



TACOMA HOUSING AUTHORITY

BOARD OF COMMISSIONERS

BOARD PACKET

April 24, 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, APRIL 24, 2019

The Board of Commissioners of the Housing Authority of the City of Tacoma will hold its Regular Meeting on **Wednesday, April 24, 2019, at 4:45 pm.**

The meeting will take place at:

**602 South Wright Avenue
Tacoma, WA 98418**

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

I, Sha Peterson, certify that on or before April 24, 2019, I FAXED/EMAILED, the preceding PUBLIC MEETING NOTICE before:

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

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

Sha Peterson
Executive Assistant



TACOMA HOUSING AUTHORITY

AGENDA

REGULAR BOARD OF COMMISSIONERS MEETING

April 24, 2019, 4:45 PM

602 South Wright Avenue, Tacoma, WA 98418

1. **CALL TO ORDER**
2. **ROLL CALL**
3. **APPROVAL OF MINUTES**
 - 3.1 Minutes of March 27, 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 & 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 2019-04-24 (1) THA's Roster of Financial Consultants
 - 9.2 2019-04-24 (2) THA Accounts Receivable Write Offs
 - 9.3 2019-04-24 (3) 2019 MTW Plan Amendment to Modify HQS
 - 9.4 2019-04-24 (4) Renew Tacoma Housing LLLP Portfolio Loan Conversion
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, MARCH 27, 2019

The Commissioners of the Housing Authority of the City of Tacoma met in Regular Session at Bay Terrace, 2550 South G. Street, Tacoma, WA 98405 at 4:45 PM on Wednesday, March 27, 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 4:53 PM.

2. ROLL CALL

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

PRESENT	ABSENT
Commissioners	
Chair Minh-Anh Hodge	
Vice Chair Derek Young	
Commissioner Arthur Banks (arrived late at 5:00 pm)	
Commissioner Stanley Rumbaugh (arrived late at 5:05 pm)	
Commissioner Shennetta Smith	
Staff	
Michael Mirra, Executive Director	
Sha Peterson, Executive Administrator	
April Black, Deputy Executive Director	
Ken Shalik, Finance Director	
Toby Kaheiki, Human Resources Director	
Frankie Johnson, Property Management Director	
Kathy McCormick, Real Estate Development Director	
Sandy Burgess, Administrative Services Director	
Julie LaRocque, Rental Assistance Director	
Cacey Hanauer, Client Support & Empowerment Director	

Chair Hodge declared there was a quorum present @ 4:54, and proceeded.

3. APPROVAL OF MINUTES OF THE PREVIOUS MEETING

Chair Hodge asked for any corrections to, or discussion of minutes for the Regular Session of the Board of Commissioners for Wednesday, February 27, 2019. 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 Rumbaugh and Banks were not yet in attendance)

Motion approved.

Chair Hodge asked for any corrections to or discussion of minutes for the Special Session of the Board of Commissioners for Friday, March 15, 2019. 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 Rumbaugh and Banks were not yet in attendance)

Motion approved.

4. GUEST COMMENTS

Will Grimm Ankrom Moisan Architects

Director McCormick introduced Will Grimm with Ankrom Moisan Architects. She also acknowledged Project Managers Joshua Jorgensen and Roberta Schur, who have been performing all the work associated with the James Center North project. THA acquired James Center because it was an underutilized retail center in a transit-oriented zone, across the street from Tacoma Community College. THA houses or pays to house TCC students who are homeless or near homeless. James Center is a location for this housing. THA also wanted to increase its presence on the west side of Tacoma. James Center North will be a transit-oriented development with high density housing serving a range of incomes. It will also have a mix of uses, both commercial and community. The RED team will host activities at James Center over the summer. James Center North's retail space is currently at 86% occupancy.

According to Grimm, there have been two open houses, advisory group meetings, and a series of meetings with local and regional developers to get an idea on the value of the property and to understand and design what is authentically west Tacoma. Commissioner Rumbaugh asked how many people attended the community charrettes. Grimm said about 20 showed up the first time and about double the next time because THA was showing design. Vice Chair Young inquired about feedback from the doctor's office. Jorgensen said the comments have been positive. Commissioner Rumbaugh asked about on-site storm water. Grimm said the design will likely include with a series of bio-swales. The team will also talk to the City about a regional storm water facility. The City has not confirmed if that is possible, but they want it because it reduces cost and burden on development. Landscape is a really big deal and the team talked to Metro Parks about a community park. Commissioner Rumbaugh asked about rooftop gardens and a bridge to cross Mildred Street. Grimm responded that there are rooftop gardens. They have looked into Mildred and there are a lot of things that can be done, including a bridge. Vice Chair Young asked if there is activation for the buildings facing Mildred. According to Grimm, the intent is to activate both sides of Mildred. Director McCormick added that staff want to make sure minority-owned businesses stay successful. RED will be coming back to the board with recommendations regarding phasing. Commissioner Rumbaugh asked if phasing would be complete before groundbreaking. Director McCormick said RED is looking at a development phasing schedule that is 5-10 years. ED Mirra asked how many phases can be built without disrupting any leases. The first two phases, responded Director McCormick.

5. COMMITTEE REPORTS

Real Estate Development Committee—Commissioner Rumbaugh

Commissioner Rumbaugh reported what we learned at the recent CLPHA meeting in Washington, D.C... He reported that the 2020 budget proposed by the Trump administration cuts the HUD budget by 16%. The bigger concern arises if Congress does not raise the sequestration budget caps. In that case, the present cap would trigger. It would govern any continuing resolution in the absence of a real budget. Under those lower caps, THA would experience a 17% cut. He conveyed the view of the congressional delegation that this is unlikely. Commissioner Rumbaugh noted THA's reputation nationally for its good work. He thanked THA staff.

Finance Committee—Chair Hodge and Vice Chair Young

Nothing to report.

Education Committee—Chair Hodge

Nothing to report.

Citizen Oversight Committee—Commissioner Banks

Nothing to report.

6. COMMENTS FROM THE EXECUTIVE DIRECTOR

Executive Director (ED) Michael Mirra had nothing more to add to the report he provided to the Board.

7. ADMINISTRATIVE REPORTS

Finance

Finance Department (FD) Director Ken Shalik directed the board to the finance report. THA currently has \$20M in cash. While that may seem like a lot, he reminded the Board that much of it is restricted in uses. Unrestricted reserves total \$5.6M. THA is preparing to close on Arlington and 1800 Hillside in the next couple of months. According to Director Shalik, THA is in good financial position and there are no issues for 2019. THA is anticipating being able to close on Tacoma Rental Assistance Demonstration (RAD). THA will receive more cash at that time for the last developer fee and cash flow since THA closed in 2016.

Vice Chair Young moved to ratify the payment of cash disbursements totaling \$4,497,170 for the month of February 2019. Commissioner Smith seconded.

Upon roll call, the vote was as follows:

AYES:	3
NAYS:	None
Abstain:	None
Absent:	2 (Commissioners Rumbaugh and Banks were not yet in attendance)

Motion Approved.

Administrative Services

Administrative Services (AS) Director Sandy Burgess directed the board to her report. Property Management and Asset Management are working together to reduce Per Unit Per Year (PUPY). The actual PUPY is provided on the report. The Chart shows that in most cases for 2018, THA still might not be hitting its budget but the discrepancy is going down. The team will focus on what those expenses are and their impact on THA's ability to develop and borrow.

Chart 2 shows cash flow, and in most cases THA is cash flowing better than budgeted. Vice Chair Young stated that the chart shows a shopping list of expenses that might be excessive and asked if there are any that stood out. According to Director Burgess, the dues that THA pays to the Salishan community association is \$1,200 per unit per year. She also listed the expense of unit-turns. The issue is that THA has high standards and whether THA can afford them. Another expense is security. When THA has a security issue in a building, it puts in additional security. That too shows our high standards.

Risk Management staff are focused on workshops and trainings at the request of staff and issues with portfolio, including elevator outages. Trauma and mental health trainings

have been provided. An Incident Report Group and Safety and Security Task Force have been formed in response to situations in the community that are impacting the agency.

An Insurance Claims Report is included in the AS report, which shows that THA is trending to have fewer incidents; there have been only two for 2019. No fire or water insurance claims this year, which were big issues last year. Risk Management is doing everything to prevent high cost claims.

Client Support and Empowerment

Client Support and Empowerment (CSE) Director Cacey Hanauer directed the board to her report. CSE hired current THA staff person Kendra Peischel to oversee data for CSE. CSE also hired Martha Matthias as the community builder focusing on senior disabled properties. Director Hanauer reported the budget news from the state legislative session. The state and house capital budgets include \$800,000 for Arlington. The state House operations budget is published. It includes \$1.2 million for Arlington Drive's services. The Senate operations budget will be out soon. ED Mirra said there are a lot of people to thank. He asked that commissioners thank the legislators if they are in a position to do so, in particular Sen. Darneille, Sen. Zeiger, Rep. Chopp, Rep. Jenkins, and Rep. Fey.

Rental Assistance

Rental Assistance (RA) Director Julie LaRocque directed the board to her report. RA staff continue to meet with special program partners regarding issues with utilization, most recently with the Department of Social and Health Services (DSHS). Veterans Affairs (VA) have set a goal to have all of their vouchers in use by the end of May. The RA team will keep a close eye on that. Director LaRocque recently had a meeting with Tacoma Community College, so they should have more students leased up. Commissioner Rumbaugh asked why there is tension with the VA when there should be enough homeless vets out there. According to Director LaRocque, the VA did not have enough case managers to identify and refer veterans. Commissioner Rumbaugh asked what Director LaRocque perceives as the path forward. According to Director LaRocque, the RA team will meet with the VA every other week for updates.

Highland Flats should be finished by late April. Vice Chair Young asked for an update on the 15 vouchers assigned to the Olympus Hotel. The data show that three remained unused. According to Director LaRocque, THA it will take them a while to use all the vouchers as vacancies. The same will be true for Realto Apartments. Commissioner Rumbaugh noted the increase in utilization rates and asked if it has improved with market changes. Director LaRocque said there have been minimal changes on the market. She sees signs that things are getting better, but does not see rents going down.

Property Management

Property Management (PM) Director Frankie Johnson directed the board to her report. PM is still missing their unit turn goal of 20 days but are trending in the right direction with 47 days this month. The PM team has been putting a lot of emphasis on turn work as it relates to PUPY cost. PM has brought a lot of services in house that used to be contracted out. During this period, there has been an increase in work orders because properties were preparing for the REAC inspections. REAC scores were amazing and positive. Commissioner Rumbaugh asked for the average work orders. Director Johnson said at the end of last year, there were 4,500, and it is up for this quarter due to REAC. Commissioner Rumbaugh asked if this indicates that turn rate numbers are trending down and if it is anticipated to continue. Director Johnson believes that the May report will be good. Vice Chair Young asked if it will be going back up again in December. Director Johnson said the facilities manager will be asked to centralize scheduling for the holidays to help gear up for the fall.

