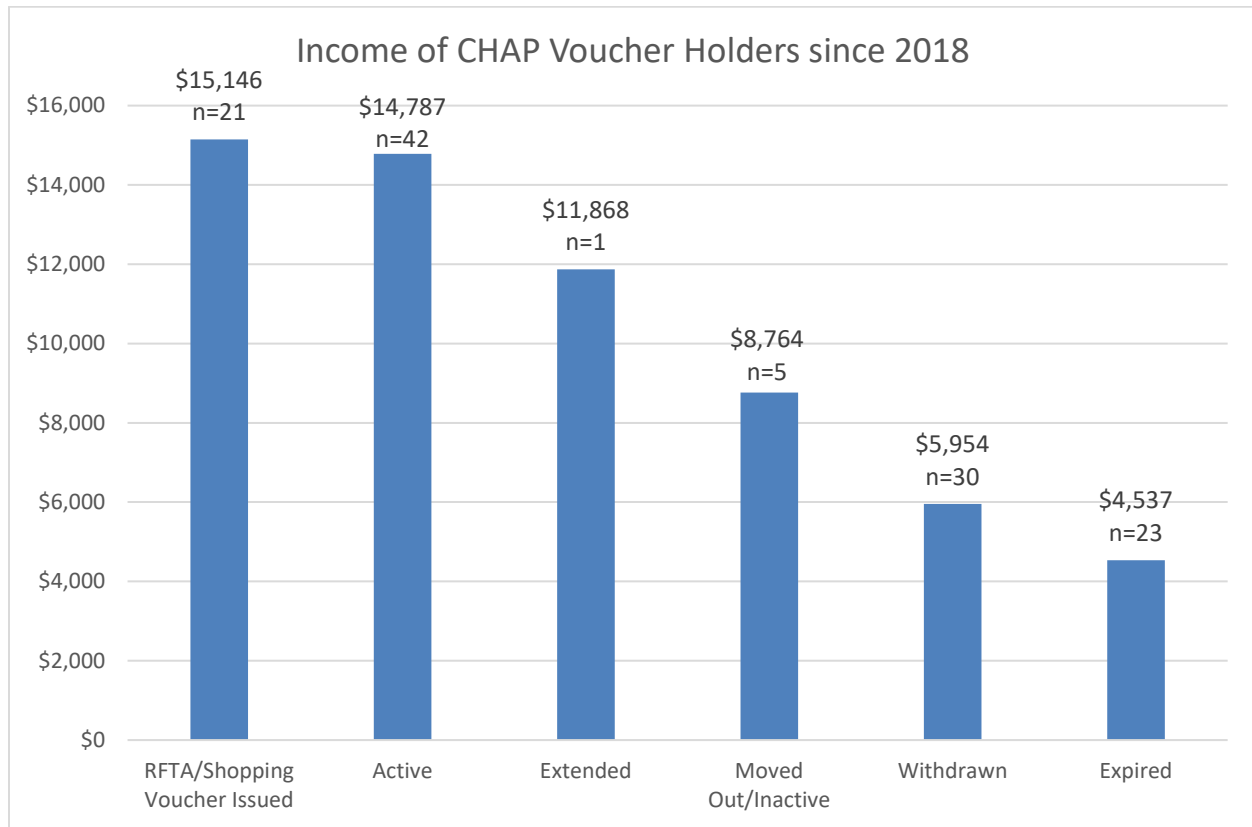
Table 3.2.3



- Similar to other THA programs, if a shopper is not able to lease up within the first 90 days they are not likely to be successful.

### 3.3. Incomes of CHAP Applicants and Participants

Table 3.3.1

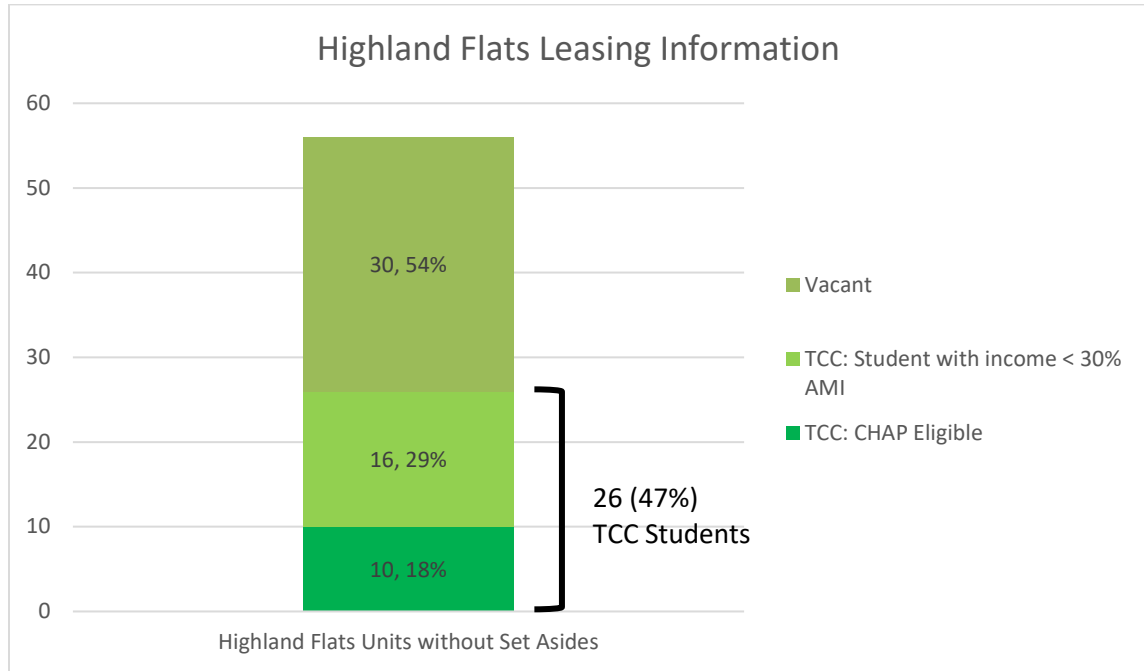


- There is a **considerable income disparity** between shoppers who were able to lease up (“Active”) and those who were unsuccessful (“Withdrawn or Expired”).<sup>3</sup>
- The average income of successful shoppers is \$14,787. 70% of active CHAP participants are extremely low-income and 19% are very low-income. The income limit for an extremely low-income 2 person household is \$17,950.
- All unsuccessful shoppers are extremely low-income with incomes nearly 70% less than those who were able to lease up.

<sup>3</sup> Some “moved out / inactive” may also be unsuccessful shoppers who never leased up

### 3.4. Highland Flats

Table 3.4.1



- Discounting the 7 units set aside for previous tenants of Highland Flats, 100% of the occupied units are leased by low and extremely low-income TCC Students.

1BR	Market Rent	THA Subsidy	Tenant Rent
Payment Standard	\$966	\$483	\$483
Highland Flats	\$1,185	\$765	\$420
Current CHAP Average	\$835	\$460	\$375

- This table compares THA's one bedroom payment standard to one bedroom CHAP voucher holders<sup>4</sup> and one bedroom units at Highland Flats.
- The current CHAP voucher holder's rent is 11% less than the tenant rent at Highland Flats.<sup>5</sup>

<sup>4</sup> Data on Contract Rents for 37 active CHAP participants with 1 bedroom vouchers as of 2.17.2019

<sup>5</sup> CHAP voucher holders do not receive a utility allowance. At Highland Flats tenants are responsible for electric, the landlord pays water, sewer and garbage.