Real Estate Development

Real Estate Development (RED) Director Kathy McCormick directed the board to her report. She passed out information for Design the Hill for Hilltop and acknowledged Program Specialist Chris Govella for leading the work. Director McCormick went to a workshop last night, which is one of the most inspiring events she has been to. The topic was how to increase black owned businesses in the Hilltop by 80%. It conveyed the message that we are more than just a housing authority; that we provide access to people across the community. She was inspired and added that the folks who were present were talking about how to make things happen. She acknowledged Roberta Schur and her team for their work. The next step is a design workshop at the former Key Bank. RED is wrapping up this planning process which should be finished in June.

Alberta Canada is complete and the team is just doing finishing touches. Tacoma Public Utilities will pay to fix the road. Commissioner Rumbaugh inquired about the utility box. According to Director McCormick, Tacoma Power fixed it and will pay for it. THA will just do the ramps.

RED is also closing in on Rental Assistance Demonstration (RAD) for Arlington Drive and 1800 Hillside and should be able to convert late April. RED submitted permits and getting bid documents ready to go out in early May. Boston Capital will be here next week and will tour the site. They have not done a project in Tacoma so the RED team will showcase projects in Tacoma. RED is shooting to close in early June. Commissioner Rumbaugh asked if the projects are linked. Director McCormick said the two have the same investor and lender with the same timeline. Commissioner Rumbaugh asked if tax credit have to be obligated but not expensed in the year. Director McCormick responded in the affirmative. RED requested 5% bond back for Arlington and 1800 block.

8. OLD BUSINESS

None.

9. NEW BUSINESS

9.1 RESOLUTION 2019-03-27 (1)

(Extension of Project Based Voucher Contract: Salishan Five)

WHEREAS, THA has provided project based voucher assistance to Salishan Five, LLC's property Salishan Five since 2009; and

WHEREAS, Salishan Five provides housing for low-income families in the community; and

WHEREAS, A fifteen year extension will allow THA and Salishan Five to continue to provide housing assistance to low-income families in the community; and

WHEREAS, Failure to extend this contract would lead to a loss of affordable housing units; now, therefore, be it

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

The Board authorizes an extension of THA's PBV HAP Contract with Salishan Five, LLC for fifteen (15) years.

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

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

Motion Approved: March 27, 2019

Dr. Minh-Anh Hodge, Chair

9.2 RESOLUTION 2019-03-27 (2)

(Approval of Capitalization Policy)

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

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

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

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

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

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

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

1. The THA Capitalization Policy F-40 dated March 27, 2019, as provided in Attachment A, is hereby adopted by the Authority.
2. This resolution shall be in full force and effect from and after its adoption and approval.

Comments: Commissioner Rumbaugh stated that THA has never had issues with keeping track of amortization. According to Director Shalik, that is because THA did not have a formal policy to state what it is doing and the request came from a Housing and Urban Development (HUD) audit a year ago.

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

Upon roll call, the vote was as follows:

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

Motion Approved: March 27, 2019

Dr. Minh-Anh Hodge, Chair

9. COMMENTS FROM COMMISSIONERS

None.

10. EXECUTIVE SESSION

None.

11. ADJOURNMENT

There being no further business to conduct the meeting ended at 6:12 PM.

APPROVED AS CORRECT

Adopted: April 24, 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: April 21, 2019
Re: Executive Director's Monthly Report

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

1. **ARLINGTON DRIVE FINANCING UPDATE**

We are driving to finalize the financing to build and operate the Arlington Drive Campus for Homeless Youth and Young Adults. We hope to have news at the Board meeting about the following:

- State Capital Budget's provision for the \$800,000 we requested
- State Operating Budget's provision for the \$1.45 million we requested
- Pierce County's CDBG award of \$400,000
- Tax Credit Investor and Lender financial closing

2. **EDUCATION PROJECT FUNDING**

We are working to address next year's funding challenges facing THA's Education Project. At the end of this year our long time funding from the Gates Foundation will end. That money has paid for the staff it takes to design, launch, evaluate and redesign THA's many educational initiatives. This staff work will intensify just as the Gates money runs out. As the Board has approved, we are expanding THA's flagship educational initiatives. The College Housing Assistance Program (CHAP) is now budgeted and ready to house 300 homeless or near homeless students enrolled at Tacoma Community College, University of Washington at Tacoma and now Bates Technical College. The Elementary School Housing Assistance Program is scheduled to expand from McCarver Elementary School to all Tacoma schools and all grades. We are also planning to improve our data and evaluation capacity for this work.

We are on the hunt for new sources of funding. The two likely sources will be state funding and new philanthropic partners. I will have more details at the Board meeting.

3. **INTERESTING VISITORS TO SALISHAN**

THA has hosted and will shortly host some interesting visitors to Salishan. This month urban studies students and faculty from the University of Manchester in Great Britain visited Salishan. They were interested in Salishan as an example of urban redevelopment. We sat for two hours with them to discuss Salishan's history and its redevelopment and financing elements. This coming Saturday, Salishan will host urban studies students and faculty from Evergreen State College in Olympia. Last week we hosted students and faculty from the University of Puget Sound. The UPS visitors were primarily interested in Salishan as an example of equitable development.



TACOMA HOUSING AUTHORITY

**ADMINISTRATION
REPORTS**



TACOMA HOUSING AUTHORITY

FINANCE



TACOMA HOUSING AUTHORITY

Motion

Adopt a consent motion ratifying the payment of cash disbursements totaling \$4,582,162 for the month of March, 2019.

Approved: April 24, 2019

Dr. Minh-Anh Hodge, Chair

TACOMA HOUSING AUTHORITY
Cash Disbursements for the month of March 2019

		Check Numbers		Amount	Totals
		From	To		
A/P Checking Account					
Accounts Payable Checks	Check #'s	93,117	-	93,215	
Accounts Payable EFTs	EFTs	57	-	62	
Business Support Center				416,979	Program Support
Moving To Work Support Center				40,699	
Moving To Work Buildings (used by Support Center)				12,236	
Tax Credit Program Support Center				14,311	
Section 8 Programs				21,221	Section 8 Operations
Arlington Crisis Residential Center				7,949	Properties
Hillsdale Heights				250	
Salishan 7				23,875	
Salishan Common Areas				564	
THDG - General				1,225	THDG
Arlington Crisis Residential Center				445	Development
James Center				21,113	
New Look/Alberta J Canada-Development				11,651	
Arlington Youth Campus-THA Costs				6,305	
Court F (HT 1800 Block)				282	
Salishan Common Areas				147	
Hilltop Redevelopment				2,418	
Bus Development Activity				8,059	
Community Services MTW Fund				9,228	Client Support
Education-Local Gov't Grants (County, City)				9	
AMP 6 - Scattered Sites				8,736	Public Housing
AMP 10 - SAL 1 - Subsidy				12,388	
AMP 11 - SAL 2 - Subsidy				13,335	
AMP 12 - SAL 3 - Subsidy				11,195	
AMP 13 - SAL 4 - Subsidy				11,804	
AMP 14 - SAL 5 - Subsidy				13,866	
AMP 15 - SAL 6 - Subsidy				13,016	
THA SUBTOTAL				683,306	
Hillside Terrace 1 through 1500				2,862	Tax Credit Projects - Reimbursable
Bay Terrace I & II & Community Facility				3,416	
Alberta J Canada Bldg				8,871	
Arlington Youth Campus				107,385	
Court F (HT 1800 Block)				104,129	
Renew Tacoma Housing				9,512	
Salishan 1 - Salishan 6				15,904	
TAX CREDIT SUBTOTAL (Operations & Development - billable)				252,080	935,386
Section 8 Checking Account (HAP Payments)					
SRO/HCV/VASH/FUP/NED	Check #'s	482,715	-	482,777	48,742
	EFTs	164	-	170	2,875,144
Payroll & Payroll Fees - ADP					722,891
TOTAL DISBURSEMENTS					4,582,162

TACOMA HOUSING AUTHORITY			
CASH POSITION - March 2019			
Account Name		Current Balance	Interest
HERITAGE BANK			
Accounts Payable		2,802,090	0.55%
Section 8 Checking		3,393,606	0.55%
THA Affordable Housing Proceeds-Salishan		3,451,005	0.55%
THA Scattered Sites Proceeds		5,093,313	0.55%
FSS Escrows		159,921	0.55%
CSA Escrows		100	0.55%
Note Fund Account		101	0.55%
Credit Card Receipts		18,029	0.55%
Key Bank Security Deposits		3,021	0.55%
Relocation Account		19,519	0.55%
THA Investment Pool		334	0.55%
THDG - Tacoma Housing Development Group		751,233	0.55%
Salishan 7 Operations		1,999,614	0.55%
Salishan 7 Security Deposit		27,700	0.55%
Salishan 7 Replacement Reserve		294,470	0.55%
Salishan 7 Operating Reserve		201,746	0.55%
Highland Crest Operations		494,649	0.55%
Highland Crest Replacement Reserve		208,790	0.55%
Highland Crest Security Deposit		41,115	0.55%
Outrigger Operations		263,582	0.55%
Outrigger Replacement Reserve		132,440	0.55%
Outrigger Security Deposit		27,515	0.55%
Prairie Oaks Operations		81,765	0.55%
Prairie Oaks Replacement Reserve		22,181	0.55%
Prairie Oaks Security Deposit		4,059	0.55%
Payroll Account		8,750	0.55%
HOME STREET BANK			
James Center North Operations		387,308	0.00%
James Center North Security Deposit		59,430	0.00%
WASHINGTON STATE			
Investment Pool		\$ 100	2.23%
1. TOTAL THA CASH BALANCE		\$ 19,947,487	
Less:			
2. Total MTW Cash Balance		\$ 726,000	
<i>Less Minimum Operating Reserves</i>			
2.01 Public Housing AMP Reserves (4 months Operating Exp.)			
2.02 S8 Admin Reserves (3 months Operating Exp.)		726,000	
2.09 Less Total Minimum Operating Reserves		\$ 726,000	
2.1. MTW Cash Available (Lines 2-2.09)		\$ -	
3. MTW Cash Held By HUD		\$ 623,254	

TACOMA HOUSING AUTHORITY

CASH POSITION - March 2019

4. Non MTW Cash Restrictions/Obligations					
<i>4.1 Non MTW Operational Restrictions</i>					
4.10 HUD Restricted - Lot and Property Sales				\$	8,544,318
4.101 Area 2B Sales Proceeds (Afford Hsg)		3,451,005			
4.102 Scattered Sites Proceeds (Afford Hsg)		5,093,313			
4.20 THA Property Accounts Reserved				\$	2,266,601
4.201 Security Deposit Accounts		162,840			
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		132,440			
4.208 Prairie Oaks Operations Reserves		77,000			
4.209 Prairie Oaks Replacement Reserves		62,181			
4.210 Salishan 7 Operations Reserves		354,000			
4.211 Salishan 7 Replacement Reserves		294,470			
4.30 Rental Assistance Reserves				\$	430,901
4.301 Mod Rehab Operating Reserves		44,000			
4.302 VASH, FUP & NED HAP Reserves		226,978			
4.303 FSS Escrows		159,923			
4.40 Prepaid Grants				\$	1,085,445
4.401 Gates Foundation		334,212			
4.402 THDG		751,233			
4.50 BFIM Buyout LOC Collateral-Potential Tax Credit Loss				\$	2,500,000
4.60 Total - Non MTW Cash Restrictions (4.10+4.20+4.30+4.40+4.50)				\$	14,827,265
4.70 Agency Contracted or Budgeted Commitments Remaining				\$	-
		-			
		-			
4.99 Total Non MTW Cash Restrictions/Obligations (Lines 4.60+4.70)				\$	14,827,265
5. THA UNENCUMBERED (Non-MTW) CASH (Lines 1-2-4.99)				\$	4,394,222
6. Development Advances - Project Reimbursement upon closing				\$	1,428,328
6.01 Arlington Crisis Residential Center		145,470			
6.02 Arlington Youth Housing		658,862			
6.03 Court F LLLP (1800 Block)		623,996			



TACOMA HOUSING AUTHORITY

**POLICY, INNOVATION, AND
EVALUATION**



TACOMA HOUSING AUTHORITY

DATE: April 24, 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

This report serves as the bi-monthly report to the board regarding the status of the Elementary School Housing Assistance Program (ESHAP) and Children's Savings Account (CSA) redesigns. Amy Van leads this work on Tacoma Housing Authority's (THA) behalf and prepares these bi-monthly status reports.

1. Elementary School Housing Assistance Program (ESHAP)

THA and the Tacoma Public Schools (TPS) are on task to complete the near term goals of the redesign and expansion of the ESHAP to all Tacoma schools and all grades. The partners will consider a program name change in the coming weeks to better encompass the changes of the expansion. Throughout the period of late February through March 2019, the partners have worked toward the following:

- Continuing the monthly convening—a workgroup made up of community stakeholders to advise the ESHAP expansion plan;
- Engaging with Pierce County Human Services (PCHS) to establish a proposal for the ESHAP implementation into the Coordinated Entry (CE) system;
- Working alongside TPS to define the role and expectations of its McKinney-Vento liaisons for the ESHAP expansion.

1.1. Workgroup Convening

THA and TPS convenes with the workgroup of stakeholders once a month. The role of this workgroup 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.

During the February convening, Pierce County Human Services provided an overview of the CE process, including the CE prioritization tool and outcomes for the people

served through CE. Anne Marie Edmunds, Program Specialist, provided a presentation and answered questions from the workgroup members. The main topics of workgroup discussion are highlighted below:

- At the initial screening, the CE administrator determines whether the individual fits the category of literal homeless or are fleeing domestic violence. At this stage, “diversion” is initiated. The county explained that diversion is a creative-conversation method that draws on the strength of the client to identify an immediate solution that could resolve their homeless experience. The client may opt-in to diversion or enroll into the priority pool for housing (which includes Rapid Rehousing, Transitional or Permanent-supportive housing).
- Pierce County (The County) shared some rapid rehousing data which included the following stats:
 - Since 2013, the County has served more than 2,600 households through rapid rehousing;
 - Of those who find housing, about 50% of households move in within 40 days;
 - On average, households spend about seven months in a rapid rehousing program, receiving on average \$6,000 of financial assistance over the course of a program;
 - Almost 90% of rapid rehousing households who move into a unit ultimately retain their leases or exit to other permanent housing.
- CE’s mechanism of scoring clients is based on vulnerability and need. The workgroup had questions surrounding the CE scoring tool to determine client priority. Their interest was specific to whether the scoring tool will need to be adjusted to accommodate McKinney-Vento (MV) households, since not all MV households are literally homeless or fleeing domestic violence. The County does not expect that the priority tool will need to be changed for this purpose, as the tool will continue to be able to score and prioritize high-needs households regardless of the MV household’s homeless status.
- The workgroup expressed interest in local homeless initiatives being pursued by the city, county or state. Workgroup participants are interested in ways to bring other opportunities to strengthen the ESHAP by leveraging external funding or programming opportunities.

In the March convening, THA staff provided the workgroup members an overview of its proposal to the county regarding THA intent to invest an additional \$1,000,000 (on top of the present \$1.3 million THA presently provides to fund the rapid rehousing program) with the County for the purpose of administering CE and a rapid-rehousing program for TPS McKinney-Vento households. Work group members were invited to provide feedback on the proposal including identifying potential risks or opportunities to consider.

- The community identified the following risks within the proposal:
 - The geographic limits should consider TPS families who may have begun their homeless experience outside of the City of Tacoma; likewise the concern that the TPS jurisdiction limit may cause unintentional hardship for families who may find affordable housing outside of TPS' catchment.
 - Gaps in services that may exist due to the summer months if MV liaisons are unavailable to identify families.
 - Administrative and service costs that may exceed the allowable limits of THA's current expectations. Currently, THA allots 25% of its investment in the County's Rapid Rehousing program towards service assistance. Should the additional investment go into effect, the County forecasts that it will need 15% of the investment in order to administer the contract, and to account an additional 10% administration cost typically incurred by the selected service provider. THA and TPS will need to consider how it will supplement the additional costs for social services, particularly case management, to couple with the housing assistance.
 - Data access concerns and whether the school district and county will be able to exchange necessary information to service families, as well as access to the Homeless Management Information System (HMIS).
- The community provided the following recommendations:
 - Allow the geographic restrictions to allow households who are enrolled in TPS, but are experiencing homelessness outside of Tacoma, to access this program.
 - Expand the geographic restrictions beyond TPS's jurisdiction to THA's jurisdiction to allow more options for families to find affordable housing if the City of Tacoma has limited availability of housing.
 - The County to coordinate a monthly collaborative of service providers who will meet with TPS and THA to discuss client needs and connect them to the appropriate supportive services.

- To collect data that includes: racial demographics, income, student social emotional learning outcomes.

1.2. Partnering with Pierce County Human Services (PCHS)

THA and TPS submitted a proposal to the Homeless Services division of the PCHS in March 2019. The proposal seeks to enter a contract with the county to establish a CE entry point and a rapid re-housing program specifically for TPS MV households and to begin serving households starting in September 2019. The document also outlines the projected THA investment of \$1 million dollars pending THA leadership and board approval.

The county will need to also review this proposal for leadership and council approval. At this time, the county is unsure of the timeframe as they are undergoing leadership changes. The County has said this proposal will only be considered if the contract allows for a 10% administrative fee to be charged by the County.

1.3. Tacoma Public Schools

TPS Liaison, Thu Ament, met with the school district's superintendent and assistant superintendent to discuss TPS' role in the expansion, particularly the role of MV liaisons and becoming deputized by the county to conduct intake and diversion to incoming households. The district's leadership expressed concerns of increasing MV liaisons' responsibilities to conduct CE assessment and diversion, and therefore were not in favor of deputizing MV liaisons.

Should this decision remain, the redesign plan will have to consider the potential impact towards administrative costs if the role of entering client information into the county's Homeless Management Information System (HMIS) and conducting diversion is outsourced to a separate service provider.

TPS is actively searching for potential grant opportunities that can support part of the administrative cost of the ESHAP.

1.4. 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.

As mentioned in the previous update, THA's Client Support & Empowerment (CSE) department is working to serve households who are at risk of homelessness under the Tacoma Public School's Housing Assistance Program (TPSHAP). Since January 2019, CSE has been actively identifying and outreaching to families who are at risk of losing their housing indicated by a pay-or-vacate or eviction notice. The TPHAP currently

serves 17 households with intervention supports. This program seeks to support and stabilize near homeless families who are currently served by THA and have children enrolled in TPS.

2. Children's Savings Account (CSA)

CSA staff and PIE continue to work through an interim plan for program operation and a proposal for the future of the CSA. This includes exploring opportunities to align the CSA with existing college-going efforts with partners such as Graduate Tacoma, Degrees of Change and the Washington State Student Achievement Council.

The program is continuing to enroll eligible students. It is currently serving 187 participants and has reached over 200 students through financial literacy.

2.1. CSA Operational and Engagement Strategies

CSA and PIE staff met with Heritage Bank staff in February to discuss the program and partnership. The conversation focused on challenges and opportunities around bank account engagement, financial education and outreach and support to allow THA to continue administering the CSA.

Heritage is exploring a possible avenue to open a joint account with the parent and child as a way to encourage depositing activities among the participating households. Staff is looking into potential impact this may have on the household's ability to receive social benefits or impact their ability to qualify for post-secondary financial aid.

CSA staff and Heritage are working on an engagement plan to deliver financial-education opportunities to households in Salishan throughout 2019.

2.2. CSA Evaluation Request for Proposal (RFP)

On task to identify and select a third party evaluator for the CSA, THA received one formal proposal in response to the RFP published in February. The firm, BERK Consulting Group, is a Seattle based firm that has previously worked with organizations and initiatives in Tacoma. This includes work supporting the City of Tacoma with its Community Needs Assessment as well as Degrees of Change Environmental Scan study.

THA is pleased with this submission and will be working with BERK throughout April to meet with the firm, finalize the scope of work and agree on a contract pending staff buy-in and leadership approval.

2.3. Improving Data Exchange and Data Review for Decision Making

THA and TPS continue to work on improving the accuracy and efficiencies of data exchange and reporting. THA received the 2018-2019 mid-year report card for ESHAP and CSA students in mid-April. PIE will review the data and reformat the information into a visual document for the board to review at the next board report.

2.4. Potential Program Redesign

Staff are working on a proposal to redesign the program to:

- Make it less administratively burdensome, and more likely to be a model that could be expanded citywide;
- Increase participant enrollment; and
- Intersect the CSA program with THA's Family Self-Sufficiency (FSS) Program. This would allow FSS parents to earn pay points that would be deposited into their children's savings account, allow THA to pull from Housing and Urban Development (HUD) funded grants for program administration, and take a household approach to earning and saving.

The details of this proposal will be presented to THA's executive director (ED) in May. If the ED is receptive to these ideas, staff will work with BERK to seek customer feedback with a goal of having a final proposal to the Board in August, in time for implementation at the beginning of the 2019-2020 school year.



TACOMA HOUSING AUTHORITY

**CLIENT SUPPORT
& EMPOWERMENT**



TACOMA HOUSING AUTHORITY

DATE: April 24, 2019

TO: THA Board of Commissioners

FROM: 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

As the legislative session starts to wind down, the work being done to better understand and capitalize on the benefits of being one of the state's first Anchor Communities is ramping up. Pierce County, with strong leadership from THA, has been meeting to better understand the prevention, intervention, support, and housing gaps for youth and young adults in this region. While Pierce County is the state's second largest county by population, there is a far less sophisticated and robust response to the youth and young adult homelessness crisis than other counties in the state, both larger and smaller. That said, Arlington Drive is being touted as the biggest and most ambitious single step in Washington to address youth and young adult homelessness.