**TACOMA HOUSING AUTHORITY**

**PROPERTY MANAGEMENT**





# TACOMA HOUSING AUTHORITY

**Date:** February 27, 2019

**To:** THA Board of Commissioners

**From:** Frankie Johnson  
Director of Property Management

**Re:** Property Management Monthly Board Report

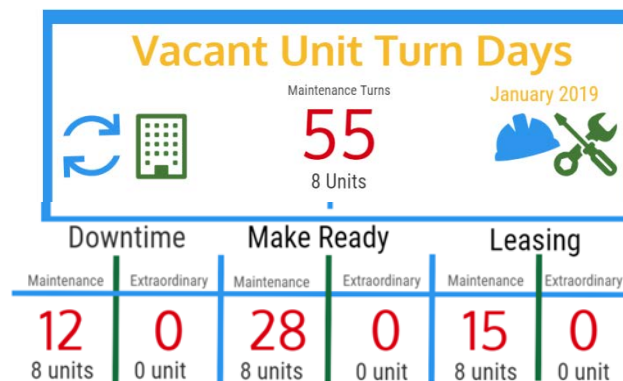
## 1. OCCUPANCY OVERVIEW

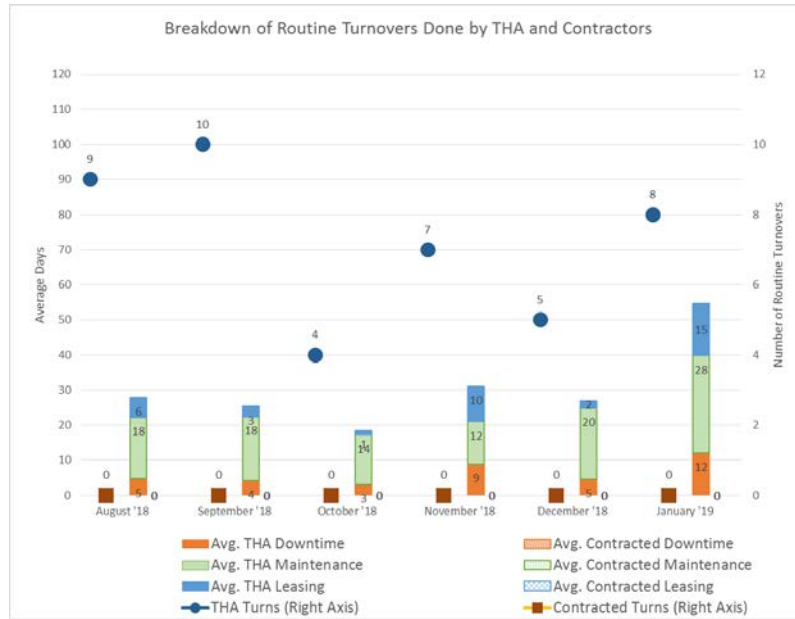
### 1.1 Occupancy

PROPERTY	UNITS AVAILABLE	UNITS VACANT	UNITS OFFLINE	UNITS OCCUPIED	% MONTH OCCUPIED	% YTD OCCUPIED
All Hillside/Bay Terrace	206	0	0	206	98%	99%
Family Properties	118	0	0	118	98%	99%
Salishan	631	14	0	617	98	99%
Senior/Disabled	353	6		347	98%	99%
All Total	1,308	20	0	1,288	99%	99%

Unit Occupancy is reported for the first day of the month. This data is for the month of January 2019. The chart above reflects Tacoma Housing Authority's (THA) current portfolio of 1,308.

### 1.2 Vacant Unit Turn Status





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
2019	January	8	8	0	54.8	12.1	27.6	15.0
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

All Contracted Turnover Information								
Year	Month	Total Number of Turns	Contracted Turns	Total Meth Turns	Avg. Total Days	Avg. Downtime Days	Avg. Maintenance Days	Avg. Leasing Days
2019	January	8	0	0	0.0	0.0	0.0	0.0
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

The average unit turn time for the month of January was 55 days. This turn time included work on eight (8) 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:**

Many of these unit turns began in December when we saw higher than normal paid holidays and vacations days, leading to fewer available work hours to complete maintenance and leasing work.

**1507 South G Street:** Property is hard to lease due to parking, location and configuration of unit, along with leasing delays in qualifying final applicant.

**2547 South Yakima #404:** Delay in unit turn team having access to the unit.

**1512 Court F #183:** Delay in unit turn team getting access to the unit due to holidays, staff not being accessible due to vacations, and absenteeism.

**4410 East Q Street:** Heavier repairs than normal. Low staff available

**4327 East Q Street:** Heavier repairs than normal. Low staff available

**4201 Everett Ave:** Heavier repairs than normal. Low staff available.

**911 North K Street:** Heavier repairs than normal. Low staff available.

**5311 S. Orchard #51:** Leasing issues along with issues with applicant not showing up for appointment to sign lease.

**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 January 2019

Property Name	Priority			Grand Total
	Routine	Urgent	Emergency	
6th Ave Apartments	17	2	1	20
Bay Terrace Phase One	23	3	1	27
Bay Terrace Phase Two	15	1		16
Bergerson Terrace	1			1
Dixon Village		1	1	2
E.B. Wilson	16	1	1	18
Fawcett Apartments	5			5
Hillside Terrace 1500 Block	4			4
Hillside Terrace Ph 1	18	1		19
Hillside Terrace Ph II	5	1		6
North G St	7	2		9
North K St	18	1		19
Salishan Five	2	1		3
Salishan Four	9			9
Salishan Maintenance Shop	1			1
Salishan One	33			33
Salishan Seven	3		1	4
Salishan Six	11			11
Salishan Three	15			15
Salishan Two	3			3
Wright Ave	11	2		13
<b>Grand Total</b>	<b>217</b>	<b>16</b>	<b>5</b>	<b>238</b>

**Open Work Orders by Priority BR  
For Month Ending January 2019**

Property Name	Priority			Grand Total
	Routine	Urgent	Emergency	
6th Ave Apartments	42	0	1	43
Bay Terrace Phase One	20	0	0	20
Bay Terrace Phase Two	34	1	0	35
Bergerson Terrace	4	2	0	6
E.B. Wilson	2	0	0	2
Hillside Terrace 1500 Block	25	0	0	25
Hillside Terrace Ph 1	23	0	0	23
Hillside Terrace Ph II	11	1	0	12
North G St	8	1	0	9
Salishan Five	35	7	2	44
Salishan Four	93	0	0	93
Salishan One	86	0	0	86
Salishan Seven	23	2	0	25
Salishan Six	68	1	0	69
Salishan Three	19	0	0	19
Salishan Two	34	0	0	34
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
Wright Ave	19	0	0	19
<b>Grand Total</b>	<b>554</b>	<b>15</b>	<b>3</b>	<b>572</b>

In the month of January, 100% of emergency work orders were completed within 24 hours; maintenance staff completed 217 non-emergency work orders with a total of 217 for the calendar year. The year-to-date average number of days to complete a non-emergency work order is 7 days. Property Management (PM) continues to bring down the number of outstanding work orders and improve customer service.

During the January board meeting, Commissioner Rumbaugh asked for a breakdown of time to complete work orders.

**Length of Time to Complete Work Orders  
Completed in January 2019**

		Date Completed	Grand Total
Days Open		Jan-19	
<5 Days	%	54%	<b>54%</b>
	# of WOs	151	<b>151</b>
6-10 Days	%	15%	<b>15%</b>
	# of WOs	41	<b>41</b>
11-15 Days	%	7%	<b>7%</b>
	# of WOs	21	<b>21</b>
16-20 Days	%	3%	<b>3%</b>
	# of WOs	9	<b>9</b>
20+ Days	%	21%	<b>21%</b>
	# of WOs	59	<b>59</b>
<b>Grand Total</b>	%	100%	<b>100%</b>
	# of WOs	281	<b>281</b>

**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.



**TACOMA HOUSING AUTHORITY**

**REAL ESTATE DEVELOPMENT**



# TACOMA HOUSING AUTHORITY

**DATE:** February 27, 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 continues to explore options and partnerships to complete the Salishan Core. While Bates is interested in an Eastside presence, they are undertaking several large capital projects at this time. Because their funding is linked to the State, Bates doesn't believe it would be able to raise the capital dollars needed to pay for 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 MBE firm. THA and TAC Build have signed a Purchase and Sale Agreement. Closing is anticipated by the end of Q1 2019 pending disposition approval from Housing and Urban Development (HUD). Disposition request has been submitted to HUD. Staff has received preliminary comments and are working through the issues raised by HUD. An updated Environmental Review is needed by the City. In order to expedite the Environmental Assessment (EA), THA is proposing to hire a third party consultant to conduct the EA for this project as well as the disposition for Arlington and 1800 Hillside. Once the scope, cost and timeframe for doing the EAs are received a better sense of closing date can be identified.

## 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

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

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. Responses to the Request for Proposal (RFP) for the financing have been submitted. The tax credit pricing is well below the \$1 staff was hoping to receive. Proposals are being evaluated now. 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.

Requests for Proposals were issued for lenders and investors for 1800 Hillside and the Arlington Youth Campus Apartments. THA staff in consultation with Brawner staff selected three potential lenders and three potential investors to provide the construction and permanent loans for the two projects. Each of the lenders and investors was asked to provide their best and final offer. The responses will be provided later Friday afternoon, February 22<sup>nd</sup>. Staff will review the proposals and make a final recommendation for the lender and investor selection by Monday, February 25, 2019. To accomplish this requires staff to present the resolutions that will finalize the selection at the board meeting on Wednesday.

**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 schematic design and has begun design development. Marpac Construction completed their second cost estimate. The site and building cost estimate was \$14.6M which was over the projected budget. SMR Architects are continuing to make 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**

#### **3.1.1 Background**

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

#### **3.1.2 Capital Improvements**

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

#### **3.1.3 Leasing**

CB Danforth continues to market the available property and provide tours to prospective tenants. Month-to-month leases are being renegotiated with tenants to extend for two to three years at market rents to stabilize cash flow and allow for THA flexibility to redevelop. Listing Brokers are generating interest for the remaining vacant spaces and numerous prospective tenants have toured the space. The empty store front along Mildred is being used as a field office for outreach and planning meetings for this project. Interest in the space from potential tenants has increased since the façade was improved. A lease has been executed with a nail salon tenant in building 1610. The property is now 84% leased.

#### **3.1.4 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 March 7, 2019. The time for the open house will be 6:30 to 8:00 pm. Site design options

will be narrowed to one scenario. Additional feedback on design, programming details and possible property name 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 place making. 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.