THA is working alongside a vast array of partners, providers, and public officials to build out a comprehensive system to support young people who are at risk of, or currently experiencing homelessness. One of the steps the community is taking is unifying to apply for funding to increase crisis residential centers, street outreach services, diversion support, young adult housing programs and ongoing case management for young people exiting the homelessness system. The Anchor Communities Initiative has money in both the house and senate budgets to support this work, and if that legislation makes it into the final budget would provide Pierce County with \$500k/year for two years to fund street outreach services and the young adult shelter, both of which are strong referral sources for Arlington Drive.

3. CLIENT SUPPORT & EMPOWERMENT

3.1 NUMBER OF PEOPLE AND HOUSEHOLDS SERVED

Program Entries, Exits, and Unduplicated Number of Households Served

March 2019	Program/ Caseload Entries this Month	Program/ Caseload Exits this Month	Number Served (Month)	Unduplicated Number Served (YTD)
Case Staffing (Eviction Prevention Services)	4	7	7	11
Family Self Sufficiency (FSS)	4	5	198	203
General Services	13	6	120	126
Hardship	0	0	0	0
Housing Opportunity Program (HOP) Case Management	8	4	37	44
Children's Savings Account (CSA) K-5th Grade	0	0	100	100
Children's Savings Account (CSA) 6th - 12th Grade	0	0	92	92
Tacoma Public Schools Housing Assistance Program (Whole Family Services)	0	0	4	4
Senior & Disabled	11	10	62	73
DEPARTMENT TOTAL	40	32	620	653

3.2 PROGRAM UPDATES

An Elementary School Housing Assistance Program (ESHAP) participant entered the original McCarver program in July of 2017. Her family was homeless and her son was enrolled in McCarver. At the end of the 2016-2017 school year, her son was officially diagnosed with autism and she began working with the school for his Individualized Education Program (IEP). During the summer, the family was able to secure housing outside the McCarver catchment area. As a result, the student was spending over an hour on the bus to get to and from school every day, requiring extra time once at school to transition to a “learning mindset.” He exhibited many behavioral challenges in the classroom that were disruptive to other students and interfered with his own learning. When THA made the decision to allow families to choose their neighborhood school, the student transferred to a school much closer to home eliminating the long bus ride to and from school. When he enrolled at his new school, he was unable to read and his math skills were far lower than his grade level would indicate. After a year and a half at his new school, he is reading at grade level and improving his math competency scores. His mom has also engaged with the Behavioral Health Specialist from Hope Sparks to increase the tools in her parenting tool kit to better support his unique and high level of need and to maintain stability in their household.

Robert, case worker at THA’s family properties has helped to bring Job Club to the Bergerson Terrace. Job Club is opportunities for tenants to receive help and find work by assisting them as they write their resumes, work on interviewing skills and brush up on professionalism standards. Job Club will also assist clients in maintaining work, and finding other opportunities to grow their earned wages.



TACOMA HOUSING AUTHORITY

RENTAL ASSISTANCE



TACOMA HOUSING AUTHORITY

DATE: April 24, 2019

TO: THA Board of Commissioners

FROM: Julie LaRocque
Director of Rental Assistance

RE: Department Monthly Board Report

1. STRATEGIC OBJECTIVE: HOUSING AND SUPPORTIVE SERVICES

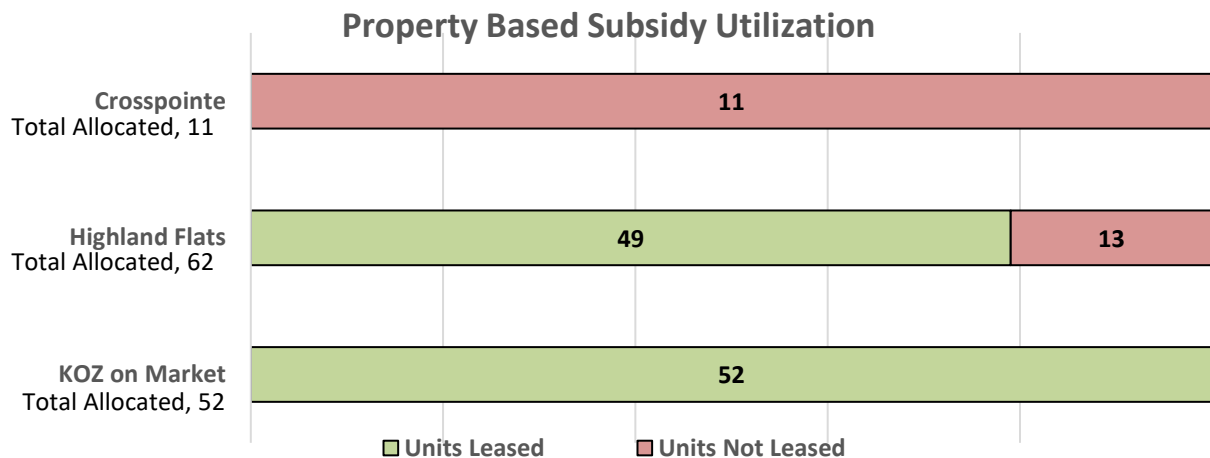
Tacoma Housing Authority (THA) will provide high quality housing, rental assistance and supportive services. Its supportive services will help people succeed as tenants, parents, students, wage earners and builders of assets who can live without assistance. It will focus this assistance to meet the greatest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

2. DIRECTOR'S COMMENT

Highland Flats has leased up a total of 49 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 by late April 2019.

The KOZ on Market property has leased all 52 units! Now that KOZ on Market has completed their initial lease up, 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. We are in discussion with KOZ regarding a future partnership.

The Crosspointe Property Based Subsidy contract was signed early this month and should begin leasing up shortly.



*
*

The Request for Proposal (RFP) for the expansion of Project Based Subsidy (PBS) has been released. A bidder conference has been scheduled for April 11, 2019, with the first review scheduled for May 1st. The following changes have been made to the application:

- An expansion of the types of housing eligible for the program. The program is currently limited to existing, vacant units. It will be expanded to include existing, occupied units and units in development;
- A limit on the amount of rent allowed under the contract. Gross rents will be limited to 110% of THA's payment standard; and
- A provision allowing THA to negotiate additional contract terms related to academic progress on properties where the owner is partnering with a school in order to access the subsidy.

We anticipate much more interest in this program once the RFP has been re-issued.

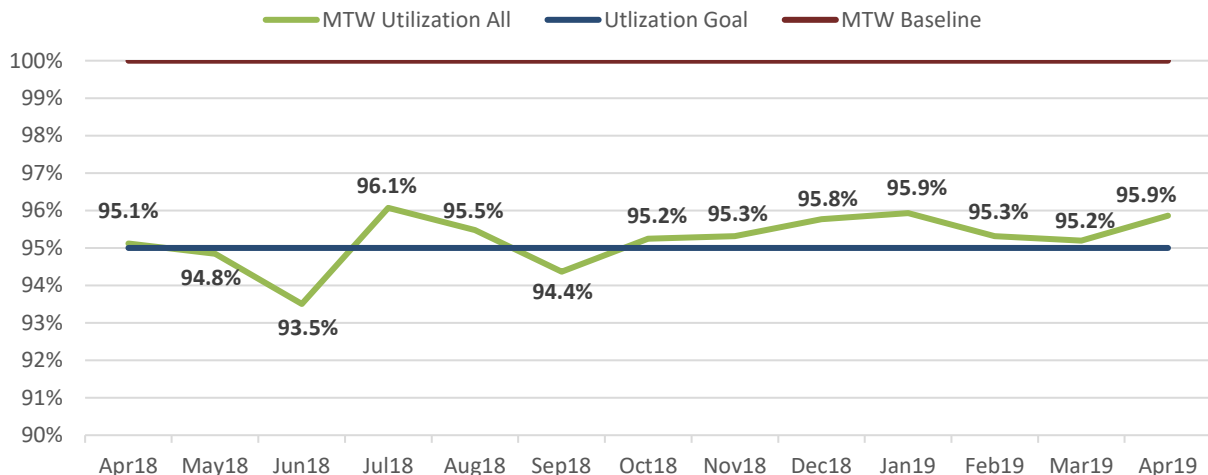
The Landlord Engagement Specialist (LES) continues to work with our landlords regarding improving communication with THA. The Landlord Advisory group meets monthly and discusses topics that impact THA and landlords. THA was notified that one of the long time members of the Landlord Advisory Group, Steve Weinman, passed away on March, 27, 2019. Steve was a well-respected leader in the community and a supportive friend to THA. He worked very closely with the Landlord Engagement Specialist and introduced him to many new contacts in the community. He will be missed.

3. RENTAL ASSISTANCE AND LEASING

3.1 Overall Utilization Report

The overall Housing Choice Voucher utilization is reported at 95.9% for the month of April 2019. THA receives a report on utilization on a quarterly basis for Rapid Rehousing. The last update was on January 23, 2019. As this information is reported, this utilization report is updated accordingly.

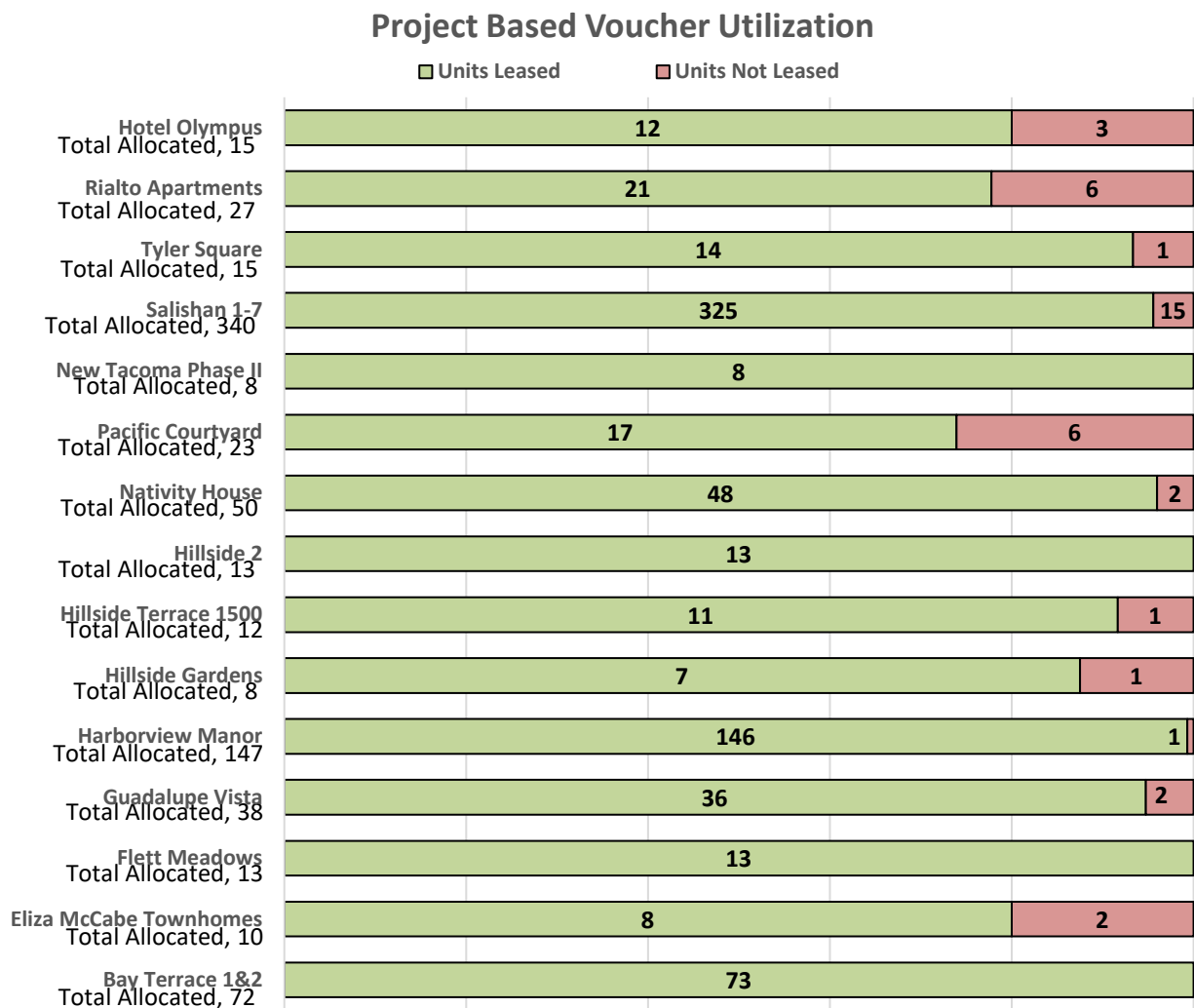
Overall MTW Utilization



3.2 Project Based Voucher Report

The First Amendment to the Housing Assistance Program (HAP) contract for Olympus Hotel was signed prior to this meeting. The Amendment added three units to the contract, bringing the total number of subsidized units to 18. The 18 units will be reflected on next month's report. We have set aside 48 project-based vouchers for this property. Some existing tenants are voucher holders under other THA programs, are ineligible for THA's assistance, or have chosen not to participate in THA's program. Once the tenants in these units vacate, we will add the units to the original HAP contract through contract amendments. This means that several amendments will be signed for this property in order to bring it to full utilization.

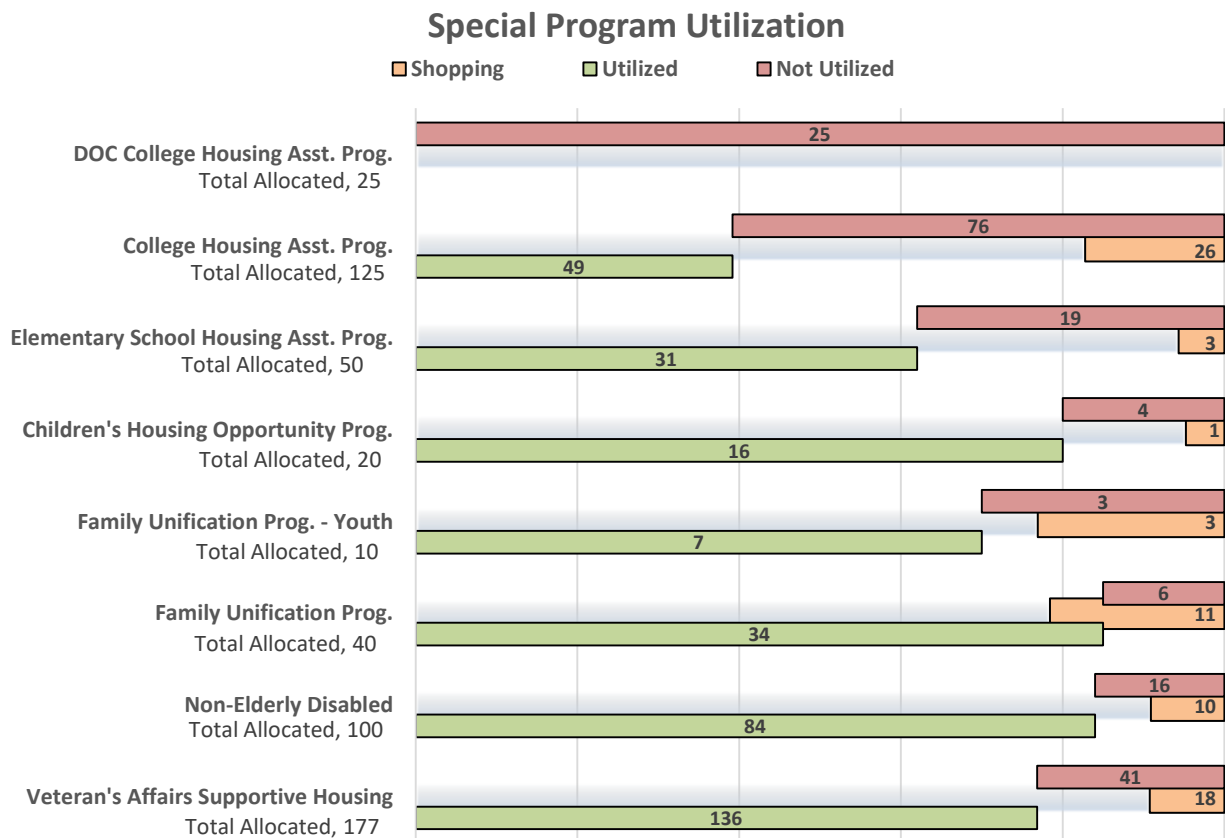
Overall utilization for project-based vouchers continues to be strong. While Pacific Courtyard shows 6 underutilized vouchers; there have been significant changes at this property which should help to increase its utilization. Specifically, staff at the property have been in weekly contact with THA regarding pending referrals and vacancies. THA has communicated that long vacancies cannot occur pursuant to our HAP contract. We are confident that utilization at this property will increase next month.



3.3 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 not developed and has not been utilized. This chart will be updated once the program begins.

Utilization continues to be a concern with the Veteran's Affairs Supportive Housing (VASH) and College Housing Assistance Program (CHAP). THA continues to explore ways to increase the CHAP utilization. We conduct frequent briefings at TCC to issue vouchers and work quickly to process Request for Tenancy Approvals (RFTA) as they are turned in to our office. THA hosted the quarterly VASH partner meeting prior to THA's monthly Board meeting. Concerns about VASH utilization and strategies to improve existing numbers were discussed, as other area Housing Authorities are facing the same difficulties surrounding utilization of these vouchers.

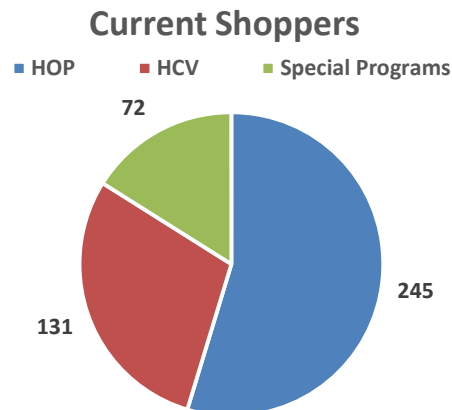


In last month's Board report, we addressed both the history of the Family Unification Program (FUP) and Children's Housing Opportunity Program (CHOP), as well as current issues with utilization. Referrals for both of these programs come from the Department of Social and Health Services (DSHS). Since the last Board meeting, THA staff has met with DSHS staff on three occasions. While the utilization has only increased slightly in one month, we have received over-referrals for both programs, which we anticipate will lead to an increase in utilization over the next few months. THA believes that the staff changes at DSHS will continue to have a positive effect on

the utilization in these programs. We will continue to hold bi-weekly meetings with DSHS until utilization has increased and stabilized with both the FUP and CHOP programs.

3.4 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 448 total clients shopping.

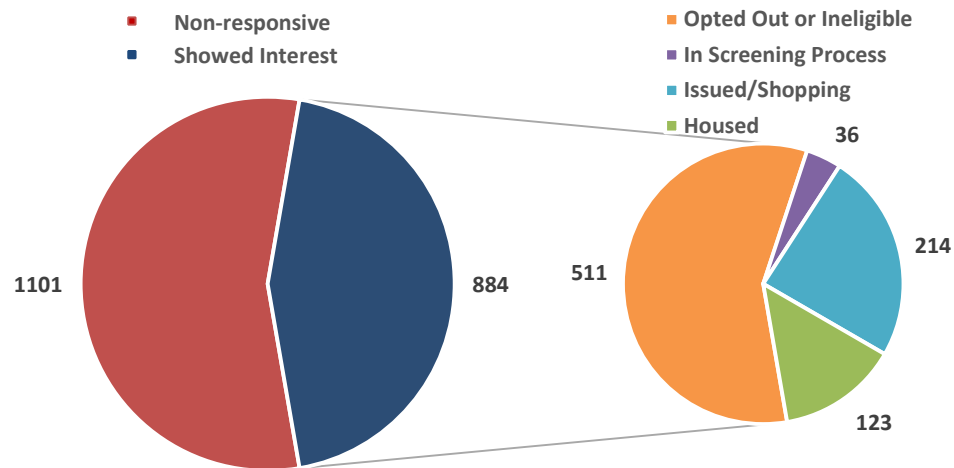


3.5 Leasing Report

The charts below capture the efforts of Rental Assistance staff to issue subsidies since THA started offering the Housing Opportunity Program (HOP) subsidy to applicants on the 2018 Consolidated Waitlist in March 2018.

The chart on the left details the 1985 letters mailed since March 2018 that either received no response or those who responded to the initial letters with interest. The chart on the right breaks out those who were interested in the HOP subsidy and shows their current status. The different categories show if they were ineligible or opted out after learning more about the program, if they are currently in the screening process to determine eligibility for the program, if they have a subsidy and are out shopping for a unit or, have been housed. This information ultimately details the number of contacts that are needed from start to finish in order to lease up a unit.

Of the 1,985 Interest Letters Mailed To Date



Approximately 24 HOP subsidies were issued in March. Currently there are 24 RFTAs (Request For Tenancy Approval) being processed that should be added to the “Housed” total for next month’s report.

Due to the large number of non-response from applicants, we have decided to review our approach to the outreach of applicants. PIE is helping us work on this project. We hope to have a new and improved version soon. This letter will hopefully increase the interest in the HOP subsidy.

We are monitoring the effect of new Project Based contracts and Property Based Subsidy contracts on utilization. Utilization will determine when the waiting list will need to be opened.