### **3.1.5 Operating Performance**

Property cash flow is steady and work orders are minimal. Previously identified capital improvement repair items are being addressed regularly. Repair costs are consistent with feasibility estimates. A 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
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 12<sup>th</sup> 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 12<sup>th</sup> St. this house should close by December 21<sup>st</sup>.
- 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 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 mid-February; however, a problem was identified when work was begun on the remaining ADA ramps and related work which could affect completion of the project in February. The issue involves the location of electrical lines in the street. Staff are working through options with Tacoma Public Utilities and the City.

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 Authorities 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. THA has a request for an additional \$800,000 in capital funds that is under consideration in the State Legislature. Currently, staff expects to devote all of these funds to the rental housing component of the project.

SMR Architects has completed the master site planning and related preliminary work. A portion of the SMR work will be reimbursed as part of the City of Tacoma/Pierce County agreement for building the CRC and THA will fund the balance associated with the larger master planning process. THA will also develop a portion of the site for rental housing for homeless young adults ages 18-24. THA will fund this development with equity from a 9% Low-Income Housing Tax Credit allocation (LIHTC) and related sources. The design development is complete and an initial cost estimate for the project 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 was held January 24th at the Family Investment Center (FIC). A meeting with the Dometop neighborhood was held on February 13<sup>th</sup>. This meeting was well attended and the response from the neighborhood was heartwarming. The first question asked was, "how can we volunteer?"

Korsmo Construction is the General Contractor for this project. Korsmo has provided initial bid estimates that are in keeping with the projected budget. Korsmo hosted a sub-contractor meeting on Valentine's day. There were over 60 people in attendance, so we are hopeful to get strong bidding from sub-contractors for this project. It was evident that Korsmo has a good reputation among sub-contractors.

Results are back for the lender and investor. Staff are evaluating the proposals at this time and will present resolutions for the board's consideration at the February meeting.

### **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**

Continued work with Korean Women's Association (KWA) is on hold, pending a discussion with the Board Chair and Senior Advisor to the board. This decision was made due to the rapid change in KWA's Executive Director. As proposed, THA would act as the developer for the senior housing project. The option to sell the land to KWA has been executed; however, a development agreement was not signed, nor was a purchase and sale agreement. THA prepared another application to The Housing Trust Fund for KWA as part of the Housing Trust Fund bi-annual RFP requests.

### **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 an 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. Staff is still negotiating terms with Walsh; a contract should be signed by mid to late February. The internal design kick-off occurred January 14 which was followed by an Undoing Institutional Racism training with the design team, community engagement specialists and some THA staff who are working on the project.

There are two layers of community engagement for this project. There are homework groups and design labs, and four homework groups scheduled. Invitees include some neighborhood residents and those representing businesses, community organizations, and institutions in the Hilltop. This group will review the learnings from the 2016 Housing Hilltop process to see if those items and assumptions still hold true and address some of the bigger question items. The Design Labs will be larger community events where specific design elements will be addressed (i.e. the resident experience; exterior; community space). There will be three Design Lab meetings. In addition, the community engagement specialist will be reaching out to traditionally under-represented communities to gather their input. At the end of the process (early May) we will have concept plans for the four buildings and building program. In addition we will have community-driven design standards for this part of the MLK corridor.

#### **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, 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 educate people and to gauge interest.

THA staff is looking into establishing an Eco-District for the Hilltop. Eco-Districts provide a framework for realizing advanced sustainability through behavior change, building design and infrastructure improvements as well as create goals for equity, resilience and climate protection. It would create a framework and measurement tool for our community development work on the Hilltop. Staff attended the EcoDistrict Summit in Minneapolis in October to learn more about EcoDistricts. Three staff and three members of HAC attended an EcoDistrict Foundations Course on November 7. This group of people met January 10 to discuss next steps. There was general support for creating an EcoDistrict. This group will continue to meet to determine some general boundaries and concepts of what this might look like before bringing it to a larger community meeting to discuss and get buy-in from the community at large.

## **5. Renew Tacoma Housing, LLLP**

Staff continue to work through the few remaining tasks associated with closing out this project. The key remaining task is to satisfy the final requirements identified by the Department of Ecology (DOE) in their recently-released *No Further Action Likely* (NFA-likely) letters for K and Wright Streets. The NFA-likely letters identify the final conditions under which DOE will issue the NFA letters.

In addition, staff have been working with what appears to be a receptive investor for a contingency plan to request release of the majority of the final equity funds in the event the timing of the building alterations take longer than anticipated.

### **5.1 Watch list**

#### ***Environmental***

K Street and Wright Street's NFA-likely letters state the requirements to issue the final NFA letters are to file the Environmental Restrictive Covenants, long-term monitoring and physical alterations to the buildings to increase air circulation.

Wright Street's Environmental Restrictive Covenant will encumber a portion of the adjacent property. THA is in negotiation with the owner to compensate them for the



loss in value resulting from encumbering a portion of their property with the filing of the Environmental Restrictive Covenant.

A contractor to perform the alterations to the buildings will be selected this month with work to immediately follow. It is anticipated that the work will be complete by the end of March.

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



**TACOMA HOUSING AUTHORITY**

**NEW BUSINESS**

# **Resolution 1**



# TACOMA HOUSING AUTHORITY

## RESOLUTION 2019-02-27 (1)

**DATE:** February 27, 2019

**TO:** THA Board of Commissioners

**FROM:** Michael Mirra  
Executive Director

**RE:** Inducement Resolution THA 1800 Block Court F

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*Resolution declaring the Authority's intent to sell bonds to provide financing to a Washington limited liability limited partnership for the acquisition and construction of the Court F Apartments, and to permit bond proceeds to be used to reimburse expenditures made before the issuance of the bonds.*

### Purpose

Treasury Regulations Section 1.103-8(a)(5) requires that, in order for expenditures for an exempt facility (here, the Court F Apartments used for low-income housing) that are made before the issue date of bonds, to be reimbursed from bond proceeds, the issuer must declare an official intent to reimburse such expenditures from bond proceeds. This resolution is the Authority's declaration of official intent to reimburse expenditures for the Project made before the issue date of the Bonds from proceeds of tax-exempt private activity bonds.

In addition, this resolution authorizes the Authority's Executive Director to:

- (1) seek an allocation of volume cap from the Washington State Department of Commerce or a transfer of volume cap from the Washington State Housing Finance Commission;
- (2) submit applications for funding from other public and private sources; and
- (3) submit such materials as may be necessary to secure low income housing tax credits.

Although this inducement resolution announces the Authority's intent to issue the bonds, and to use bond proceeds to reimburse expenditures prior to the date of issue, it doesn't obligate the Authority to issue the bonds, or determine the specific terms of the bonds. Board of Commission approval of a separate "bond resolution" would be required prior to the issuance of any bonds to finance the Court F Apartments project.

### Background

The Authority has formed Court F LLLP, a Washington limited liability limited partnership of which the Authority is the sole general partner (the "Borrower"), for the purpose of acquiring and

constructing the Court F Apartments, including common areas, and 64-units of low-income housing, located at 1815 S. G Street, Tacoma, Washington.

Financing for the Borrower's acquisition and construction of the Court F Apartments will include a variety of funding sources, including low-income housing tax credits, taxable financing, tax-exempt private activity bonds, and state and local grants/loans. The tax-exempt private activity bonds would be issued by the Authority, as the conduit issuer, and the proceeds would be lent to the Borrower to finance the acquisition and construction of the Court F Apartments.

### **Recommendation**

Approve Resolution No. 2019-02-27 (1).



# TACOMA HOUSING AUTHORITY

## THA BOC RESOLUTION 2019-02-27 (1) (Court F Inducement Resolution)

A **RESOLUTION** of the Housing Authority of the City of Tacoma declaring its intention to sell bonds in an amount not to exceed \$3,700,000 to provide financing to Court F LLLP, a Washington limited liability limited partnership of which the Authority is the sole general partner, in connection with the acquisition and construction of a 64-unit apartment complex in the City of Tacoma, Washington, and determining related matters.

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

**WHEREAS**, RCW 35.82.070(5) provides that a housing authority may, among other things and if certain conditions are met, “lease or rent any dwellings . . . buildings, structures or facilities embraced in any housing project”; and

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

**WHEREAS**, RCW 35.82.070(18) provides that a housing authority may, among other things and if certain conditions are met, “make . . . loans for the acquisition, construction, reconstruction, rehabilitation, improvement, leasing or refinancing of land, buildings, or developments for housing for persons of low income”; and

**WHEREAS**, RCW 35.82.020(11) and 35.82.130 together provide that a housing authority may issue bonds, notes or other obligations for any of its corporate purposes; and

**WHEREAS**, The Authority has formed Court F LLLP, a Washington limited liability limited partnership of which the Authority is the sole general partner (the “Borrower”), for the purpose of acquiring and constructing a multifamily housing facility to be known as the Court F Apartments, including common areas, and 64-units of low-income housing, to be known as Court F Apartments. Such low-income housing, together with functionally related and subordinate facilities, shall be referred to herein as the “Project.” The estimated cost of acquisition and construction of the Project is not expected to exceed \$22,700,000; and

**WHEREAS**, The Authority anticipates that the Borrower will request that the Authority issue and sell its revenue bonds for the purpose of assisting the Borrower in financing the Project; and

**WHEREAS**, The Authority desires to provide such assistance, if certain conditions are met; and

**WHEREAS**, Treasury Regulations Section 1.103-8(a)(5) requires that, in order for expenditures for an exempt facility that are made before the issue date of bonds issued to provide financing for that facility to qualify for tax-exempt financing, the issuer must declare an official intent

under Treasury Regulations Section 1.150-2 to reimburse any such expenditures from the proceeds of those bonds, and one of the purposes of this resolution is to satisfy the requirements of such regulations; NOW, THEREFORE,

BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE HOUSING AUTHORITY OF THE CITY OF TACOMA, as follows:

Section 1. To assist in the financing of the Project, with the public benefits resulting therefrom, the Authority declares its intention, subject to the conditions and terms set forth herein, to issue and sell its revenue bonds or other obligations (the “Bonds”) in a principal amount of not to exceed \$3,700,000, to use the proceeds of the sale of the Bonds to make a loan (the “Loan”) to the Borrower, and to permit the Borrower to reimburse itself from proceeds of the Bonds for expenditures for the Project made the Borrower before the issue date of the Bonds.

Section 2. The proceeds of the Bonds will be used to assist in financing the Project, and may also be used to pay all or part of the costs incident to the authorization, sale, issuance and delivery of the Bonds.

Section 3. The Bonds will be payable solely from the revenues derived as a result of the Project financed by the Bonds, including, without limitation, amounts received under the terms of any financing document or by reason of any additional security furnished by or on behalf of the Borrower in connection with the financing of the Project, as specified by resolution of the Board of Commissioners of the Authority. The Bonds may be issued in one or more series, and shall bear such rate or rates of interest, payable at such times, shall mature at such time or times, in such amount or amounts, shall have such security, and shall contain such other terms, conditions and covenants as shall later be provided by resolution of the Board of Commissioners of the Authority.

Section 4. The Bonds shall be issued subject to the conditions that (a) the Authority, the Borrower and the purchaser of the Bonds shall have first agreed to mutually acceptable terms for the Bonds and the sale and delivery thereof and mutually acceptable terms and conditions of the Loan or other agreement for the Project, and (b) all governmental approvals and certifications and findings required by laws applicable to the Bonds first shall have been obtained. The Executive Director of the Authority or his or her designee is authorized (1) to seek an allocation of volume cap for the Bonds from the Washington State Department of Commerce or a transfer of volume cap from the Washington State Housing Finance Commission; (2) to submit applications for funding for the Project from other public and private sources; and (3) to submit such materials as may be necessary to secure low income housing tax credits for the Project.

Section 5. For purposes of applicable Treasury Regulations, the Borrower is authorized to commence financing of the Project and advance such funds as may be necessary therefor, subject to reimbursement for all expenditures to the extent provided herein out of proceeds, if any, of the issue of Bonds authorized herein. However, the adoption of this resolution does not constitute a guarantee that the Bonds will be issued or that the Project will be financed as described herein, or an endorsement of the Project by the Authority. The Board of Commissioners of the Authority shall have the absolute right to rescind this resolution at any time if it determines in its sole judgment that the risks associated with the issuance of the Bonds are unacceptable.

Section 6. It is intended that this resolution shall constitute a declaration of official intent to reimburse expenditures for the Project made before the issue date of the Bonds from proceeds of the Bonds, for the purposes of Treasury Regulations Sections 1.103-8(a)(5) and 1.150-2.

Section 7. Ratification and Confirmation. Any actions of the Authority or its officers prior to the date hereof and consistent with the terms of this resolution are ratified and confirmed.

Section 8. Effective Date. This resolution shall be in full force and effect from and after its adoption and approval.

**Approved: February 27, 2019**

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Dr. Minh-Anh Hodge, Chair



## CERTIFICATE

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

1. That the attached Resolution No. 2019-02-27 (1) (the “Resolution”) is a true and correct copy of the resolution of the Board of Commissioners of the Authority as adopted at a meeting of the Authority held on February 27, 2019, and duly recorded in the minute books of the Authority.

2. That such meeting was duly convened and held in all respects in accordance with law, and, to the extent required by law, due and proper notice of such meeting was given; that a quorum was present throughout the meeting and a majority of the members of the Board of Commissioners of the Authority present at the meeting voted in the proper manner for the adoption of the Resolution; that all other requirements and proceedings incident to the proper adoption of the Resolution have been duly fulfilled, carried out and otherwise observed, and that I am authorized to execute this Certificate.

IN WITNESS WHEREOF, I have hereunto set my hand on February 27, 2019.

HOUSING AUTHORITY OF THE CITY OF  
TACOMA

By: \_\_\_\_\_  
Michael Mirra, Executive Director

# **Resolution 2**



# TACOMA HOUSING AUTHORITY

## RESOLUTION 2019-2-27 (2)

**DATE:** February 27, 2019

**TO:** THA Board of Commissioners

**FROM:** Michael Mirra  
Executive Director

**RE:** Arlington Youth Drive Inducement Resolution

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*Resolution declaring the Authority's intent to sell bonds to provide financing to a Washington limited liability limited partnership for the acquisition and construction of the Arlington Drive Youth Apartments, and to permit bond proceeds to be used to reimburse expenditures made before the issuance of the bonds.*

### Purpose

Treasury Regulations Section 1.103-8(a)(5) requires that, in order for expenditures for an exempt facility (here, the Arlington Drive Youth Apartments used for low-income housing) that are made before the issue date of bonds, to be reimbursed from bond proceeds, the issuer must declare an official intent to reimburse such expenditures from bond proceeds. This resolution is the Authority's declaration of official intent to reimburse expenditures for the Project made before the issue date of the Bonds from proceeds of tax-exempt private activity bonds.

In addition, this resolution authorizes the Authority's Executive Director to:

- (1) seek an allocation of volume cap from the Washington State Department of Commerce or a transfer of volume cap from the Washington State Housing Finance Commission;
- (2) submit applications for funding from other public and private sources; and
- (3) submit such materials as may be necessary to secure low income housing tax credits.

Although this inducement resolution announces the Authority's intent to issue the bonds, and to use bond proceeds to reimburse expenditures prior to the date of issue, it doesn't obligate the Authority to issue the bonds, or determine the specific terms of the bonds. Board of Commission approval of a separate "bond resolution" would be required prior to the issuance of any bonds to finance the Arlington Drive Youth Apartments project.

### Background

The Authority has formed Arlington Youth Campus LLLP, a Washington limited liability limited partnership of which the Authority is the sole general partner (the "Borrower"), for the purpose of acquiring and constructing the Arlington Youth Drive Apartments, including community and meeting

rooms, recreational facilities, and 58-units of low-income housing, located at 3801 E. Portland, Avenue, Tacoma, Washington.

Financing for the Borrower's acquisition and construction of Arlington Youth Drive Apartments will include a variety of funding sources, including low-income housing tax credits, taxable financing, tax-exempt private activity bonds, and state and local grants/loans. The tax-exempt private activity bonds would be issued by the Authority, as the conduit issuer, and the proceeds would be lent to the Borrower to finance the acquisition and construction of the low-income housing portion of the Arlington Drive Youth Apartments.

### **Recommendation**

Approve Resolution No. 2019-02-27 (2).



# TACOMA HOUSING AUTHORITY

## **THA BOC RESOLUTION 2019-02-27 (2) (Arlington Youth Drive Inducement Resolution)**

A **RESOLUTION** of the Housing Authority of the City of Tacoma declaring its intention to sell bonds in an amount not to exceed \$2,000,000 to provide financing to Arlington Youth Campus LLLP, a Washington limited liability limited partnership of which the Authority is the sole general partner, in connection with the acquisition and construction of a 58-unit apartment complex in the City of Tacoma, Washington, and determining related matters.

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

**WHEREAS**, RCW 35.82.070(5) provides that a housing authority may, among other things and if certain conditions are met, “lease or rent any dwellings . . . buildings, structures or facilities embraced in any housing project”; and

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

**WHEREAS**, RCW 35.82.070(18) provides that a housing authority may, among other things and if certain conditions are met, “make . . . loans for the acquisition, construction, reconstruction, rehabilitation, improvement, leasing or refinancing of land, buildings, or developments for housing for persons of low income”; and

**WHEREAS**, RCW 35.82.020(11) and 35.82.130 together provide that a housing authority may issue bonds, notes or other obligations for any of its corporate purposes; and

**WHEREAS**, The Authority has formed Arlington Youth Campus LLLP, a Washington limited liability limited partnership of which the Authority is the sole general partner (the “Borrower”), for the purpose of acquiring and constructing a multifamily housing facility to be known as the Arlington Youth Drive Apartments, including community and meeting rooms, recreational facilities, and 58-units of low-income housing, to be known as Arlington Youth Drive Apartment. Such low-income housing, together with functionally related and subordinate facilities, shall be referred to herein as the “Project.” The estimated cost of acquisition and construction of the Project is not expected to exceed \$22,400,000; and

**WHEREAS**, The Authority anticipates that the Borrower will request that the Authority issue and sell its revenue bonds for the purpose of assisting the Borrower in financing the Project; and

**WHEREAS**, The Authority desires to provide such assistance, if certain conditions are met; and

**WHEREAS**, Treasury Regulations Section 1.103-8(a)(5) requires that, in order for expenditures for an exempt facility that are made before the issue date of bonds issued to provide

financing for that facility to qualify for tax-exempt financing, the issuer must declare an official intent under Treasury Regulations Section 1.150-2 to reimburse any such expenditures from the proceeds of those bonds, and one of the purposes of this resolution is to satisfy the requirements of such regulations; NOW, THEREFORE,

BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE HOUSING AUTHORITY OF THE CITY OF TACOMA, as follows:

Section 1. To assist in the financing of the Project, with the public benefits resulting therefrom, the Authority declares its intention, subject to the conditions and terms set forth herein, to issue and sell its revenue bonds or other obligations (the “Bonds”) in a principal amount of not to exceed \$2,000,000, to use the proceeds of the sale of the Bonds to make a loan (the “Loan”) to the Borrower, and to permit the Borrower to reimburse itself from proceeds of the Bonds for expenditures for the Project made the Borrower before the issue date of the Bonds.