TACOMA HOUSING AUTHORITY

PROPERTY MANAGEMENT



TACOMA HOUSING AUTHORITY

Date: April 24, 2019

To: THA Board of Commissioners

From: Frankie Johnson
Director of Property Management

Re: Property Management Monthly Board Report

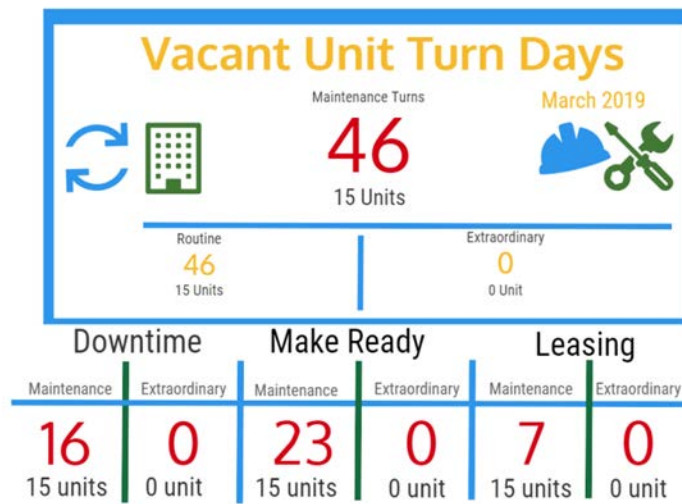
1. OCCUPANCY OVERVIEW

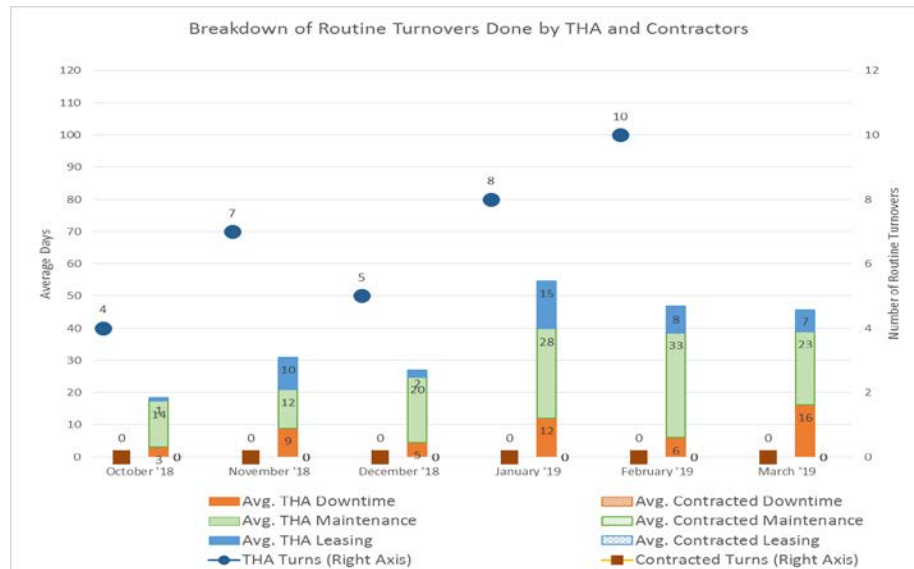
1.1 Occupancy

PROPERTY	UNITS AVAILABLE	UNITS VACANT	UNITS OFFLINE	UNITS OCCUPIED	% MONTH OCCUPIED	% YTD OCCUPIED
All Hillside/Bay Terrace	206	1	0	205	99%	99%
Family Properties	118	0	0	118	100%	99%
Salishan	631	16	0	615	98%	99%
Senior/Disabled	353	6	0	347	98%	99%
All Total	1,308	23	0	1,285	99%	99%

Unit Occupancy is reported for the first day of the month. This data is for the month of March 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	March	15	15	0	45.6	16.2	22.7	6.7
2019	February	10	10	0	46.7	6.0	32.6	8.1
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

The average unit turn time for the month of March was 46 days. This turn time included work on fifteen (15) 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:

All units turned for the month of March rolled over from December, January, and February. These turns began in months with a number of holidays and vacation time, leading to fewer available work hours to complete maintenance and leasing tasks.

In addition to leave time, weather presented additional challenges for turn time, resulting in early dismissal and agency closure due to snow for several days.

Even with the loss of leave time, our average turn time decreased from the previous month.

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 March 31, 2019**

Property Name	Priority			Grand Total
	Routine	Urgent	Emergency	
6th Ave Apartments	17	3	1	21
Bay Terrace Phase One	22			22
Bay Terrace Phase Two	27	1	1	29
E.B. Wilson	19			19
Fawcett Apartments	39	1		40
Hillside Terrace 1500 Block	1			1
Hillside Terrace Ph 1	5	4		9
Hillside Terrace Ph II	30	2		32
North G St	6	1		7
North K St	8			8
THA-6th Ave Apts.	1			1
Wright Ave	14	4		18
Grand Total	189	16	2	207

**Open Work Orders by Priority BR
For Month Ending March 31, 2019**

Property Name	Priority			Grand Total
	Routine	Urgent	Emergency	
6th Ave Apartments	22	0	2	24
Bay Terrace Phase One	5	0	0	5
Bay Terrace Phase Two	11	0	0	11
Bergerson Terrace	6	2	0	8
Dixon Village	1	1	0	2
Fawcett Apartments	1	0	0	1
Hillside Terrace 1500 Block	19	0	0	19
Hillside Terrace Ph 1	3	0	0	3
Hillside Terrace Ph II	3	1	0	4
North G St	21	1	0	22
North K St	0	0	8	8
Salishan Five	20	0	0	20
Salishan Four	64	0	0	64
Salishan One	61	0	0	61
Salishan Seven	83	0	0	83
Salishan Six	28	1	0	29
Salishan Three	38	0	0	38
Salishan Two	44	0	0	44
THA-Bergerson Terrace	2	0	0	2
THA-Fawcett	2	0	0	2
THA-Ludwig Apts.	1	1	0	2
Wright Ave	32	0	0	32
Grand Total	467	7	10	484

In the month of March, 100% of emergency work orders were completed within 24 hours; maintenance staff completed 525 for the calendar year. The year-to-date average number of days to complete a non-emergency work orders is 6 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 requested a breakdown of the time to complete work orders. A chart was provided in the February 2019 report. The

chart will be reported quarterly. The May 2019 report (end of the 2nd quarter) will include the chart which will show the the 1st and the 2nd quarter by comparison.

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

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

1.5 New Business

Bergerson Terrace Movie Night

On March 7, 2019, THA sponsored a movie night for the Bergerson Terrace residents. This was the first of many movie nights across the portfolio.

Movie night was a first effort to engage residents in fun, low-pressure event and the response from residents was very positive.

We created a welcoming atmosphere by encouraging everyone to bring a blanket and pillow, so they were relaxed and comfortable while watching the movie. Our popcorn machine and concession style candy really set the mood. Kids (and parents) were invited to exchange their ticket for their favorite treat.

The evening started off with introductions, followed by a quick and light-hearted talk about safety around the community. Discussions about working together to keep our community clean and looking out for cars before crossing the street were highlighted before the movie.

PM will be hosting movie night once a quarter at each family property, in addition to reaching out monthly in other fun ways. All in all, the night was priceless! Movie night and our future events, have the great potential to build connections and promote a better, stronger sense of community.

Upcoming events:

Movie night at Bay Terrace & Hillside April 22nd

Movie night at Dixon Village April 25th





TACOMA HOUSING AUTHORITY

REAL ESTATE DEVELOPMENT



TACOMA HOUSING AUTHORITY

DATE: April 24, 2019

TO: THA Board of Commissioners

FROM: Kathy McCormick
Director of Real Estate Development

RE: Real Estate Development Department Monthly Board Report

1. SALISHAN/HOPE VI

1.1 Phase II Construction

Area 2A, Community Core Development

Staff continue to explore options and partnerships to complete the Salishan Core. While Bates is interested in an Eastside presence, they are undertaking several large capital projects at this time. Because their funding is linked to the State, Bates doesn't believe it would be able to raise the capital dollars needed to pay for a 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 market rate rental units. TAC Build LLC is owned by Michael Hopkins, local Master of Built Environment (MBE) firm. THA and TAC Build LLC have signed a Purchase and Sale Agreement. The disposition request has been submitted to Housing and Urban Development (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 hired a third party consultant to conduct the EA for this project as well as the disposition for Arlington and 1800 Hillside. The Environmental Assessment process for this transaction should be complete by the end of June; closing should follow shortly thereafter. Once the EA date for this transaction has been confirmed a new closing schedule will be established.

2. NEW DEVELOPMENT

2.1 1800 Hillside Terrace Redevelopment

Scope

The redevelopment of 1800 Hillside Terrace will incorporate a single building with 4-stories of affordable housing. The housing units are programmed as one and two-bedroom units serving individuals and small families earning less than 60% of Area

Median Income (AMI) with 50% of the units @ 30% AMI, 25% of the units @ 40% AMI and 25% of the units @ 60% AMI.

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

Revised Distribution by BR and Set Aside

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

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

Financing

The total development cost is currently budgeted at \$22,570,000. The 2018 tax credit allocation of \$1,303,504 is projected to generate an estimated \$12,741,856,000 in equity. This estimate reflects a 5% increase in the Low Income Housing Tax Credit (LIHTC) award that staff requested from Washington State Housing Finance Commission (WSHFC). An award of \$1,800,000 from the Washington State Department of Commerce Housing Trust Fund has also been made. Boston Capital has been selected as the investor and Heritage Bank will provide both construction and permanent lending. 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.

On February 15, 2019, staff submitted a funding application to TCRA for \$227K in CDBG funds. TCRA approved this request. These funds are to be specifically used for right-of-way work such as road, sidewalk & curb repairs.

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 design development and issued the permit application on March 5, 2019. Marpac Construction completed their second cost estimate. The site and building cost estimate was \$15.5M which was over the

projected budget. SMR Architects are continuing to make refinements to the design, including reducing the overall square footage.

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 to 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. The property is now 84% leased. THA staff are negotiating a five (5) year lease for space in building 1610 S. Mildred.

3.1.4 Predevelopment

Community outreach is wrapping up. During the planning process, targeted stakeholder interviews, maintaining an advisory group and conducting open house meetings for those interested in the project were done. Initial infrastructure cost estimates and phasing options have been drafted and are being evaluated by staff.

The last Advisory Committee Meeting and open house was held March 7, 2019. Site design options were narrowed to one scenario. Additional feedback on design, programming details and possible property name were requested from the advisory group and the community. Feedback is being compiled and will be included in the final report. A draft of the report is expected to be available May 1, 2019.

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 be provided 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. Tacoma Community College (TCC) leadership is also participating in the planning process.

Planning will continue over the next 2 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 are being 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 restrictive covenant on the property for the difference between market value and the effective sales price. 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. Priority 1 buyers were living in the home they purchased.

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
29	\$6,288,869	\$6,288,869	\$813,272	\$1,197,302	\$4,278,295
Units Listed	Market Value	List Price	Rehab Costs	Sales Costs Estimated	Projected Proceeds
4	\$973,000	\$973,000	\$174,576	\$140,000	\$658,424
Units in Construction	Scope Preparation	Occupied			
0	0	1			

3.2.3 Rehabilitation Work on Scattered Site Units and Sold:

- All available houses have been listed and are on the market. Twenty-nine houses sold, 4 houses remain. Of the 4 remaining, we have received and accepted an offer on 5801 East Roosevelt and 3008 S 13th. 5801 East Roosevelt should close on March 30, 2019, and 3008 S 13th should close on April 10, 2019.
- 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

Construction is 100% complete. The remaining work is a few minor punch list items.