Section 2. The proceeds of the Bonds will be used to assist in financing the Project, and may also be used to pay all or part of the costs incident to the authorization, sale, issuance and delivery of the Bonds.

Section 3. The Bonds will be payable solely from the revenues derived as a result of the Project financed by the Bonds, including, without limitation, amounts received under the terms of any financing document or by reason of any additional security furnished by or on behalf of the Borrower in connection with the financing of the Project, as specified by resolution of the Board of Commissioners of the Authority. The Bonds may be issued in one or more series, and shall bear such rate or rates of interest, payable at such times, shall mature at such time or times, in such amount or amounts, shall have such security, and shall contain such other terms, conditions and covenants as shall later be provided by resolution of the Board of Commissioners of the Authority.

Section 4. The Bonds shall be issued subject to the conditions that (a) the Authority, the Borrower and the purchaser of the Bonds shall have first agreed to mutually acceptable terms for the Bonds and the sale and delivery thereof and mutually acceptable terms and conditions of the Loan or other agreement for the Project, and (b) all governmental approvals and certifications and findings required by laws applicable to the Bonds first shall have been obtained. The Executive Director of the Authority or his or her designee is authorized (1) to seek an allocation of volume cap for the Bonds from the Washington State Department of Commerce or a transfer of volume cap from the Washington State Housing Finance Commission; (2) to submit applications for funding for the Project from other public and private sources; and (3) to submit such materials as may be necessary to secure low income housing tax credits for the Project.

Section 5. For purposes of applicable Treasury Regulations, the Borrower is authorized to commence financing of the Project and advance such funds as may be necessary therefor, subject to reimbursement for all expenditures to the extent provided herein out of proceeds, if any, of the issue of Bonds authorized herein. However, the adoption of this resolution does not constitute a guarantee that the Bonds will be issued or that the Project will be financed as described herein, or an endorsement of the Project by the Authority. The Board of Commissioners of the Authority shall have the absolute right to rescind this resolution at any time if it determines in its sole

judgment that the risks associated with the issuance of the Bonds are unacceptable.

Section 6. It is intended that this resolution shall constitute a declaration of official intent to reimburse expenditures for the Project made before the issue date of the Bonds from proceeds of the Bonds, for the purposes of Treasury Regulations Sections 1.103-8(a)(5) and 1.150-2.

Section 7. Ratification and Confirmation. Any actions of the Authority or its officers prior to the date hereof and consistent with the terms of this resolution are ratified and confirmed.

Section 8. Effective Date. This resolution shall be in full force and effect from and after its adoption and approval.

**Approved: February 27, 2019**

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Dr. Minh-Anh Hodge, Chair

## CERTIFICATE

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

1. That the attached Resolution No. 2019-2-27 (2) (the “Resolution”) is a true and correct copy of the resolution of the Board of Commissioners of the Authority as adopted at a meeting of the Authority held on February 27, 2019, and duly recorded in the minute books of the Authority.

2. That such meeting was duly convened and held in all respects in accordance with law, and, to the extent required by law, due and proper notice of such meeting was given; that a quorum was present throughout the meeting and a majority of the members of the Board of Commissioners of the Authority present at the meeting voted in the proper manner for the adoption of the Resolution; that all other requirements and proceedings incident to the proper adoption of the Resolution have been duly fulfilled, carried out and otherwise observed, and that I am authorized to execute this Certificate.

IN WITNESS WHEREOF, I have hereunto set my hand on February 27, 2019.

HOUSING AUTHORITY OF THE CITY OF  
TACOMA

By: \_\_\_\_\_  
Michael Mirra, Executive Director





## **TACOMA HOUSING AUTHORITY**

### **WALK-ON RESOLUTION**

**THA BOC Resolution 2019-02-27 (3)  
Arlington Youth Campus Use of Restricted  
Funds**



# TACOMA HOUSING AUTHORITY

## RESOLUTION 2019-02-27 (3)

**Date:** February 27, 2019

**To:** THA Board of Commissioners

**From:** Michael Mirra  
Executive Director

**Re:** Arlington Youth Campus Use of Restricted Funds

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*This resolution would authorize Tacoma Housing Authority's (THA) Executive Director to submit a request to Housing and Urban Development (HUD) regarding the use of restricted funds for predevelopment and development expenses associated with THA's Arlington Youth Campus Development. The amount to be requested is \$1,000,000.*

### Background

On February 13, 2018, THA received approval from HUD allowing the use of proceeds from Tacoma Housing Authority's (THA's) disposal of 34 public housing scattered sites to pay for the acquisition of the property known as Allenmore Heights Brownstones.

The acquisition of Allenmore Heights Brownstones was determined to not be financially feasible.

THA would now like to use the previously mentioned funds for predevelopment expenses associated with the redevelopment of THA's Arlington Youth Campus. The resulting net proceeds from these sales including bank interest totals \$5,297,091 and is considered HUD restricted funds and require HUD approval for their use.

On August 5, 2016, THA staff issued a Request for Qualifications from firms interested in providing Architectural and Engineering (A&E) services for the redevelopment of THA's Arlington Drive property. THA staff would like to pay for the resulting A&E services as well as the development costs for this project with these HUD Restricted Funds.

THA is in the process of finalizing its development plan for the Arlington Drive property. This project successfully received an allocation of Low-Income Housing Tax Credits (9%) and \$4.29 Million in a special allocation from the Washington State Department of Commerce. The balance of the project will be financed with long term debt and a sponsor loan. The use of the restricted funds constitutes one of the sources of funds for the sponsor loan.

The new units will be affordable to households with incomes between 30% and 60% of area median income. The development will offer one-and two-bedroom units in a single mid-rise elevator building. Of the 58 units, 75% will be available for homeless persons.

### **Current Request**

This resolution will allow THA to ask HUD to use \$1 million of HUD restricted funds for the development of the Arlington Youth Campus. HUD will require that a minimum portion of the resulting units that THA will build with this money must be affordable to low-income households. THA proposed to commit to providing at least four (4) units of affordable housing. That commitment easily fit within THA's plans for the property. The new units will be affordable to households with incomes between 30% and 60% of the area median income. The development will offer one-bedroom units in a single mid-rise elevator building. Of the 58 units, 75% will be set-a-side for homeless individuals.

### **Recommendation**

THA staff recommends approving Resolution 2019-02-27 (3), allowing staff to apply to HUD for permission to use these funds and commit to providing at least four (4) units of affordable housing for this project.



# TACOMA HOUSING AUTHORITY

## **RESOLUTION 2019-2-27 (3) (THA's Arlington Youth Campus Use of Restricted Funds)**

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

**WHEREAS**, On March 8, 2016, HUD gave THA Section 32 Approval to dispose of 34 public housing scattered sites; and

**WHEREAS**, Net proceeds and bank interest for these funds currently equals \$5,297,091; and

**WHEREAS**, THA staff expect to use \$1,000,000 for predevelopment and development costs associated with the Arlington Youth Campus; and

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

**WHEREAS**, At least four (4) of the resulting units must be dedicated to the creation of affordable housing with Project Based Vouchers and/or Public Housing units; and

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

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

Apply to HUD for permission to use \$1,000,000 of restricted funds for the use of predevelopment and development costs for THA's Arlington Youth Campus project and commit at least four (4) units dedicated to affordable housing as required by HUD.

**Approved: February 27, 2019**

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Dr. Minh-Anh Hodge, Chair



## **TACOMA HOUSING AUTHORITY**

### **WALK-ON RESOLUTION**

**THA BOC Resolution 2019-02-27 (4)  
Arlington Youth Campus LIHTC Investor**



# TACOMA HOUSING AUTHORITY

## RESOLUTION 2019-02-27 (4)

**Date:** February 27, 2019  
**To:** THA Board of Commissioners  
**From:** Michael Mirra  
Executive Director  
**Re:** Arlington Youth Campus Apartments – LIHTC Equity Investor Selection

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*This resolution would authorize the Tacoma Housing Authority's (THA) Executive Director to finalize the selection of the Low Income Housing Tax Credits (LIHTC) Equity Investor for the Arlington Youth Campus Apartments.*

### Background

The Tacoma Housing Authority received a 2019 allocation of 9% Low Income Housing Tax Credits from the Washington State Housing Finance Commission (WSHFC) for the Arlington Youth Campus Apartment project. The tax credits are sold to investors to generate equity for the development. The projected value of the tax credits was estimated to be \$13,963,843. In January, 2019, Tacoma Housing Authority requested Letters of Interest from prospective tax credit investors to assist in financing the development of the 58-unit, Arlington Youth Campus Apartments.

The Request for Proposal was forwarded to the following investors.

US Bank	National Equity Fund (NEF)
Boston Capital	City Real Estate Advisors (CREA)
Royal Bank of Canada (RBC)	Enterprise Community Partners
Bank of America	

On February 12, 2019, Letters of Interest were received from the following responders:

Royal Bank of Canada (RBC)  
Boston Capital  
Enterprise Community Partners

A team comprised of four THA staff and our Financial Services Advisor, Brawner and Company, evaluated the proposals based on price per tax credit and other terms, including operating reserve requirements, guarantees, pay in schedules for equity and developer fees and buy-out provisions at the end of the 15-year compliance period.

After some discussion, the evaluation team unanimously agreed to recommend Boston Capital as the Arlington Youth Campus investor for the project. The selection committee favored Boston for the following reasons:

1. Tax Credit Pricing of \$0.95, will generate a total estimated equity value of \$13,270,000;
2. Reasonable Asset Management and other fees;
3. An acceptable equity pay-in schedule; and,
4. The proposed purchase option at the end of the tax credit compliance period.

## **Recommendation**

Approve Resolution 2019-02-27 (4) authorizing THA's Executive Director to (a) negotiate and execute the commitment letter with Boston Capital for the purchase of low-income housing tax credits to be allocated to Arlington Youth Campus Apartments (Arlington Youth Campus, LLLP), and (b) negotiate an Operating Agreement between THA as General Partner and Boston Capital as the Limited Investor Partner. The negotiated Operating Agreement will be presented to the Board for its consideration and approval prior to execution.

Should the Executive Director be unable to negotiate and execute a commitment with Boston Capital that is acceptable to THA, the Executive Director is authorized to negotiate and execute a commitment letter with the second choice LIHTC Equity Investor.



# TACOMA HOUSING AUTHORITY

## **RESOLUTION 2019-02-27 (4)** **(Arlington Youth Campus – Tax Credit Investor Selection)**

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

**WHEREAS**, In January, 2019, Tacoma Housing Authority (THA) staff issued a Request for Proposals (RFP) for Letters of Interest from investors interested in providing LIHTC equity for the development of the Arlington Youth Campus housing apartments; and

**WHEREAS**, The RFP was forwarded to seven (7) investors of which three investors responded with Letters of Interest on February 12, 2019; and

**WHEREAS**, An evaluation team, composed of four THA staff and Brawner and Company evaluated the terms of each proposer; and

**WHEREAS**, The evaluation team unanimously agreed to recommend negotiating with Boston Capital and executing a Commitment Letter for LIHTC equity for the Arlington Drive Youth Campus Apartments; 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 (a) negotiate and execute the commitment letter from Boston Capital for the purchase of low-income housing tax credits to be allocated to the Arlington Youth Campus Apartments (Arlington Youth Campus, LLLP), and (b) negotiate an Operating Agreement between THA as General Partner and Boston Capital as Limited Investor Partner.

Authorize THA's Executive Director to enter into negotiations with the next responsive Limited Partner Investor should an agreement with Boston Capital fail to be executed.

**Approved: February 27, 2019**

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Dr. Minh-Anh Hodge, Chair



# **Resolution 5**



# TACOMA HOUSING AUTHORITY

## RESOLUTION 2019-02-27 (5)

**Date:** September 26, 2018  
**To:** THA Board of Commissioners  
**From:** Michael Mirra  
Executive Director  
**Re:** Approval of Project Based Voucher Contract: Home at Last

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*This resolution will award thirty (30) Project Based Vouchers (PBV) to Young Women's Christian Association (YWCA) Pierce County's Home at Last project for extremely low income, homeless, households fleeing domestic violence.*

### Background

The YWCA Pierce County has requested thirty (30) project-based vouchers (PBV) for its new permanent affordable housing development for people overcoming domestic violence and homelessness. The development is called Home at Last and will have a total of 54 new permanent affordable housing units.

Home at Last will serve people who find THA's traditional programs inaccessible because of our long waiting lists and often unavailable supportive services they need to use our housing. Yet they qualify as among Tacoma's "neediest" households, which THA's mission statement directs us to serve. This award of vouchers would allow THA to serve them and to do so in partnership with a strong service provider. The YWCA has a proven track record providing housing and supportive services to people overcoming domestic violence and homelessness.

YWCA Pierce County received a competitive tax award in 2018 for Home at Last. The selection was made without presuming that the project would receive PBV assistance. The property proforma shows that the property can cash flow without project-based assistance. However, THA's project based assistance will help the project and THA's mission in two ways: it will allow the project to serve households at the lowest income levels; it will give the project a larger income to pay for necessary supportive services.

PBV commitments help developers and tenants in ways that further THA's mission. For extremely low-income households, tax credit rents can be too high to afford especially if someone is fleeing domestic violence or exiting homelessness with no income. Project-based vouchers provide the safety net vulnerable tenants need as they transition to higher incomes. The

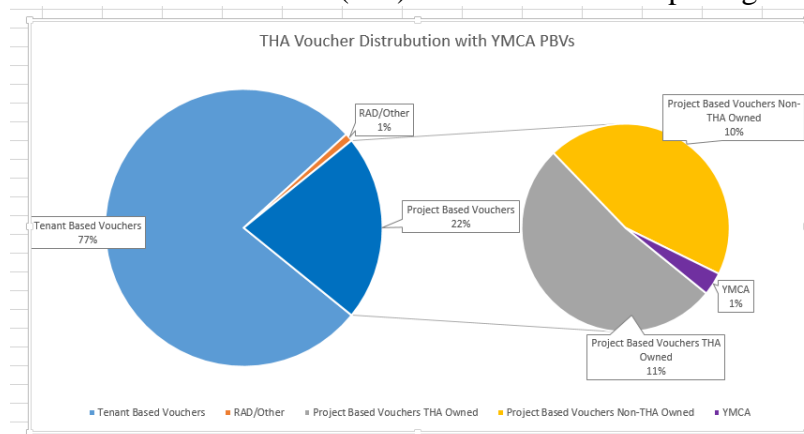
voucher also allows the property to charge more rent that the housing authority pays through subsidies. This increased cash flow then pays for supportive services. Here is an example of a potential tenant that could rent in this property:

*A single mother with two children earns \$1,200 per month. She qualifies for a two-bedroom apartment set aside for an extremely low income (30% AMI) household. The income limit for a family of three is \$20,160. The affordable tax credit rent for this apartment is \$504.*

An example of how this sample tenant and the property could benefit from this subsidy in a 2 bedroom unit set aside for tenants below 30% of area median income (AMI) is demonstrated in the table below:

	Tax Credit-Without Subsidy	Tax Credit- With Subsidy	Net Impact of adding subsidy
<b>Maximum Rent Property can charge</b>	\$504	\$1265 (payment standard)	+\$761 in property income per month
<b>Tenant Rent</b>	\$504	\$360 (30% of the \$1200 per month income)	-\$144 rent tenant must pay
<b>Tenant Rent Burden</b>	42% of monthly income	30% of monthly income	-12% in rent burden

THA has a total of 3,850 vouchers. Presently, 78% (3,003) of them are tenant-based. The remaining 22% (811) are project-based. (These numbers do not include THA's Rental Assistance Demonstration (RAD) conversion. THA does limit to 20% of the total of vouchers the number of project-vouchers it places into properties owned or managed by others. Presently, THA project bases 9.7% (374) of its total vouchers into non-THA properties. The award of thirty (30) project-based voucher to the YMCA will bring the total non-THA percent to 10.4% (404) and the total agency project-based commitment to 22% (841). Below is a chart depicting this information:



A competitive process is not necessary to select the YWCA for project based assistance. According to Housing and Urban Development (HUD) and THA policies:

*The PHA may select proposal that were previously selected based on a competition. This may include selection of a proposal for housing assisted under a federal, state, or local government housing assistance program that was subject to a competition in accordance with the requirements of the applicable program, community development program, or supportive services program that requires competitive selection of proposals (e.g., HOME, and units for which competitively awarded LIHTCs have been provided), where the proposal has been selected in accordance with such program's competitive selection requirements within three years of the PBV proposal selection date, and the earlier competitive selection proposal did not involve any consideration that the project would receive PBV assistance. The PHA need not conduct another competition.*

As mentioned above, the Washington State Housing Finance Commission selected this project through a competitive tax credit process in 2018.

Finally, the Board directed staff in 2018 to focus on making project-based vouchers available to existing housing projects rather than new construction. It did this for two reasons: **First**, this focus favors housing that will be immediately available rather than waiting for housing to be built. **Second**, this speedier use of THA's vouchers helps with its utilization rate.

This commitment to the YWCA would be an exception to that direction. This exception would serve some other important purposes. The main purpose would be to create affordable housing for a very needy population that requires specialized supportive services. Making this commitment now, as opposed to when the housing is built and available, will allow the YWCA to plan its income potential. They will be able to show the voucher income in their pro-formas to demonstrate that they can better pay for services. As we've seen with our own development projects, this additional income is important to make a project work.