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

To mediate THA's financial risk, staff gave notice to the contractor that THA intends to claim Liquidated Damages allowed under the contract 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 proposed 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 plan, preparation of bids, completion of all documents required for City Review and Approval of the project, including an application for building permits. The first set of comments was returned to THA on the 10th of April. The contractor is preparing to go out to bid the last week of April and hopes to begin work in early June. The start day for construction is dependent on completing all the required environmental reviews, which are proving to be a bit more onerous than expected. This is due to the need to update the information to include critters who may be on, or gone off, the endangered species act. This involves review by State Fish and Wildlife.

Currently, staff is focused on completing all the due diligence requirements imposed by the Lender and Investor for the rental housing for homeless young adults ages 18-24. THA will fund this development with equity from a 9% Low-Income Housing Tax Credit (LIHTC) allocation and related sources.

The 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 13th. 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 alignment 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.

Boston Capital has been selected as the investor and Heritage Bank will provide both construction and permanent lending.

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

THA and Korean Women's Association (KWA) have mutually agreed to discontinue plans regarding the sale of two parcels at THA's Hillsdale Heights property. Original plans included an agreement with KWA to begin development of an Intergenerational Housing Campus. The decision to end discussions is based on an unexpected change in leadership at KWA and THA's desire to focus on additional time sensitive projects in the Real Estate Development department's pipeline.

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). A new lease was signed in March with TMA. This lease includes the Mr. Mac and Sam & Terry's barbershop operating out of the same facility.

THA issued a Request for Qualifications (RFQ) for preconstruction and General Contractor/Construction Manager (GC/CM) services for the Hilltop parcels on October 15, 2018. The board passed a resolution in December awarding the contract to Walsh Construction. The negotiations with Walsh Construction took longer than expected but a contract is expected to be signed by mid-late March. 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 four (4) homework groups and three (3) design labs scheduled. The homework groups will review the findings from the 2016 Housing Hilltop process and look at macro level

issues. Invitees include some neighborhood residents and those representing businesses, community organizations, and institutions in the Hilltop. The Design Labs will be larger community events where specific design elements will be addressed (i.e., the resident experience; exterior; community space). 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. Thus far three Homework Group meetings (2/13/19, 3/6/19 & 3/26/19) and three Design Lab (3/13/19, 3/30/19 & 4/10/19) have occurred. The community has been very engaged in the process.

Preliminary concept plans show a mix of 4- and 6-story buildings. Unit types range from studios to three bedrooms for a total of approximately 250 units. There is also commercial/retail space on the first floor of every building. The team is working to include adequate parking for the site.

4.2.1 City of Tacoma 311 Mobilization

RED continue 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) continues to remain interested in being located on the Hilltop. They are participating in the Homework Group meetings. Conversations with other potential retail tenants have also started.

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.

THA 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 have been meeting since January to envision what an Eco District on the Hilltop might look like. This group will continue to meet to determine some general boundaries and identify draft imperatives bringing it to a larger community meeting to discuss and get buy-in from the community at large.

5. Renew Tacoma Housing LLLP

On March 15, 2019, staff received Board approval of Resolution No. 2019-03-15 (1) allowing THA's Executive Director to negotiate and execute a contract with Cascade Radon, Inc. to install vapor mitigation systems at 602 Wright and 911 North K Streets. The installation of these systems is the key remaining task 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.

Although the above-described work is not complete, staff have been working with the lender and investor to both convert its construction loan to a permanent loan and release the majority of the final equity funds prior to completion of the building alterations described above. The investor and lender intend to agree on an amount to hold back from the equity funds until the work is complete. At this time they are proposing to hold back \$4M of the \$5M in developer fee until THA receives the No Further Action Letter from Ecology. In the meantime, the targeted date for conversion and equity pay-in is April 29th.

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.

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 2019-04-24 (1)

Date: April 24, 2019

To: THA Board of Commissioners

From: Michael Mirra
Executive Director

Re: Real Estate Development Financial Advisors

This Resolution would authorize Tacoma Housing Authority's (THA) Executive Director to negotiate and execute separate contracts for financial advisor services with the firms of Community Economics and CSG Advisors, each for an annual not-to-exceed amount of \$200,000.

Background

On March 1, 2019, THA staff issued a Request for Proposals (RFQ) for firms interested in providing Financial Advisor (FA) services to support THA's real estate development and asset management activities. We seek a few firms to have on-call as we need their services.

THA currently has a contract with JH Brawner from a 2016 solicitation. In 2016 two firms were selected for the financial advisor roster - Brawner and CSG. The contract terms under the 2016 procurement were for an initial three (3)-year term with the potential for two (2) twelve (12) month extensions. An initial contract was signed with both Brawner and CSG. Extensions were executed with Brawner. The current contract with Brawner expires in August 2021.

Due to the extensive real estate development pipeline, staff is making some changes to be more cost effective and responsive to current projects and emerging opportunities. The first change is to increase the internal capacity to complete financial analyses with THA staff. To that end, Real Estate Development (RED) received approval to hire a Development Analyst. This person will assist the project managers with preparing various proformas, development scenarios and compiling funding and financing applications.

Expanding this capacity will allow staff to use financial advisors more strategically, which will decrease the amount being spent on financial consulting. This work would include more advisory, strategic thinking and technical components (i.e., reviewing tax credit calculations and assumptions; more detailed Internal Rate of Return calculations for investors/lenders; procurement of investors & lenders; and, tracking national trends). The contract terms for the firms being added to the roster, will

align with the expiration of the Brawner contract (August 2021). Adding firms to the roster will bring in a broader range of experience and tailor the services to best meet the needs of individual projects.

We posted the Request for Proposals on Washington Electronic Business Solutions, (WEBS) and THA's website on March 1, 2019.

Three (3) firms responded to the RFQ by the date of March 25, 2019. All three proposals were responsive and responsible. A review team comprising of five THA staff (3 RED, 1 Finance, 1 Asset Management) reviewed and scored the proposals. The results are as follows:

Firm	Panelist 1					Panelist 2					Panelist 3					Panelist 4					Panelist 5					Average				
	1	2	3	4	T	1	2	3	4	T	1	2	3	4	T	1	2	3	4	T	1	2	3	4	T	1	2	3	4	T
Community	23	22	21	23	89	23	23	24	0	70	23	23	23	25	94	25	25	23	20	93	25	22	22	25	94	24	23	23	19	88
Concourse	19	19	19	24	81	20	20	15	0	55	20	20	20	15	75	20	20	19	20	79	20	20	20	15	75	20	20	19	15	73
CSG	24	25	21	22	92	25	20	25	0	70	25	25	25	20	95	25	25	25	23	98	25	25	25	22	97	25	24	24	17	90

Scoring point 1 is General Expertise or Attributes

Scoring point 2 is Specific Qualifications

Scoring point 3 is General approach to projects

Scoring point 4 is Fee for Services

Recommendation

Based on the above scores, staff recommends awarding contracts to the firms of Community Economics and CSG Advisors. Each contract will be in the annual NOT-to-Exceed amount of \$200,000 with an initial twenty-seven (27) month contract to bring these contracts in line with our existing contract for financial advising services with JH Brawner.



TACOMA HOUSING AUTHORITY

RESOLUTION 2019-04-24 (1) **(THA's Roster of Financial Consultants)**

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

WHEREAS, On March 1, 2019, Tacoma Housing Authority (THA) staff issued a Request for Proposals (RFP) from firms interested to provide Financial Advisor Service for THA's Real Estate Development and Asset Management; and

WHEREAS, The RFP was posted on the Washington Electronic Business Solutions and THA's websites on March 1, 2019; and

WHEREAS, Three firms submitted proposals by the deadline of March 25, 2019, all were deemed responsive and responsible; and

WHEREAS, An evaluation team, comprised of five (5) THA staff reviewed and scored the proposals according to evaluation criteria listed in the RFP; and

WHEREAS, The evaluation team voted unanimously in favor of awarding contracts to the firms of Community Economics and CSG Advisors; now, therefore, be it

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

THA's Executive Director is authorized to negotiate, and if those negotiations are successful, to execute separate contracts for the finance advising services with Community Economics and CSG Advisors each for an annual not to exceed amount of up to \$200,000. Each will have a twenty-seven (27) month term.

Approved: April 24, 2019

Dr. Minh-Anh Hodge, Chair

Resolution 2



TACOMA HOUSING AUTHORITY

RESOLUTION 2019-04-24 (2)

Date: April 24, 2019
To: THA Board of Commissioners
From: Michael Mirra
Executive Director
Re: Approval of Tenant Account Receivable Write Offs

This resolution will authorize Tacoma Housing Authority (THA) to write off bad debts associated with tenant accounts in the amount of \$15,974.28.

Background

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

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

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

Some accounts included in this resolution will not be sent to collections because the tenants have passed away. Those accounts are indicated with asterisks (*) below.

Recommendation

Approve Resolution **2019-04-24 (2)** authorizing THA to write off tenant accounts totaling **\$15,974.28**.



TACOMA HOUSING AUTHORITY

RESOLUTION 2019-04-24 (2) (Tenant Account Receivable Write Offs)

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

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

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

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

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

THA Projects Write offs and to Collections				
THA - Salishan VII	Client #	Balance		
	LD-2017-029926	\$ 125.00		
	LD-2017-029920	\$ 382.38		
	LD-2017-029981	\$ 4,372.90		
		<u>\$4,880.28</u>		
Section 8	Client #	Balance		
	LD-2017-031966	\$2,030.00		
	LD-2017-034091	\$442.00		
	*LD-2017-031162	\$839.00		
	LD-2017-034093	\$2,280.00		
	LD-2017-031372	\$393.00		
	LD-2017-034096	\$215.00		
	*LD-2017-019471	\$998.00		
	LD-2017-019168	\$360.00		
	LD-2017-019465	\$880.00		
	LD-2017-032287	\$1,052.00		
	LD-2017-033462	\$1,605.00		
		<u>\$11,094.00</u>		
	Total THA for Write Off:	\$15,974.28		
	*Total THA to Collections:	\$14,137.28		

* Uncollectable accounts where tenant is deceased, in bankruptcy, or old balance is under \$50.00

Approved: April 24, 2019

Dr. Minh-Anh Hodge, Chair

Resolution 3



TACOMA HOUSING AUTHORITY

RESOLUTION 2019-04-24 (3)

Date: April 24, 2019
To: THA Board of Commissioners
From: Michael Mirra
Executive Director
Re: 2019 MTW Plan Amendment to Modify HQS

This resolution would authorize Tacoma Housing Authority's (THA) Executive Director to submit an amendment to Tacoma Housing Authority's (THA) 2019 Moving to Work (MTW) Plan.

Background

This resolution seeks approval to submit an amendment to THA's 2019 MTW Plan. The amendment seeks Housing and Urban Development's (HUD) approval to streamline current Housing Quality Standards (HQS) processes and keeping them in-house to reduce time and money from contracting with third-party entities.