## **Project Details**

The YWCA Pierce County plans to complete its Home at Last campus through the development of new permanent affordable housing with expanded support services. Located between the YWCA Pierce County main program office at 4<sup>th</sup> and Broadway and its emergency shelter for victims of domestic violence at 4<sup>th</sup> and St. Helens, this project will provide 54 units for households making up to 30% and 50% of area median income in a mix of studio to three-bedroom units plus one manager's unit. 75% of units will be set aside for homeless households.

The project site is currently owned outright by the YWCA and will be conveyed at no cost to the project's tax-credit ownership entity. The southern half of the site will be regraded and will be used for required parking; a 7 story building will be constructed on the northern portion of the site. A private courtyard, located on the level 2 podium, will provide secure outdoor patio space and a play space for children.

The ground floor of the building will contain roughly 4,000 square feet of supportive service space, which will house on-site case management for residents and counseling for residents and other domestic violence survivors. The facility will feature full security systems and environmentally sustainable features. Along 4th Avenue, the project will improve the landscaping and hill climb that improves safety for program participants, staff, and neighbors traversing this steep slope. Residents will also have access to the full range of programming provided by the YWCA in their existing building, including therapeutic children's programming, legal services, and support groups.

This project completes the YWCA's vision for a complete campus of services to survivors of domestic violence and their children, and furthers our mission of transforming lives through safety, healing and empowerment. It also supports and furthers the City of Tacoma's action plan for increasing access to deeply affordable housing to reduce overall homelessness by providing permanent affordable housing with services to 54 households.

***Unit Mix and Project-based Voucher Request:***

55 units including 1 manager unit. The project income set-asides are 50% at 30% AMI and 50% at 50% AMI. **42 units (75%) will serve homeless households and will be held at 30% rent levels.**

	<b><u>30% AMI</u></b>	<b><u>50% AMI</u></b>	<b><u>Manager</u></b>	<b><u>Total</u></b>
Studio	5	6		11
One Bedroom	8	8	1	17
Two Bedroom	9	9		18
Three Bedroom	5	4		9
<b>Total</b>	<b>27</b>	<b>27</b>	<b>1</b>	<b>55</b>

*The YWCA is requesting 30 vouchers to reduce the rent burden on homeless residents.*

***Project Timeline:***

<b><u>Milestone</u></b>	<b><u>Date</u></b>
Design Development Complete	1/15/2019
Building Permit Application Submitted	2/28/2019
Tax Credit Investor Selection	3/1/2019
Building Permit Issued	7/10/2019
<b>Financing and Partnership Closes*</b>	<b>8/1/2019</b>
Construction Start	8/15/2019
Construction Complete	9/15/2020
Lease-Up Complete	3/1/2021

*\*The YWCA is requesting an Agreement to Enter into a Housing Assistance Payment (AHAP) contract prior to finance closing/construction start in August 2019.*

## **Recommendation**

Approve Resolution 2019-02-27 (5) authorizing THA's Executive Director to execute Project Based Voucher (PBV) Agreement to Enter Into a Housing Assistance Payment (AHAP) and subsequent Housing Assistance Payment (HAP) contracts with YWCA Pierce County.



# TACOMA HOUSING AUTHORITY

## **RESOLUTION 2019-2-27 (5) (Approval of Project Based Voucher Contracts)**

**WHEREAS**, Tacoma Housing Authority (THA) has held a competitive process for project based vouchers; and

**WHEREAS**, YWCA Pierce County is requesting thirty (30) project based vouchers; and

**WHEREAS**, The project is new construction and will require an Agreement to Enter into a Housing Assistance Payment (AHAP) contract. THA and YWCA Pierce County will seek the required subsidy layering and environmental reviews prior to executing such a contract; and

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

**WHEREAS**, The contract will be negotiated with the property and will be in effect for up to fifteen years (15); 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 Project Based Voucher (PBV) Agreement to Enter Into a Housing Assistance Payment (AHAP) and subsequent Housing Assistance Payment (HAP) contracts with YWCA Pierce County for its Home at Last project.

**Approved: February 27, 2019**

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Dr. Minh-Anh Hodge, Chair



## **TACOMA HOUSING AUTHORITY**

### **WALK-ON RESOLUTION**

**THA BOC Resolution 2019-02-27 (6)  
Arlington Youth Campus Lender Approval**





# TACOMA HOUSING AUTHORITY

## RESOLUTION 2019-02-27 (6)

**Date:** February 27, 2019  
**To:** THA Board of Commissioners  
**From:** Michael Mirra  
Executive Director  
**Re:** Arlington Youth Campus Lender Approval

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*This resolution would choose Heritage Bank as the construction and permanent lender for Arlington Youth Campus Apartments and authorize Tacoma Housing Authority's (THA) Executive Director to negotiate and execute a commitment letter.*

### Background

The Tacoma Housing Authority received a 2019 allocation of 9% Low Income Housing Tax Credits (LIHTC) from the Washington State Housing Finance Commission (WSHFC) for the Arlington Youth Campus Apartment project. The tax credits are sold to investors to generate equity for the development. The project will also need an estimated \$18 million construction loan and \$3 million permanent loan.

In January, 2019, Tacoma Housing Authority requested Letters of Interest from prospective tax credit investors and financial lenders to assist in financing the development of the 58-unit, Arlington Youth Campus Apartments.

The Request for Proposal was forwarded to the following lenders:

US Bank	Bank of America
Heritage Bank	Chase
Optum Bank	Banner

On February 8<sup>th</sup>, 2019, letters of interest were received from the following responders:

US Bank	Banner
Heritage	Chase
Umpqua	

An evaluation team comprised of four THA staff and our Financial Services Advisor, Brawner and Company, evaluated the proposals based on loan terms, including interest rate, fees, operating reserve requirements, guarantees, and conversion from construction to permanent financing requirements.

The evaluation team unanimously agreed to recommend Heritage Bank as the Arlington Youth Campus lender for both construction and permanent financing.

The selection committee favored Heritage Bank for the following reasons:

### **Construction Loan**

The lender will provide a \$13,000,000 construction loan. This loan would come in two parts, with an “A” Note in the amount of \$10,000,000 and a “B” Note in the amount of \$3,000,000. The B Note will be tax exempt. For the tax exempt portion, the bank will purchase tax exempt bonds which THA will issue. THA will repay the construction loan in full from a combination of \$3,000,000 from the permanent loan and a projected \$13,000,000 tax credit equity.

### **Interest Rates**

“A” Note. A fixed rate of interest to be set at closing at 1.80% in excess of the 30-day LIBOR rate. The current indicative fixed rate is 4.32%.

“B” Note. A fixed rate of interest to be set at closing at 1.55% in excess of the 30-day LIBOR rate. The current indicative fixed rate is 4.07%.

### **THA Guarantees**

THA guarantees payment, performance and completion guarantee through construction loan pay-off.

## **Recommendation**

Authorize THA’s Executive Director to negotiate and execute the Commitment Letter from Heritage Bank for the construction and permanent financing of Arlington Youth Campus Apartments (Arlington Youth Campus, LLLP). The negotiated final terms and loan agreements will be presented to the Board for its consideration and approval prior to execution and financial closing for the project.

Authorize THA’s Executive Director to negotiate and execute a Commitment Letter with the next responsive and competitive lender, should it not be possible to finalize terms with Heritage Bank.



# TACOMA HOUSING AUTHORITY

## **RESOLUTION 2019-02-27 (6) (THA's Arlington Youth Lender Approval)**

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

**WHEREAS**, In January, 2019, Tacoma Housing Authority (THA) Staff issued a Request for Proposals (RFP) soliciting Letters of Interest from lenders interested in providing construction and permanent loans to support the development of the Arlington Youth Campus Apartments; and

**WHEREAS**, The RFP was forwarded to six (6) lenders of which five responded with Letters of Interest on February 8, 2019; and

**WHEREAS**, The total estimated construction loan equals \$13,000,000; and

**WHEREAS**, The total estimated permanent loan equals \$3,000,000; and

**WHEREAS**, An evaluation team, composed of four THA staff and Brawner and Company evaluated the terms of each proposer; and

**WHEREAS**, The evaluation team unanimously agreed to recommend negotiating with Heritage Bank and the execution of the Commitment Letter for loan for the project; now, therefore, be it

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

Authorize THA's Executive Director to negotiate and execute the Commitment Letter from Heritage Bank for construction and permanent financing for Arlington Youth Campus Apartments (Arlington Youth Campus LLLP). If unsuccessful in negotiating the Commitment Letter from Heritage Bank, the Executive Director may negotiate with the next responsive bidder. The Executive Director will present the negotiated final terms and loan agreements to the Board for its consideration and approval prior to execution and financial closing for the project

**Approved: February 27, 2019**

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Dr. Minh-Anh Hodge, Chair



## **TACOMA HOUSING AUTHORITY**

### **WALK-ON RESOLUTION**

**THA BOC Resolution 2019-02-27 (7)  
1800 Hillside Terrace Lender Approval**



# TACOMA HOUSING AUTHORITY

## RESOLUTION 2019-02-27 (7)

**Date:** February 27, 2019  
**To:** THA Board of Commissioners  
**From:** Michael Mirra  
Executive Director  
**Re:** 1800 Hillside Terrace Lender Approval

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*This resolution would choose Heritage Bank as the construction and permanent lender for 1800 Hillside Terrace and authorize Tacoma Housing Authority's (THA) Executive Director to negotiate and execute a commitment letter. Later, he will present the final terms and loan agreements to the board for its consideration and approval.*

### Background

The Tacoma Housing Authority received a 2018 allocation of 9% Low Income Housing Tax Credits (LIHTC) and tax exempt bonds from the Washington State Housing Finance Commission (WSHFC) for the 1800 Hillside Terrace Project. The tax credits are sold to investors to generate equity for the development. The project will also require a construction loan estimated at \$14,500,000 million construction loan and \$3,935,000 million for a permanent loan.