The Housing Opportunity through Modernization Act of 2016 (HOTMA) made changes to statutes that govern HUD programs, including changes to how "PHA-owned housing" is defined and to the Project-Based Voucher (PBV) program. A majority of THA's housing stock has been converted from Public Housing to Project-Based under the Rental Assistance Demonstration (RAD) program. Therefore, THA must seek HUD approval to deviate from any statutes implemented under HOTMA.

According to HOTMA, for a unit that is PHA-owned, a PHA must identify and use an independent entity to perform certain functions. Relevant to this amendment, these functions include the following: conducting HQS inspections, negotiating contract rents and determining rent reasonableness. Through previous MTW approval, THA is permitted to conduct its own HQS inspections for its project-based units. This amendment seeks to expand upon that and seek approval to conduct the following functions:

1. Conduct its own HQS inspections for *all* units that are owned, managed or subsidized by THA – not just those that are project based.
2. Determine rent reasonableness and negotiate contract rents for units that are owned, managed or subsidized by THA.

This amendment is an important piece in moving forward with THA's current batch of RAD transactions as it will allow THA to negotiate its own contract rents and rent reasonableness – otherwise THA must seek a HUD approved independent entity to perform those tasks. In addition to that, the proposed amendment also seeks HUD's approval to perform these functions for all units that THA owns, manages or subsidizes rather than limiting the approval to PBV units.

Public Comment

The amended 2019 Plan was posted to the THA website and social media platforms on March 12, 2019. A public hearing was scheduled and held on March 22, 2019, with no attendees. The public comment period officially closes on April 12, 2019; however, no comments have been received to date.

Recommendation

Approve Resolution 2019-04-24 (3) authorizing THA's Executive Director to submit an amendment to the Housing Authority of the City of Tacoma's Fiscal Year 2019 Moving to Work (MTW) Plan.



TACOMA HOUSING AUTHORITY

RESOLUTION 2019-04-24 (3) (2019 MTW Plan Amendment to Modify HQS)

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

WHEREAS, The MTW Plan is required by HUD; and

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

WHEREAS, THA seeks to streamline its HQS processes by seeking HUD approval to permit THA to conduct its own HQS inspections, contract rent negotiations and determining rent reasonableness in lieu of a HUD approved independent entity; and

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

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

THA's Executive Director is authorized to submit this amendment to THA 2019 MTW Plan.

Approved: April 24, 2019

Dr. Minh-Anh Hodge, Chair

Resolution 4



TACOMA HOUSING AUTHORITY

RESOLUTION 2019-04-24 (4)

DATE: April 24, 2019
TO: THA Board of Commissioners
FROM: Michael Mirra
Executive Director
RE: Renew Tacoma Housing LLLP Portfolio Loan Conversion

This resolution would authorize the Tacoma Housing Authority's (THA) Executive Director to execute all documents related to extending the conversion deadline for the borrower loan pertaining to the Governmental Lender Note, and/or to revise the time and conditions for capital contributions from the Investor for Renew Tacoma Housing LLLP.

Background

In July 2015, THA's Board adopted Resolution 2015-7-30(5) authorizing THA to form Renew Tacoma Housing LLLP (the "Partnership") for the purpose of acquiring, rehabilitating and operating nine affordable rental housing complexes consisting of 456 units (collectively, the "Projects"). The Projects include the K Street Apartments, the G Street Apartments, the EB Wilson Apartments, the Fawcett Apartments, the Ludwig Apartments, the Sixth Avenue Apartments, the Wright Street Apartments, the Bergerson Terrace Apartments, and the Dixon Village Apartments.

In December, 2015, THA's Board adopted Resolution 2015-12-16(9) authorizing the lease of the Projects to the Partnership, the execution of documents related to the financial closing of low-income housing tax credit financing for the project and various other funders, and conversion of each of the Projects from Public Housing to Project Based Section 8 under HUD's Rental Assistance Demonstration. In February, 2016, THA's Board adopted Resolution 2016-02-24(3) authorizing the issuance of THA's Multifamily Mortgage Revenue Note, 2016 (Renew Tacoma Housing Portfolio) (the "Governmental Note") and the use of the proceeds of the Governmental Note to make a loan to the Partnership to finance the acquisition and rehabilitation of the Projects. The Governmental Note was acquired by Citibank, N.A.

THA serves as the developer and the general partner of the Partnership, RBC-Tacoma Portfolio LLC, a Delaware limited liability company is the limited partner of the Partnership (the "Investor"), and RBC Tax Credit Manager II, Inc., is the special limited partner of the Partnership. In exchange for an expected allocation of federal low-income housing tax credits and other federal tax benefits, the Investor has agreed, pursuant to an Amended and Restated Agreement of Limited Partnership dated as of April 1, 2016, to make capital contributions to the Partnership in the aggregate amount of \$31,753,998, which is to be used by the Partnership to establish reserves, pay rehabilitation costs, and retire a portion of the Partnership's debt, including the borrower loan relating to the Governmental Lender Note.

The deadline for conversion of the financing provided by the Governmental Note from a construction

period to a permanent period is May 1, 2019. The Funding Lender's conditions to conversion include prepayment of the Governmental Note to an amount not to exceed \$20,000,000, and receipt of scheduled equity contributions from the Investor. Conditions to the Investor's requirement to pay capital contributions to the Partnership include, among other things, receipt of "no further action letters" in connection with Wright Street Apartments and K Street Apartments.

In the course of the Partnership's rehabilitation of the Wright Street Apartments and the K Street Apartments, the Washington State Department of Ecology identified additional environmental remediation at or around the sites of such Projects necessary to receive "no further action letters." As a result, receipt of "no further action letters" for Wright Street Apartments and K Street Apartments has been delayed, and it is necessary and desirable to amend certain agreements to contemplate an extension of the conversion date and/or to provide for payment of a portion of the Investor's scheduled capital contributions prior to receipt of "no further action" letters.

Resolution No. 2019-4-24(4) will authorize THA to execute all documents related to extending the conversion deadline for the borrower loan pertaining to the Governmental Lender Note, and/or to revise the time and conditions for capital contributions from the Investor.

Recommendation

Approve Resolution No. 2019-4-24(4).



TACOMA HOUSING AUTHORITY

THA BOC Resolution 2019-04-24 (4) (Renew Tacoma Housing LLLP Portfolio Loan Conversion)

A **RESOLUTION** of the Housing Authority of the City of Tacoma authorizing extension of the conversion date for the Multifamily Mortgage Revenue Note, 2016 (Renew Tacoma Housing Portfolio) and amendments to the Amended and Restated Agreement of Limited Partnership of Renew Tacoma Housing LLLP, 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, Pursuant to Resolution 2015-12-16(9) of the Authority's Board of Commissioners (the "Board"), the Authority formed Renew Tacoma Housing LLLP (the "Partnership") for the purpose of acquiring, rehabilitating and operating nine affordable rental housing complexes containing a total of 456 units, including the K Street Apartments, the G Street Apartments, the EB Wilson Apartments, the Fawcett Apartments, the Ludwig Apartments, the Sixth Avenue Apartments, the Wright Street Apartments, the Bergerson Terrace Apartments, and the Dixon Village Apartments (collectively, the "Projects"); and

WHEREAS, The Board previously adopted Resolution 2015-12-16(9) authorizing lease of the land and improvements constituting the Projects to the Partnership and execution of documents related to the financial closing of low-income housing tax credit financing and various other funding sources for the Projects, as well as conversion of each of the Projects from Public Housing to Project Based Section 8 under HUD's Rental Assistance Demonstration program; and

WHEREAS, Pursuant to Resolution 2016-02-24(3) the Authority issued its Multifamily Mortgage Revenue Note, 2016 (Renew Tacoma Housing Portfolio) (the "Governmental Note") and used the proceeds of the Governmental Note to make a loan (the "Borrower Loan") to the Renew Tacoma Housing LLLP (the "Borrower Loan") to finance the acquisition and rehabilitation of the Projects; and

WHEREAS, In the course of rehabilitating the Projects, the Washington State Department of Ecology identified environmental remediation at the K Street Apartments and the Wright Street Apartments in excess of the originally anticipated scope, which has delayed the receipt of no further action letters with respect to such Projects;

WHEREAS, In order to respond to the anticipated delay in receipt of no further action letters with respect to the K Street Apartments and the Wright Street Apartments, the Authority deems it necessary and advisable and in the best interest of the Authority to pursue amendments to the Amended and Restated Agreement of Limited Partnership of the Partnership and/or extension of the conversion date for the Governmental Note and Borrower Loan, and to authorize the negotiation and execution of documents in connection therewith; 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 continued financing of the Projects, with the public benefits resulting therefrom, the Chair of the Board, the Authority's Executive Director and their respective designees (each, an "Authorized Officer" and, collectively, the "Authorized Officers"), and each of them acting alone, are authorized to negotiate, execute, deliver and, if applicable, file (or cause to be executed and delivered and, if applicable, filed) on behalf of the Authority (acting in its own behalf or as general partner of the Partnership) such documents as an Authorized Officer deems necessary or desirable to extend the conversion date of the Governmental Note and the Borrower Loan, to revise the timing and conditions for investor capital contributions, and to include such other provisions as the Authorized Officer executing such instrument determines necessary or desirable and consistent with the purposes of this resolution. Without limiting the foregoing, the Authorized Officers, and each of them acting alone, are authorized the discretionary authority on behalf of the Authority (acting in its own behalf or as general partner of the Partnership) to extend completion guarantees, deposit money in a construction escrow, to address the additional capital improvements required at or adjacent to the K Street Apartments and the Wright Street Apartments, to take such action as is necessary in order to obtain no further action letters from the Washington State Department of Ecology, and to and to negotiate, execute, deliver and, if applicable, file any agreement or instrument relating to the same. The execution of any agreement or other instrument by an Authorized Officer shall be conclusive evidence of approval by the Authority of the terms set forth therein.

Section 2. The Board authorizes and directs the Authority's Executive Director to cause the Authority (whether acting on its own behalf or in its capacities as general partner of the Partnership) to fulfill the Authority's duties and obligations, and to cause the Partnership to fulfill the Partnership's duties and obligations under the various instruments authorized by this resolution. In furtherance of the foregoing, the Authority is authorized to expend such funds (and to cause the Partnership to expend such funds) as are necessary to pay for all filing fees, application fees, registration fees and other costs relating to the actions authorized by this resolution.

Section 3. Any action required by this resolution to be taken by the Chair of the Board of the Executive Director of the Authority may, in such person's absence, be taken by the Vice Chair of the Board or the Acting Executive Director of the Authority, respectively.

Section 4. Ratification and Confirmation. Any actions of the Authority or its officers prior to the date hereof and consistent with the terms of this resolution are ratified and confirmed.

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

Approved: April 24, 2019

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. 2019-4-24 (4) (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 April 24, 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 April 24, 2019.

HOUSING AUTHORITY OF THE CITY OF
TACOMA

By: _____
Michael Mirra, Executive Director