In January, 2019, Tacoma Housing Authority requested Letters of Interest from prospective tax credit investors and financial lenders to assist in financing the development of the 64-unit, 1800 Hillside Terrace apartments.

The Request for Proposal was forwarded to following lenders:

US Bank	Chase Bank
Heritage Bank	Banner
Bank of America	Optum Bank

On February 5<sup>th</sup>, 2019, staff received letters of interest from the following lenders:

US Bank	Chase Bank
Heritage Bank	Banner
Umpqua	

An evaluation team comprised of four THA staff and our Financial Services Advisor, Brawner and Company, evaluated the proposals based on loan terms, including interest, fees, operating reserve

requirements, guarantees, and conversion from construction to permanent financing requirements. The evaluation team unanimously agreed to recommend Heritage Bank as the 1800 Hillside Terrace lender for both construction and permanent financing.

The selection committee favored Heritage Bank for the following reasons:

### **Construction Loan**

The lender will provide a \$14,500,000 construction loan. This loan would come in two parts, with an “A” Note in the amount of \$ 9,400,000 and a “B” Note in the amount of \$5,100,000. The B Note will be tax exempt. For the tax exempt portion, the bank will purchase tax exempt bonds which THA will issue. THA will repay the construction loan in full with a combination of \$5,100,000 from the permanent loan and an estimated \$12,380,000 in tax credit equity, \$1,800,000 in a Housing Trust Fund loan and other resources.

### **Key Business Terms**

The permanent loan amount is projected to be \$4,180,000 and interest rate and term is projected to be 4.19%. This loan will be amortized over 35 years and has a 17-year term. The construction loan is based on a floating rate. At this time the taxable rate is projected to be 3.92% and the tax-exempt rate is projected to be 3.67%. This loan could be fixed at a rate of 4.37% for the taxable portion of the construction loan and 4.07% for the tax-exempt portion of the loan.

Total loan fees are projected to be \$72,688, exclusive of additional legal costs.

### **THA Guarantees**

THA guarantees payment, performance and completion guarantee through construction loan pay-off.

## **Recommendation**

Authorize THA’s Executive Director to (a) negotiate and execute the Commitment Letter from Heritage Bank for the construction and permanent financing of 1800 Hillside Terrace. The negotiated final terms and loan agreements will be presented to the Board for its consideration and approval prior to execution and financial closing for the project.

Authorize THA’s Executive Director to negotiate and execute a Commitment Letter with the next responsive and competitive lender, should it not be possible to finalize terms with Heritage Bank.



# TACOMA HOUSING AUTHORITY

## **RESOLUTION 2019-02-27 (7) (1800 Hillside Terrace Lender Approval)**

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

**WHEREAS**, In January, 2019, Tacoma Housing Authority (THA) Staff issued a Request for Proposals (RFP) for Letters of Interest from investors interested in providing LIHTC equity for the development of the 1800 Hillside Terrace apartments; and

**WHEREAS**, The RFP was forwarded to six (6) lenders of which five responded with Letters of Interest on February 8, 2019; and

**WHEREAS**, The total estimated construction loan \$14,500,000; and

**WHEREAS**, The estimated permanent loan equals \$4,180,000; and

**WHEREAS**, An evaluation team, composed of four THA staff and Brawner and Company evaluated the terms of each proposer; and

**WHEREAS**, The evaluation team unanimously recommends negotiating with Heritage Bank and, upon success negotiation, execute the Commitment Letter to provide construction and permanent loans for this project; now, therefore, be it

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

Authorize THA's Executive Director to negotiate and execute the Commitment Letter from Heritage Bank for construction and permanent financing for 1800 Hillside Terrace (1800 Hillside Terrace, LLLP). If unsuccessful in negotiating the Commitment Letter from Heritage Bank, the Executive Director may negotiate with the next responsive bidder. The Executive Director will present the negotiated final terms and loan agreements to the Board for its consideration and approval prior to execution and financial closing for the project.

**Approved: February 27, 2019**

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Dr. Minh-Anh Hodge, Chair



## **TACOMA HOUSING AUTHORITY**

### **WALK-ON RESOLUTION**

**THA BOC Resolution 2019-02-27 (8)  
1800 Hillside Terrace Tax Credit Investor  
Selection**





# TACOMA HOUSING AUTHORITY

## RESOLUTION 2019-02-27 (8)

**Date:** February 27, 2019  
**To:** THA Board of Commissioners  
**From:** Michael Mirra  
Executive Director  
**Re:** 1800 Hillside Terrace – LIHTC Equity Investor Selection

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*This resolution would authorize the Tacoma Housing Authority's (THA) Executive Director to finalize the selection of the Low Income Housing Tax Credits (LIHTC) Equity Investor for the 1800 Hillside Terrace development.*

### Background

The Tacoma Housing Authority received a 2018 allocation of 9% Low Income Housing Tax Credits and Tax exempt bonds from the Washington State Housing Finance Commission (WSHFC) for the Arlington Youth Campus project. The tax credits are sold to investors to generate equity for the development. The initial value of the tax credits was estimated to be \$12,100,000.

In January, 2019, Tacoma Housing Authority requested Letters of Interest from prospective tax credit investors to assist in financing the development of the 1800 Hillside Terrace Apartments.

The Request for Proposal was forwarded to following investors:

US Bank	National Equity Fund (NEF)
Boston Capital	City Real Estate Advisors (CREA)
Royal Bank of Canada (RBC)	Enterprise Community Partners

On February 8, 2019, staff received Letters of Interest from the following responders:

Royal Bank of Canada (RBC)  
Boston Capital  
Enterprise Community Partners

An evaluation team comprised of four THA staff and our Financial Services Advisor, Brawner and Company, evaluated the proposals based on price per tax credit and other terms, including operating reserve requirements, guarantees, pay in schedules for equity and developer fees and buy-out provisions at the end of the 15-year compliance period.

After some discussion, the evaluation team unanimously agreed to recommend Boston Capital as the 1800 Hillside Terrace investor for the project. The selection committee favored Boston Capital for the following reasons:

1. Tax Credit Pricing: \$0.95 will generate a total estimated equity value: \$12,380,000;
2. Reasonable Asset Management and other fees;
3. An acceptable equity pay-in schedule; and,
4. The proposed purchase option at the end of the tax credit compliance period.

## **Recommendation**

Approve Resolution 2019-02-27 (8) authorizing THA's Executive Director to (a) negotiate and execute the commitment letter with Boston Capital for the purchase of low-income housing tax credits to be allocated to 1800 Hillside Terrace (Court F, LLLP) and (b) negotiate an Operating Agreement between THA as General Partner and Boston Capital as the Limited Investor Partner. The negotiated Operating Agreement will be presented to the Board for its consideration and approval prior to execution.

Should the Executive Director be unable to negotiate and execute a commitment with Boston Capital that is acceptable to THA, the Executive Director is authorized to negotiate and execute a commitment letter with the second choice LIHTC Equity Investor.



# TACOMA HOUSING AUTHORITY

## **RESOLUTION 2019-02-27 (8) (1800 Hillside Terrace – Tax Credit Investor Selection)**

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

**WHEREAS**, In January, 2019, Tacoma Housing Authority (THA) Staff issued a Request for Proposals (RFP) for Letters of Interest from investors interested in providing LIHTC equity for the development of the 1800 Hillside Terrace apartments; and

**WHEREAS**, The RFP was forwarded to seven (7) investors of which three responded with Letters of Interest on February 13, 2019; and

**WHEREAS**, An evaluation team, composed of four THA staff and Brawner and Company evaluated the terms of each proposer; and

**WHEREAS**, The evaluation team unanimously agreed to recommend negotiating with Boston Capital and the execution of the Commitment Letter for LIHTC equity for the acquisition/renovation project; 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 (a) negotiate and execute the commitment letter from Boston Capital for the purchase of low-income housing tax credits to be allocated to the 1800 Hillside Terrace (Court F, LLLP), and (b) negotiate an Operating Agreement between THA as General Partner and Boston Capital as Limited Investor Partner. The negotiated Operating Agreement will be presented to the Board for its consideration and approval prior to execution.

Authorize THA's Executive Director to enter into negotiations with the next responsive Limited Partner Investor should an agreement with Boston Capital fail to be executed.

**Approved: February 27, 2019**

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Dr. Minh-Anh Hodge, Chair